



FILO: For and by the Filipinos



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Executive Summary: Striving to uplift the local artistry and replace plastic products in the home and decor industry through the use of sustainable alternatives, FILO, a Laguna-based home and decor business, officially launched in November 2020 through social media. The venture has adopted Bicol artisan-made coir and abaca animal planters. The business exists and envisions fostering a sustainable future through instilling environmental awareness and promoting Philippine indigenous materials and local artisans to the market. The sole proprietorship, operating under the leadership of Mr. Alonzo Barretto with its key management personnel: Ms. Ofelia Gasangue, Mr. Aaron Maglanque, and Ms. Jami Romulo, is armed with their business skills, adaptability, and dynamics; the team has contributed significantly to ensuring the venture's effective and efficient business operations.

Throughout the years, an increasing trend is seen in the sales of the gardening industry. Despite this increase, major established competitors, such as Ennoble and Fig & Vine, have dominated the market with their high-priced, wide array of products. However, FILO's edge remains its mission and pricing strategy. It significantly targets plant enthusiasts, individuals leading a sustainable lifestyle, or gardening entrants with its considerably lower pricing scheme.

The initial capital of the business amounted to PHP 35,750.00, inclusive of product development and operating expenses, which the partner-entrepreneur equally contributed. The business intends to divide the income equally to the investors when the venture desists to exist.

Key Words: sustainable alternatives; Philippine indigenous materials; Bicol artisans; coir and abaca animal planters; coconut

I. BUSINESS REGISTRATION AND ORGANIZATION

Recognizing the need to uplift the Philippines' craft industry and enable accessibility of Bicol artisan-made products to the market, FILO

was born to its existence. It is a home and decor business in Laguna promoting locally sourced products. The business valued integrity, empathy, and satisfaction in both its stakeholders and management. Moreover, FILO did not solely value profit but, moreover, the holistic growth and improvement of the environment and its



stakeholders throughout its operations. Furthermore, FILO ensured it took steps to gradually become an industry leader whilst promoting the culture of the Philippines and the craftsmanship of local artisans.



Figure 1. Organizational Chart

The venture is headed by the sole proprietor, Mr. Alonzo Joaquin T. Barretto. Such structure was decided upon as sole proprietorship that allowed for straightforward establishment and performance of business decisions. Furthermore, it allowed straightforward banking, easier processes, and fewer requirements for legal documents than corporations and other forms of ownership (University of Richmond, 2021). The following are the managers of FILO:

Mr. Alonzo Joaquin T. Barretto

Mr. Alonzo Joaquin T. Barretto, the Owner and the Administrative Manager of FILO, led and distributed the business operation tasks and ensured the punctuality of overall operations.

Ms. Ofelia Gasangue

Ms. Ofelia Gasangue, the Finance and Marketing Manager, strategically planned and monitored the cash flows and effectively implemented various marketing strategies.

Mr. Aaron P. Maglanque

Mr. Aaron P. Maglanque, the Sales and Logistics Manager of FILO, directed and supervised sales management and evaluated the effectiveness of sales strategies. Furthermore, as the Logistics Manager, he led the team in organizing and updating the number of supplies in FILO's inventory.

Ms. Jami Chriseline B. Romulo

Ms. Jami Chriseline B. Romulo, the Operations and Business Development Manager, maximized business operating capabilities and identified opportunities to develop business growth.



Figure 3. Combination Mark

The business's trade name, "FILO", and its trademark were inspired by the Greek word "Filosofia" meaning, love for wisdom. "FILO" also refers to Filipino Local Products. The business has aimed to spread environmental awareness through sustainable practices and offer eco-friendly products made locally by Filipinos for Filipinos. Green, often associated with nature, health, and tranquility (Meola, 2005), is the base color of the logo. With the heart that symbolizes love, and the leaf that symbolizes nature, the alternate mark depicts the business' love and care for the environment. Meanwhile, edges in the word mark were altered to mimic the pointed edges of leaves, emphasizing agriculture. Overall, the logo represents the organic and natural aura that FILO wants to give off.

II. BUSINESS PLAN IMPLEMENTATION

II.A. Production

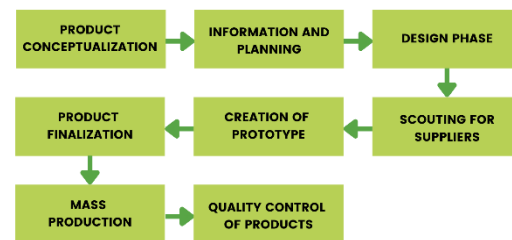


Figure 3. FILO's Product Development Process

The first stages of FILO's product development involved identifying the bright idea from the management's analysis of current market conditions and trends and determining the venture's social value to bring forth to our stakeholders. The following are the four factors that immensely contributed to the establishment of FILO's bright idea:

- a. The need to uplift the Philippine's culture and craft industry, the business decided to use indigenous materials in the country, namely, coconuts and abaca

- b. The expertise of local artisans, thus showcasing their ability through making a novelty product
- c. Curation of sustainable products that aid in alleviating plastic pollution because of plastics' alarming presence in both terrestrial and marine environments (Fernandez, 2020; Global Alliance for Incinerator Alternatives [GAIA], 2019)
- d. Proliferation of gardening in the Philippines (Mirafior, 2020)

The design phase started through an online survey and a focused group discussion. Through such measures, the business solidified its flagship product decision. The following stage, scouting for our suppliers, happened simultaneously with the design phase. Eventually, they contacted local artisans in Naga City, Bicol, for the planters. Consequently, the packaging, a canvas string pouch, was produced in Binangonan, Rizal. After a series of thorough discussions and deliberation, the creation of the prototype was carried out. Upon receiving the prototype and successfully defending the Business Concept, the team further examined the quality and marketability of the planters. With this, necessary changes were made: Wes the Whale is changed from black to blue to provide a variety of choices from the designs and to fit each animal accordingly. This was coordinated with the suppliers, and mass production took place.



Figure 4. Final Flagship Products of FILO

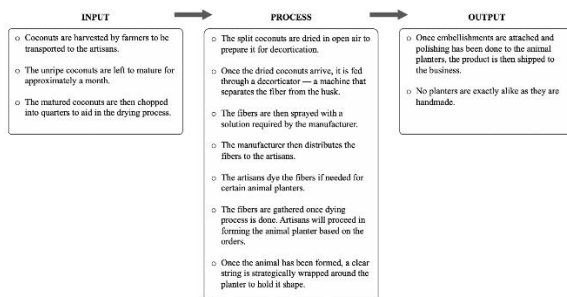


Figure 5. Input-Process-Output Model of FILO's Animal Planters

The Input-Process-Output Model shows the process of producing FILO's coir animal planters. The input exhibits the artisans' acquisition of raw materials, the coconut fibers, from Catanduanes and Albay. It starts with the harvest of coconuts then being dried in order to extract the fiber from the husk through decortication. Treatment is done accordingly before distributing to the artisans for planter production. In the process, the artisans dye the fibers accordingly: blue, black, and beige. Consequently, they start to form the planters with the coconut fibers in an abaca framework. Afterward, it is embellished and bound by a nylon string for stability. Once polishing is finished, it is now prepared for shipment and distribution to FILO. No two pieces are exactly alike in FILO's Animal Planter Pals as these are artisan-made. Lastly, disinfection of the products took place after acquisition. Consequently, quality and inventory control was executed throughout operations.

II.B. Marketing

FILO offered Bicol-artisan crafted animal planters made of coir and abaca. Each planter, regardless of variation, retails for PHP 449.00, as it took into account the three C's of brand development: company (in this case, the business), customers, and competitors. It was directed towards providing the best deals and offers to all stakeholders, especially their consumers, to accomplish their value propositions and to secure profitability.

The coir was the dominant material of the planter and abaca was used as a framework, while the product was bounded by clear nylon strings to strengthen and retain its shape. Three variations are Ely the Elephant, Oli the Corgi, and Wes the Whale. The product comes with a reusable 17x14 inch canvas pouch.



Figure 6. Oli the Corgi



Figure 7. *Ely the Elephant*



Figure 8. *Wes the Whale*

The business mainly operated in Barangay Don Jose, Sta. Rosa City, Laguna; however, it will not have a physical store due to the COVID-19 situation. Fortunately, the utilization of social media platforms was done to conduct marketing operations. FILO also utilized direct marketing strategies wherein the management team personally reached out to target customers within their area — family, friends, classmates, and neighbors — and conducted personal selling.

Direct channels consisted of FILO's management who were in charge of product deliveries. Areas covered were within Laguna: Biñan, Sta. Rosa, San Pedro, and Calamba. Furthermore, third-party logistics included Lalamove, Grab, LBC, and J&T Express. FILO offered payment options including cash through meet-ups, GCash, PayMaya, and Security Bank bank transfers.



Figure 9. *FILO's Logistics Team*

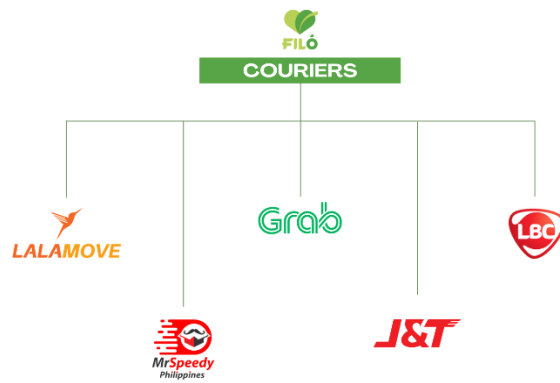


Figure 10. *Third-Party Logistics Couriers*

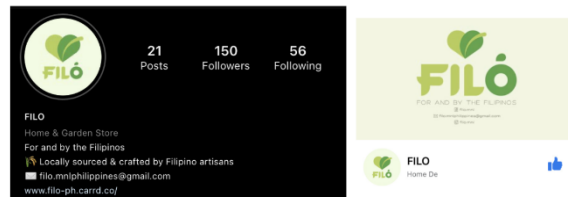


Figure 11. *Instagram and Facebook pages*



Figure 12. *Carrd.co website*



Figure 13. *Sample Publications*

FILO has drawn inspiration from the perseverance of Filipinos to turn resources and talents into profitable products and services. In the same light, it sought to honor the hands, minds, and hearts behind the growing success of Filipino,



specifically Bicolano, artisanship. The products and promotions of the business have reflected FILO's support of the local art scene of the country, specifically, the artisans. The payment of the planters for retail directly went to the artisans; thus, contributing to their craftsmanship and daily lives. Moreover, the raw materials they used, coir and abaca, to produce their crafts were sourced locally. With the materials of the planters being biodegradable, FILO also has recognized the urgent need to take action as the world and humanity continue to battle climate change. To reach the market and promote its products, the venture uses a variety of social media platforms: Facebook, Instagram, Messenger (@filo.mnl), and Carrd.co. The marketing manager ensured weekly posts on Facebook And Instagram to capitalize on the algorithm of both social media platforms.

II.C. Human Resource

As the business expands, there must be an established form of commission for the respective managers and employees. If the company seeks to secure its own production line, the only change that will occur in its cash flow would be the maintenance of the decorticating machine based on the cash flow of the Philippine Coconut Authority (n.d).

As a result, the business must hire and train employees capable of maintaining the decorticating machine whilst hiring artisans who can consistently create quality animal planters if the business wants to operate smoothly in the future. The hourly rate of employees is PHP 50.00, and a quota on the production of animal planters for the artisans shall apply. They will be required to make 12 animal planters per working day, and they will get paid PHP 100.00 per hour. The reason for the quota is that the animal planters cannot be mass-produced since artisans are creating them. The reason for increasing the wage of these artisans by PHP 50.00 is due to the level of skill required to create the planters.

Table 1. Average Salary of the Managers

Average Per Year	Manager
PHP 140,000	Business Owner
PHP 170,000	Business Development
PHP 200,000	Finance
PHP 160,000	Human Resource
PHP 180,000	Logistics Manager
PHP 190,000	Marketing
PHP 190,000	Operations

Table X presents the salaries of the managerial positions of FILO once the business has expanded. These salaries were based on the financial profiles provided by PayScale (2021),

where the community provides salary profiles for the respective managerial positions. The salaries range from PHP 140,000.00 to PHP 200,000.00 to represent a more accurate depiction of a small business.

II.D. Finance

To establish the business, Mr. Barretto, together with the business managers—Mr. Maglanque, Ms. Romulo, and Ms. Gasangue—equally invested PHP 8,937.50. It included the costs of 100 animal planters, string pouch bags, thank you cards, and operating expenses. Altogether, the business initially invested an amount of PHP 35,750.00.

For 2020, FILO's total sales was PHP 32,777.00. Continuing the operations in 2021, the total sales from January until April amounted to PHP 21,468.00. Overall, total sales for the duration of the operations amounted to PHP 54,245.00.

The venture's total income for 2020 amounted to PHP 8,589.70. In 2021, PHP 5,208.06 was earned. In total, income throughout business operations amounted to PHP 13,797.76.

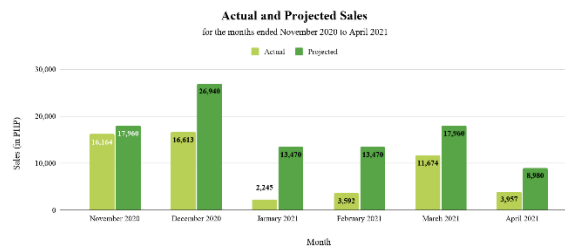


Figure 14. Actual and Projected Sales for the months ended November 2020 to April 2021

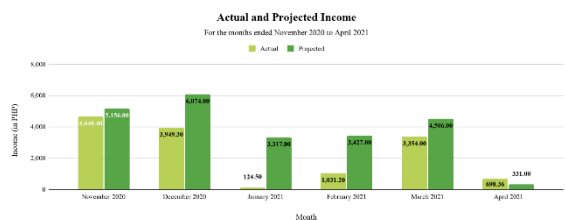


Figure 15. Actual and Projected Income for the months ended November 2020 to April 2021

III. PRODUCT DIVERSIFICATION

A business diversifies its product line to cater to a greater market. Strategic products and services may greatly contribute to the venture's brand awareness, overall market position, and profitability (Le, 2019); thus, FILO offered plants as



its product diversification. It did not only complement the flagship product but also aided in becoming a coping mechanism for people. Moreover, it encourages consumers to become more environmentally conscious.

The first releases were the Lucky Bamboo Plant and Bunny Ears Cactus. The second release included succulents: Rose Cabbage and Black Prince.



Figure 16. Plants (from left to right: bunny ears cactus, lucky bamboo, black prince, rose cabbage)

IV. FUTURE PLANS

Future plans of the business include expansion of the variation of its flagship product and development of coconut-derived products.

FILO is committed to pursuing its Corporate Social Responsibility program, HAKBANG: Tungo sa Masaganang Kinabukasan, which aims to give back to the environment and the Filipinos through engaging in paper recycling and donation drives. For Our Farmers (For Our Farmers, n.d.), a non-profit organization that helps uplift local farmers and fisherfolks, shall be the beneficiary.

In the meantime, the business is planning to halt operations once given consent. The main driving force of the decision is the managers' transition into tertiary education. Fortunately, this is yet to be finalized as the business is open to opportunities. If it chooses to dissolve, it would be to change the organizational structure from sole proprietorship to partnership. To preserve and protect Intellectual Property, the business shall be legally registered.

VI. REFERENCES/APPENDICES

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