

TERMINAL REPORT
FOR THE PERIOD: June 19 to October 19, 2006

1.0 PROJECT DIGEST

a) Project Name	NURTURING AND STRENGTHENING OF EXISTING BAMBOO CRAFT ENTERPRISE IN WAYWAYAN
b.) Project Number	2006 - SC- MED - 010
c.) Areas Covered	Waywayan, Lupon, Davao Oriental
d.) Cost	P 54,000.00
e.) Duration	3 months (June 19-Sept. 19, 2006) with approved 1 month extension
f.) Implementing Agency	CAN Konsult Co.

2.0 INTRODUCTION

2.1 Project Report Summary

This is the **Terminal Report** for the Nurturing and Strengthening of Existing Bamboo Craft Enterprise in Waywayan, Lupon, Davao Oriental. The period being covered in this report is from June 19 to October 19, 2006, exactly four months of the project engagement.

The original timeframe of this consultancy engagement is supposedly three (3) months, that is, from June 19 to September 19, 2006. However, due to frequent postponement by the Association, of some of the scheduled activities, a one (1) month extension for the project was requested and approved by UDP-PMO.

Despite the challenges encountered in implementing the project, CAN Konsult Co. is still satisfied with what the short engagement has achieved. As can be noted from the work plan as against the actual accomplishments, almost all of the targeted activities and interventions were accomplished, except for the bamboo craft techno demo training, which was put on hold by UDP-PMO, for the reason that the PO has already undergone a similar type of training before when the association was just newly organized.

2.2 Major Components of the Report

The main portions of this report are as follows: The **Narrative Terminal Report** which include the following: 1.0) Project Digest; 2.0) Introduction; 3.0) Summary of Consultant's Scope of Work and Status of Attainment; 4.0) Work Plan vis-à-vis Actual Accomplishments; 5.0) Summary of Critical Issues and Concerns, and 6) Recommendations.

Included as attachments to this Terminal Report are:

- a) Production and Sales Report (June to October 2006)
- b) Certificate of Registration with SEC and Articles of Incorporation and By-Laws
- c) Product Catalogue of Bamboo Furniture Products
- d) Sample Calling Card of the President
- e) Pictorial Documentation

Packaged separately is the Operations Manual of the Association, which is written in both English and Cebuano version.

3.0 SUMMARY OF CONSULTANT'S SCOPE OF WORK AND THE STATUS OF ATTAINMENT

Based on the Terms of Reference (TOR) provided for by UDP, the following are the scope of work and deliverables of CAN Konsult Co for the **Waywayan Bamboo Furniture Craft Enterprise**, as well as the status of its attainment:

- a) **Review organizational structure, delineation of functions and responsibilities, decision making process and reorganize, if necessary;**

The review of the organizational structure, delineation of functions and responsibilities and the decision making process was done during the conduct of the Organizational Assessment performed by CAN Konsult at the start of the project engagement. As an output to this activity, the Organizational Assessment Report was prepared and submitted to UDP as part of the first progress report.

The very significant finding related to this was that, the Waywayan Bamboo Furniture Association has never functioned as an organization since it was organized in August of 2002. After they underwent the bamboo craft training on that same year, they went to their separate ways in making and selling bamboo furniture products. In other words, they produce and market their bamboo furniture products as individuals and the association was never seen in the picture. Not even one meeting was conducted, no organizational policies, systems and procedures (PSPs) and no decision making process installed.

Considering that the organization was not functional at all, it was the focus of the effort of CAN Konsult to reorganize the group. Unfortunately though, the response from the group was so slow and the reactivation process took sometime.

Despite all the difficulties encountered, the organization was reorganized and re-activated. To date, it is already duly registered with the Securities and Exchange Commission (SEC) under registration number CN200629787 with a total of 16 officers and members.

b) *Identify and introduce the association to new buyers, preferably institutional buyers, or establish a showroom in Mati, east coast of Davao Oriental and other strategic locations;*

This was done as a continuing activity of the BDS service provider while the consultancy engagement was on-going.

With regards to the identification of institutional buyers, commonly known to the bamboo furniture makers as “stockholders”, were done by trying to contact/visit the retailers of native furniture products, usually located at Balindog, Mati. These stockholders have confirmed their interest to buy the products but also on limited number only because they can not display more items in their small display areas.

As for the Association’s own display center in Mati, this was also done . Through the assistance and facilitation of W. F. Flores and E. T. Andrin, the PO has found a display center along the highway near crossing INTERCO. The place was operated only for one month and was discontinued because it did not work out as expected.

The rationale for choosing the place was that, its visible to east coast people when they deliver their copra to INTERCO and assumed to buy the product as their backload. But what actually happened was that the east coast people will still go to Balindog or to Bueno Commercial (the former display area) when they buy the bamboo furniture products.

c) *Coach and train staff on pricing and pricing techniques;*

The pricing technique was taught to the association officers and members mainly through the coaching method. This was usually done as inputs during meeting and even in informal discussions with the members.

To help simplify their pricing, a product catalogue was prepared by E. T. Andrin for the Association. The catalogue will already speak for itself since the picture, description and the price of the product is already reflected there.

The product catalogue also served as a marketing and promotion material of the association. Even without physically presenting their product, it is possible for them to get buyers simply by just showing the product catalogue.

d) *Install recording system, train and coach the assigned recording staff on proper recording of all transactions;*

Since the association don't have yet a hired Bookkeeper, instead, it's the Treasurer that was trained and coached on recording their financial transactions, including their sales. E. T. Andrin provided the Treasurer with some ledger for them to use as their books. Considering that the educational level of the Treasurer is only high school graduate, the simplest form of recording was taught to her, that is the "Cash-in and Cash-out" only or simply the Cash Book. What is more important is that she is able to record all the money that comes in into the association and the money that comes out and how it was spent.

While this system is already installed, this still needs further follow-up and coaching, especially that the association right now has no very considerable level of financial transactions, and therefore the knowledge imparted to the Treasurer cant be put to constant use.

e) *Facilitate development of prototypes where they could mix bamboo with other raw materials like abaca, steel or even synthetic materials like nylon rope;*

f) *Conduct techno demo or training to introduce prototypes of the bamboo craft to strengthen and improve the quality of bamboo crafts to be able to compete in the market;*

The foregoing discussion already hit the two scope of works stated above because the two are very much related.

Preparatory activities related to the development of new prototypes were conducted. These activities include the training needs assessment, the preparation of training design and budget for the conduct of the techno demo training, and the submission of the training proposal to UDP-PMO for funding. Unfortunately though, the training fund request was put on hold because according to one of the UDP Co-Directors, Waywayan was already a recipient of a similar training in the past.

As an alternative to the actual conduct of the techno demo training, CAN Konsult facilitated the taking of some pictures of other bamboo product designs and show it to the association so they can possibly try to copy the design. While they maybe encouraged to copy it, they also expressed their thoughts that it's a bit difficult to imitate the product if they just see them in pictures. Its really different when they were taught in actual on how to do it.

g) *Monitor monthly production and sales performance during the entire duration of the engagement;*

The monitoring of sales performance was also done by CAN Konsult during the entire duration of the engagement. In fact, two (2) monthly sales report were submitted to UDP-PMO. Although, during the first months of the engagement, it turned out now that the sales performance report that was prepared was erroneous and overly stated because it was still based on the interview done with the individual members of the association. Most of them declared as cumulative computation, meaning, even the sales of the previous months were added to sales they declared for the current month. The error is already corrected and the sales report that is attached to this Terminal Report is already considered more realistic, as compared to the previous ones.

But then, still there's no guarantee really that the report is very accurate considering that the data are also just provided to the Treasurer and who knows if the member is declaring the right figure, due to the fact that until now, they are still selling their products individually.

h) *Conduct exit discussion with the group for every intervention done or during monthly meetings; and,*

Most of the discussions were done during the meetings or the planning workshops/sessions. It has been the practice of the CAN Konsult team to always inform the group on the next steps plan before the meeting or planning activity is adjourned. That's the reason why the group is really informed on the next upcoming activities, and yet, they still manage to find so many reasons just to postpone the activity.

One also of the difficulties encountered by the servicing team is communication. In Waywayan, no officer or member has a cellular phone. So when the CAN Konsult team tried to communicate with them, it was always through the mobile phone of one of their neighbors (and not a member of the association), so its possible that the message is not really delivered at the right time or maybe not delivered at all.

i) *Submit monthly progress reports.*

CAN Konsult was able to generate and submit the two (2) monthly reports for the first 2 months. The third report is already this Terminal Report which is supposedly submitted on the 3rd month but since there was an approved extension of one month, that's the reason why this Terminal Report is submitted only this month.

4.0 WORK PLAN VIS-À-VIS ACCOMPLISHMENTS

Name of PO : Waywayan Bamboo Furniture Association, (WBFA) Inc.
 Location : Waywayan, Lupon, Davao Oriental
 Period Covered : June 19 to October 19, 2006

ACTIVITY	EXPECTED RESULTS	ACTUAL ACCOMPLISHMENTS	ISSUES/ CONCERN/ REMARKS
Phase I - Organizational and Enterprise Assessment			
1. Project team mobilization and initial site visit	• Project team deployed	• CAN Konsult Project team was deployed	• none
2. Courtesy call to UDP- PPO2, the LGU and visit to PO	• Familiarized and rapport established	• E. T. Andrin made the courtesy calls to PPO2, the Lupon LGU & the PO	• UDP-PPO2 staff have a very welcoming attitude
3. Orientation of PO with UDP – PPO2	• Level off expectation	• E. T. Andrin with PPO2 Chief of Operations oriented the leader of the PO	• The person met during the visit was only the President of the PO
4. Organizational and enterprise assessment	• Organizational and Enterprise Assessment Report	• Organizational and Enterprise Assessment Report for Waywayan Bamboo Furniture Enterprise was prepared and submitted to UDP together with the first progress report	• The very significant finding about the assessment was the PO was inactive for a long time and has never functioned as an organization since they were organized

Upland Development Program for Southern Mindanao
Nurturing and Strengthening of Existing Bamboo Craft Enterprise in Waywayan

ACTIVITY	EXPECTED RESULTS	ACTUAL ACCOMPLISHMENTS	ISSUES/ CONCERN/ REMARKS
<ul style="list-style-type: none"> > Project briefing with PO officers & members > Assessment of organization & enterprise status > Formulate detailed work plan for PO & project 	<ul style="list-style-type: none"> • PO oriented about the project • Assessment Reports • Detailed workplan for the PO 	<ul style="list-style-type: none"> • E. T. Andrin and Welsie Flores conducted the orientation and was participated by about 50% of the members • This was also done thru FGD conducted by E. T. Andrin and W. F. Flores • The work planning session was also facilitated by E. T. Andrin and W.F. Flores and a 3-month work plan for the PO was prepared 	<ul style="list-style-type: none"> • It is difficult to gather the members because the seem not to care about the organization • Assessment Reports were prepared and it indicates that the PO is like starting from square 1. The work plan was not really followed because the PO officers just keep on moving the schedules due to their availability
<p><i>Phase II - Organizational Strengthening</i></p>			
<p>5. Conduct organizational strengthening activities such as the following:</p>			
<ul style="list-style-type: none"> > Conduct monthly organizational meeting 	<ul style="list-style-type: none"> • Monthly meeting conducted 	<ul style="list-style-type: none"> • The agreed monthly meetings was every last Saturday or Sunday of the month. But this was not regularly followed. 	<ul style="list-style-type: none"> • Most meetings are moved, although still done and for the month of September, there was no meeting

Upland Development Program for Southern Mindanao
Nurturing and Strengthening of Existing Bamboo Craft Enterprise in Waywayan

ACTIVITY	EXPECTED RESULTS	ACTUAL ACCOMPLISHMENTS	ISSUES/ CONCERN/ REMARKS
<p>Review organizational structure and reorganize (if necessary)</p> <p>> Review policies and procedures and introduce improvements (if necessary)</p> <p>> Install the financial recording system</p>	<ul style="list-style-type: none"> • Reviewed and/or reorganized PO • Reviewed and/or formulated policies, systems and procedures (PSPs) • Financial recording system installed 	<ul style="list-style-type: none"> • There was really reorganization done since the PO has not been functional since it was organized in August 2002. • The Association was registered with SEC thru Can Konsult facilitation and shouldering of cost for registration • E. T. Andrin conducted a plenary type of planning workshop to define/ formulate the PSPs of the Association and as a result, an Operations Manual was prepared • Through the coaching activities done with the Treasurer, the recording system was installed but also took some time. 	<ul style="list-style-type: none"> • New set of officers were elected and very few new members joined in. • The reorganization even took long enough because the people can not be gathered together easily • In the first place, there was no single record or single policy to be reviewed • The drafting of the Operations Manual also took so long due to constant postponement of schedules • The PO was provided by E. T. Andrin with ledgers to serve as their book of records.

Upland Development Program for Southern Mindanao
Nurturing and Strengthening of Existing Bamboo Craft Enterprise in Waywayan

ACTIVITY	EXPECTED RESULTS	ACTUAL ACCOMPLISHMENTS	ISSUES/ CONCERN/ REMARKS
<ul style="list-style-type: none"> > Train and coach the assigned recording staff > Assist PO in generating their capital > Provide networking/linkage building assistance for their capital generation, both internal and external > Conduct monthly organizational evaluation > Facilitate preparation of PO monthly report 	<ul style="list-style-type: none"> • Coached and trained recording person • Capital fund for PO is generated through internal or external resource mobilization • Monthly organizational review • Prepared Monthly Sales report of the PO 	<ul style="list-style-type: none"> • Since the PO has no Bookkeeper as the recording staff, it's the Treasurer instead, that was coached on recording • Internal capital generation was highly encouraged and as a result, the PO members agreed to contribute initially, P300,00 per member as their capital build-up. • This was done during the monthly meeting but since the meeting was not really regular, the review was not also done monthly • For the first 2 months, there was monthly sales report done thru interview only because no record 	<ul style="list-style-type: none"> • There is difficulty in training the Treasurer because of her low level of education. What was taught to her is not really the standard accounting procedure but instead the simplest possible recording procedure. • As of Oct. 12, 2006, which was the latest meeting, there were only 9 members who paid their membership fees and only 4 paid their capital build-up • Because of constant postponement by the PO, there was no meeting done for the month of September • It was found that the initial sales report were erroneous and overly stated

Upland Development Program for Southern Mindanao
Nurturing and Strengthening of Existing Bamboo Craft Enterprise in Waywayan

ACTIVITY	EXPECTED RESULTS	ACTUAL ACCOMPLISHMENTS	ISSUES/ CONCERN/ REMARKS
Phase III - Enterprise Management			
6. Conduct enterprise development and management activities:			
<ul style="list-style-type: none"> > Review enterprise management activities > Conduct technical training needs assessment > Prepare technical training design and budget > Submit training proposal to UDP for funding > Identify and engage nito handicraft trainor > Conduct actual bamboo handicraft training to introduce new prototypes > Develop technical and production system 	<ul style="list-style-type: none"> • Improved/enhanced enterprise management activities • Training needs assessment of the PO • Training Design and budget is prepared • Techno Demo training is conducted 	<ul style="list-style-type: none"> • The review was done during the assessment and during the monthly meetings and some of these suggested improvements were already incorporated in their Operations Manual • The training needs assessment was also done during the conduct of the enterprise assessment • W.F. Flores and E. T. Andrin prepared the training design and budget and submitted to UDP-PMO for funding • Training was not conducted 	<ul style="list-style-type: none"> • Since the members were doing their bamboo furniture making affairs on an individual basis, there was really so much to suggest or to improve on. • It was identified that the PO need further training on bamboo craft making to develop new designs and diversify their product lines • The request was put on hold by the PMO for the reason that the PO has already undergone a training before.

Upland Development Program for Southern Mindanao
Nurturing and Strengthening of Existing Bamboo Craft Enterprise in Waywayan

ACTIVITY	EXPECTED RESULTS	ACTUAL ACCOMPLISHMENTS	ISSUES/ CONCERN/ REMARKS
<p>> Link the PO to possible markets (individual and institutional buyers)</p> <p>> Assist PO in establishing showroom in Mati</p>	<ul style="list-style-type: none"> • Established market with institutional and individual buyers • Established showroom or display center for the bamboo furniture 	<ul style="list-style-type: none"> • The PO was assisted in looking for possible markets. It was found out that the buyers are usually the people from the eastern part (also called east coast municipalities like Caraga, Manay, Banganga) • Institutional buyers identified were the “stockholders” of native products located along Balindog, Mati. • Through the assistance and facilitation of W. F. Flores and E. T. Andrin, the PO has found a display center along the highway near crossing INTERCO. • The place was operated only for one month and was discontinued because it did not work out. 	<p>The institutional buyers in Balindog have lowered their buying price from the bamboo furniture suppliers as a result of the “cut-throat” competition among the bamboo furniture makers.</p> <ul style="list-style-type: none"> • The rationale for choosing the place is that its visible to east coast people when they deliver their copra to INTERCO and assumed to buy the product as their backload. But what actually happened was that the east coast people will still go to Balindog when they buy

Upland Development Program for Southern Mindanao
Nurturing and Strengthening of Existing Bamboo Craft Enterprise in Waywayan

ACTIVITY	EXPECTED RESULTS	ACTUAL ACCOMPLISHMENTS	ISSUES/ CONCERN/ REMARKS
<ul style="list-style-type: none"> > Facilitate participation of PO in trade shows and exhibits, market forum and market encounters > Monitor monthly production and sales performance 	<ul style="list-style-type: none"> • Participated in trade shows and exhibits • Monthly production and sales report of the members 	<ul style="list-style-type: none"> • This was not done because the group find it difficult to participate in trade shows and exhibits considering that their products are very bulky and yet commands only a lower price. • For the first 2 months, there was monthly sales report done thru interview only because there was no record yet. 	<ul style="list-style-type: none"> • The PO maybe can participate in trade shows if its is done only in Mati. • The initial sales report were erroneous and overly stated by the members so these are being corrected here in this final/terminal report
Phase IV - Administrative and Project Management			
<ul style="list-style-type: none"> 7. Conduct of coordination and team meetings <ul style="list-style-type: none"> > Monthly meeting with CAN project team > Monthly meeting with the PO 8. Preparation and submission of reports and other outputs to UDP: <ul style="list-style-type: none"> > Monthly progress report > Monthly sales and performance report > Terminal/completion report 	<ul style="list-style-type: none"> • Monthly meetings conducted • Monthly progress reports submitted • Terminal Report 	<ul style="list-style-type: none"> • These meetings were done meeting although not on schedule dates, except for September because there was no meeting • 2 monthly progress reports were submitted • This is the 3rd and the Terminal Report 	<ul style="list-style-type: none"> • Frequent postponement derails the target activities • Manual of Operations is submitted with this Terminal Report

5.0 SUMMARY OF CRITICAL ISSUES AND CONCERNS

- a) The subject PO, which is the **Waywayan Bamboo Furniture Association, Inc. was** figuratively “dead” when CAN Konsult, the BDS service provider entered into the area. Therefore, so much of the initial efforts were directed towards reorganizing them and making sure that they understand and appreciate the value of the organization, otherwise, there’s no motivation on their part to actively participate in the activities of the association. This reluctance has caused the very slow response.
- b) When the association was already reorganized, their own distinct identity was brought to the fore and it was realized by them that there was a need to register as a separate association, and not just a sector under the UBA, which is the **Don Mariano Marcos Reforestation Contractors Association**. So, even if the association has no financial resource yet to cover the cost of registration with SEC, CAN Konsult decided to absorb the expense just so the association will move a little faster.
- c) The very slow response of the association can also be attributed to the level of education of its officers and members. When CAN Konsult tried to draw the profile of the members in terms of their educational attainment, it turned out that out of the total 16 members, 11 are elementary level (meaning grade 1-5), 1 is elementary graduate; 2 are high school level; 1 is high school graduate and only 1 college graduate, the Secretary. Even the President himself is only grade 2.
- d) The practice of individually marketing their produce works more as a disadvantage for the members of the Association because this help perpetuate the “cut-throat competition”. Ideally, it is more advantageous if they go into organized marketing to help standardize and control the price even if they continue to produce individually. The main limitation though, is that the Association don’t have the necessary financial resource to purchase the products of its members. So, they will still continue with this set-up for as long as the association do not have the capacity to undertake the organized marketing activity.
- e) In the case of Waywayan, having their own display area or show room did not really help boost their sales nor help stabilize the prize of their products. It turned out that the old customers will still go back to where they used to find the bamboo furniture products, and that is, either at the side of Bueno Commercial or to Balindog stockholders.

- f) The quality and craftsmanship of the bamboo furniture products in Waywayan still needs further honing, so there's still a need for them to be trained on bamboo craft skills enhancement training, first to improve the quality and second, to diversify their products.
- g) It turned out also that the bamboo furniture making enterprise has become the long term livelihood of the community in Waywayan, so it is expected to still last much longer. Considering this, CAN Konsult suggested and encouraged the PO to adopt backward integration, by planting bamboos, even if it takes about five years to mature, to help ensure the long term supply of bamboo for their raw material.

6.0 RECOMMENDATIONS

- a) As it is now, the **Waywayan Bamboo Furniture Association, Inc.** can still be considered as organizationally weak, even if nurturing and strengthening interventions were already partially provided to them. This is because the group is just newly revived. The provision of extended coaching and mentoring activities would be an advantage.
- b) If extension is no longer possible, then the Operations Manual prepared for the use of the association will be of great help, if only they will adhere to it. The manual is designed to guide them in most of their undertakings, may it be organizational or enterprise related. There are portions in the manual which is very forward-looking, meaning the activity is not yet being done by the association as of the moment. But since they have expressed their long term vision of eventually doing those activities, then it was decided to better include them now in the manual so that when time comes, they already have a ready reference.
- c) Considering that the bamboo furniture making has already become the permanent source of income of most of the people in Waywayan, the enterprise will sustain, even without the assistance of UDP or the BDS service provider. The strong drive, therefore, should focus on ensuring that they will always have bamboos to cut today and in the future, so they can always make their bamboo furniture. This goes without saying that bamboo planting in Waywayan should be strongly encouraged.