

**UPLAND DEVELOPMENT PROGRAMME
FOR SOUTHERN MINDANAO**

TERMINAL REPORT

COACHING SERVICES FOR BUSINESS SETTING-UP

**LANGTUD UPLAND FARMERS ASSOCIATION MULTI-
PURPOSE COOPERATIVE**

**BIZAIDE CONSULTANCY & COMPANY
DAVAO CITY
AUGUST 2006**

Executive Summary:

Bizaide Consultancy was contracted to fully operationalise the selected banana trading enterprise of LANUFA and develop sustainable market linkages between village enterprises and buyers. The engagement also aims to enhance the capacities and capabilities of LANUFA to plan and manage the operation of banana trading as an enterprise. The intervention is expected to establish applicable operating policies and procedures including the installation of a sound financial management system. The engagement is also expected to help LANUFA establish the appropriate organizational structure complete with specific functions and responsibilities. A business plan for the banana trading enterprise is also an expected output of this engagement.

However, during the course of the engagement, the contract objectives had to be revised to adjust to the current situation of the cooperative. It was noted during the pre-engagement discussions and information/ data gathering activities that the cooperative seemed to be on the verge of collapse or disintegration. Membership participation was at a low even to the extent that some members were demanding for the return of their capital contributions. Interest on the affairs of the cooperative was waning due to the perceived lack of direction and the apparent inability of the current leadership to establish formal operating systems and an organized structure.

With this development, getting back the interest and confidence of the membership seemed to be the order of the day. During a meeting on June 29, 2006, the Board of Directors was requested to convene a general assembly to decide on whether or not the LANUFAMPC was to be involved in a UDP-supported enterprise. A general assembly meeting was held on July 10, 2006 and the LANUFAMPC decided to continue operations, push through with the UDP-selected cardava trading enterprise and push through with their plans to put up a plant nursery in addition to the existing barangay water system, labor-based road maintenance contracts and the riverbank stabilization program which were all managed by the cooperative.

On July 12, 2006, the Board of Directors appointed the Chairman, Jimmy Maginang, and the DA Technician, Jose Ian Buscano, to meet with officers of the banana chip processing plants in Tagum to explore potential business opportunities. However, due to conflicts in schedule, the meetings did not materialize. A Business Planning Workshop was conducted on August 18, 2006 after two earlier schedules (August 1 and August 14) had to be reset due to lack of quorum. A 3-year Business Plan for a water delivery service enterprise, instead of the UDP recommended cardava trading enterprise, was the output of the exercise. The cardava banana trading venture was dropped after the group was informed that the average trading volume in Langtud was only 6,000kg a month. Having facilitated the direction setting exercise, the engagement would now be focused on facilitating the establishment of the appropriate organizational structure, operating policies and procedures and financial management system to fully operationalise the water service enterprise.

The engagement was supposed to be completed in three (3) months. However, due to the circumstances at hand and the changes that had to be made on the objectives

which greatly affected the timetable, the revised objectives could not be attained within the contract period.

Bizaide team composition:

1. Lino V. Moleta – Team Leader
2. Floriano V. Moleta – Business Operations
3. John Ang – Financial Management and Reporting Systems
4. Rommel Palban – Financial Management and Reporting Systems

Major Activities Conducted:

MAJOR ACTIVITIES IMPLEMENTED	RESULTS
Assessment of existing organizational set-up. Officers and staff were interviewed on their current functions and responsibilities	<ol style="list-style-type: none"> 1. Data gathered on : <ul style="list-style-type: none"> ▪ Profile of BOD and officers ▪ Present organizational structure ▪ Current duties and responsibilities ▪ Current operating policies and procedures, status of operations ▪ Existing financial policies and procedures including internal control policies 2. Duties and responsibilities of officers and staff were defined and included in the operating manual. 3. Proposed operations manual was drafted.
Conduct of Business Planning Workshop	3-year Business Plan for Water Delivery Service Enterprise. The cardava banana trading enterprise was shelved due to the low potential of the business in Langtud. Average trading volume in the area is only 6,000 kg per month, a volume perceived by the group to be too low to be worth getting into. The binangay banana trading business was not tabled for discussion by the group in deference to some members of the Board of Directors engaged in the trade.

Recommendations and Conclusions:

LANUFA certainly needs a lot of help in establishing itself as a reliable and viable organization. The cooperative is currently loosely organized and have less activities at the institutional level. Operating policies and procedures have not yet been established and the books of accounts have not yet been set up. Structurally, The Board of Directors and officers work on a simple project-to-project type of implementing

structure were there are no specific duties and responsibilities. This is due to project level requirements where a few officers become responsible for all projects in current implementation.

Organizational development activities have to be conducted to emphasize the importance of the individual contributions and to establish functional relationships. With this, the organization is expected to function efficiently and effectively with emphasis on delineation of duties. The UDP intervention in this regard would ensure the organization's capacity and capability to manage their selected business ventures.

With the end in view of having the ventures of LANUFAMPC fully operational, the following activities are recommended:

1. Completion and installation of the operating policies and procedures for the water system.
2. Completion and installation of the financial management system including training of staff on accounting and bookkeeping.
 - Accounting policies and procedures
 - Financial Reports
 - Forms
 - Internal control policies and procedures
3. Test run of systems installed. This activity would include monitoring and mentoring by the BDS to ensure proper implementation.
4. Evaluation and introduction of improvements or enhancements where necessary.

Prepared By:

Florian V. Moleta, CPA