

BESPOKE TAILOR INCORPORATED

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Executive Summary

Bespoke Tailor Inc. is a family-owned corporation with the purpose of tailoring custom-made uniforms and pieces of clothing for the identified members of the community. The original operation of the company commenced in the Province of Nueva Ecija through the leadership of Mrs. Rosario Gonzales, the matriarch of the family. It was in 2002, when Mrs. Gonzales and her two daughters decided to register the company at the Securities and Exchange Commission (SEC). Presently, the company now caters a long lists of client from the private and public sectors of the community.

The company's production efficiency is greatly affected by the lack of fully functional machineries and equipment prompting delays and limited production capacity. Bespoke Tailor Inc. does not have a competitive advantage against major industry players with the kind of technology and infrastructure that the company has.

Furthermore, the conduct of Value Chain Analysis revealed that the company lacks an aggressive marketing strategy to penetrate its viable target market. Even with the existence of technology, the company still utilizes direct sales as a medium of advertisement and marketing.

The Internal-External (IE) Factor Evaluation revealed that the company is above average in its industry response in terms of capitalizing its strengths and opportunities, as well as mitigating the impact of its threats and weaknesses. It also through the IE Evaluation Matrix that the researcher recommends the procurement of capital infrastructures, and subscription of an Enterprise Resource Planning System.

Overall, the researcher can ascertain that with the appropriate planning and effective execution, the proposed strategies for Bespoke Tailor Inc. will reap maximum rewards for the stockholders.

INDUSTRY ANALYSIS

The Philippine Garments Industry, also known as the sunrise industry of the 90's, is the business of manufacturing pieces of clothing with the use of textiles and accessory parts. It produces a wide range of products that includes customized uniforms, dresses, suits, and ready to wear apparels.

The garments industry is a labor-intensive type of business. It requires a relatively large number of workers to manufacture the products and render services.

Economic Characteristics of the Garments Industry in the Philippines

The garments industry was affected by the implementation of the General Agreement on Tariffs and Trade (GATT). However, the expected benefit of this agreement did not materialize and the industry continuously struggled to survive. This is an impact of the industry's customary reliance on the quota system brought by the Multi-Fiber Agreement (MFA). The garment industry relied on the benefits of the imposed quotas on developing countries, like the Philippines, to export to first tiered nations. The full implementation of the Agreement on Textiles and Clothing prompted the replacement of GATT by World Trade Organization in 2005.

The industry has provided employment for Filipinos, both for the formal and informal sectors of the economy. In the 2016 Annual Survey of Philippine Business and Industry (ASPBI), the formal economy of the garment industry

employed 65,813 Filipinos. This figure further increased in 2018. As stated in the Census of the Philippine Statistics Authority, the garments industry accounted for 98,868 employed Filipinos or 7.80% of the formal economy (Mapa, 2020).

Presently, the industry is gearing up towards regaining its former glory. The effort includes strengthening the linkage between the textile and garment industry of the Philippines, allocating resources for an improved production and providing lower taxes/ fiscal incentives for the industry players. This plan by the government may provide a more sustainable source of fabrics and other textile materials for the industry players. The garments industry relies heavily on imported raw materials to produce finished goods.

Analysis of the Industry Using the Porter’s Five Forces Model

Bargaining power of suppliers – Moderate. The garments industry, which includes tailoring shops, has three “major suppliers” that are essential for the manufacturing of products. These suppliers are namely; (1) fabrics, (2) equipment (Sewing Machine, Embroidery etc), and (3) laborer/ manpower.

Table 1
Summary of Supplier’s Assessment

	Fabrics (Raw Materials)	Equipment/ Machineries	Laborer/ Manpower
Assessment	Moderate	Moderate	Moderate

The abovementioned assessment was driven by the consideration of the negotiating power of each identified suppliers in terms of price and number available in the market. The country has the so-called “Garment Capital” in

Taytay, Rizal which is touted to be the main supplier of fabrics in the metro and nearby locations allowing a moderate level of assessment.

Meanwhile, in the age of social media, there are several potential suppliers of equipment in the marketplace of social networking sites. Some of which are open to lowering their prices to meet the budget constraints of the potential buyer.

In the garments industry, workers are usually paid by pieces of units finished or commonly known as the piece-meal payment. This type of payment is directly proportional to the number of finished goods of the employee. With the industry player setting the rate of the finished goods, the bargaining position of laborer/manpower supplier is assessed accordingly.

Bargaining power of consumers – High. Based on the 2018 Census of Philippine Business and Industry: Manufacturing, the estimated number of establishments related to the wearing apparel sector was 869. This is a considerable number of businesses that provides option for potential buyers (Mapa, 2020).

Given the substantial number of industry players, the bargaining position of the buyer to demand a decrease in the prices is relatively high. If a buyer is not satisfied with the pricing of one potential business supplier, the buyer can choose another entity to satisfy his/her needs. Also, the garment industry supplies businesses that are considered to be larger than the entity itself. In such cases, the buying entity can request for discounts for the bulk orders of their product.

Threat of new entrants – Moderate. The garments industry, which includes the business of tailoring/ custom-made, is a relatively easy industry to enter into.

As proof, there are a large number of tailoring shops in the country. In the 2016 Annual Survey of Philippine Business and Industry, the custom-tailoring sector recorded 536 establishments in the formal economy (Ilarina, 2019).

According to Speedian Industrial Trading Inc., a supplier of industrial sewing machine and equipment, located in Tondo, Manila, a brand-new basic sewing machine is priced at least Php 10,000.00 to 35,000.00, while a refurbished machine is expected to be at least Php 7,500.00, depending on the brand of the equipment. However, the industry is covered by several government agencies, such as the local government unit, DTI, and BIR, that require loads of documentary requirements proving to be an ordeal for some. The tedious process of establishing the business negates the positive impact of the low price of equipment.

Threat of substitutes – Low. Due to the COVID-19 pandemic, the concept of uniform has been widely affected by the emergence of work from home working arrangements. The work-from-home set up allowed the employees to work at the comfort and safety of their homes and in more casual attires. However, this employment arrangement does not work for some industries, such as the government. In the public sector, employees are often required to report onsite to fully perform their functions.

Through the years, the preferences of employees regarding their uniforms have evolved. From the traditional formal uniform, the emergence of a more casual approach into uniform has surfaced. This change of preference is being linked to the fast-pace working environment of the companies and the workers value about functionality over fashion.

While the threat of preference change is imminent, the concept of having a uniform, whether formal or casual, is here to stay.

Rivalry of Competition – Moderate. There are established and startup businesses in the garments industry who in some ways compete with each other. Their competition is characterized by the following factors:

Customer loyalty is difficult to achieve, but not impossible. It requires a long consistent harmonious relationship with the customer, primarily satisfying their expectations on pricing and product quality. This is a great competitive advantage for a business.

In order to maximize the buyer's resources, the demand for low-cost but quality products are on the rise. Such pricing arrangement, should be mutually beneficial for the buyer and the industry players.

The *ability to produce* a large amount of orders is a great competitive advantage. As previously mentioned, the buyers of this industry are relatively larger than the firm itself. Therefore, their demands may include bulk orders which should be met satisfactorily to attain customer loyalty.

The *quality and timeliness of product delivery* is significant because it creates a culture of trust and confidence between the supplier and the buyer.

With all the foregoing discussion, the researcher can conclude that the rivalry of competition in the garments industry, particularly the custom-made sector, is deemed to be **moderate**. Amongst the criteria mentioned above, achieving customer loyalty is the penultimate success for a garment manufacturer/ business. It provides longevity of the business operation and maximum profit generation.

Conclusion on the Analysis Using Porter's Five Forces

Even though the threat of new entrants, the bargaining power of supplier and the rivalry among competitors are deemed to be moderate and the bargaining power of buyer is high business enthusiast should be moderately attracted to the garments industry because of the low threat of substitute for the product. This means that the products being offered by the industry will continue to exist into the foreseeable future.

Also, the moderate rivalry of competition may be further mitigated through the establishment of business strategies suitable for the business and its target market. Through the Porter's Five Forces, the researcher can ascertain that the industry is **moderately attractive** to engage in.

Opportunities and Threats

Opportunities

Republic Act No. 11534 (CREATE Law). The Corporate Recovery and Tax Incentives for Enterprise (CREATE) is a fiscal tax incentive directed towards helping businesses to jumpstart their operations and overturn the effects of the recent pandemic. This bill will be an avenue for the business to allocate additional resources on other priority expenditures such as infusion of additional manpower, and procurement of much needed equipment.

The Large Number of MSMEs in Luzon. In the 2019 MSME Statistics from the Department of Trade and Industry, majority of the micro-small-medium enterprise is located in the National Capital Region, Region IV-A and Central Luzon (Industry, 2019). The large number of MSMEs in Luzon is a great opportunity for the garments industry, especially Bespoke Tailor Inc., to gain more potential clients. These businesses will be a more appropriate target market and establish a new market niche.

Emergence of Technological Innovations in the Garment Production. In the age of technological advancements, it is essential for a business to keep up with the latest trends and developments available in the market. It provides the company with a great competitive advantage and increase production efficiency. Also, technology has pushed the garments industry to be more sustainable and appropriate for the business environment. Sustainability has become a crucial part of the survival capacity of the business.

Technology trends, with the proper application and implementation, poses a great opportunity for industry players to lengthen and improve its business operation.

Marketing Potential Brought by the Existence of Internet. In this modern age, businesses should capitalize on the use of the internet to advertise their products and improve their customer reach. According to Forbes (2020), businesses with established and well-crafted websites are perceived by clients to be more credible and trustworthy. There are chances that several businesses offer the same product, like in the garments industry, but a website with all the information needed by the customer can be a competitive advantage for the business. A website on the internet can reach more client over all the country without the hassle of having to travel (Kaplan, 2020).

Furthermore, the use of internet or social media offers a wide array of opportunity for the business. It can improve the line of communication between the client and the business, make faster transaction media and can serve as an alternative distribution channel. A website or a social media page can boost the business' knowledge of the market about the products and services of the business.

Threats

Potential Expansion of Major Competitors that can Affect the Market Share of the Business. As mentioned in the Porter's Five Forces Analysis, the industry has a moderate threat for potential new entrants. With the relatively low cost of industrial sewing machines, a business can acquire additional equipment and further improve the production capacity of the business.

Exclusively His Tailoring, one of the major competitors of Bespoke Tailor Inc., has expressed its intention of establishing more branches in the future. It was just hampered by the pandemic; but it is expected to prosper in the coming years.

This is a threat to the business because the expansion may take a part of the market share of Bespoke Tailor Inc. Currently, the subject entity has clients in Palawan and a potential expansion in the region may greatly impact the company's market share.

Bid to End Contractualization Made by the Duterte Administration. With the vision of the Duterte Administration to end contractualization, the threat of high labor cost is imminent. This will increase the production cost of the company and will limit the allocation of resources for other expenses.

Although experts do not have the exact cost of ending contractual employment for the businesses, the strong opposition by business owners signifies that it will greatly affect the company's net income (Canivel, 2018).

The garments industry is labor intensive. In fact, it is identified to be one of the top patrons of contractualization which includes the food service industry and manufacturing

sector. This is a threat to the industry players because a change in the employment terms or culture will incur additional cost for the business.

Work from Home employment arrangement brought by the COVID-19 Pandemic. One of the most drastic impact of the pandemic is the imposition of the work from home set up of employees. This is the response of the business community to the clamor of the government to limit the mobility of their workers. The nationwide and local lockdowns prove to be a hindrance for employees to report to work regularly. Also, the industry of public transportation has not fully adapted to the new normal and is still prohibited to operate at full capacity. With that, the business community discovered that the work from home set up can actually work for employees in accounting, analytics, and information technology sector.

This is a threat to the industry as it lessens the demand for working apparel and other clothing accessories. When employees work from home, they tend to veer away from spending on clothes because they do not see the use of it. Also, the requirement for uniforms may diminish significantly due to the remote working arrangements.

The evolving preference of the target market. Market preference is an essential success factor for a consumer driven industry like the garments industry. This is an opportunity for the company to explore avenues for expansion and development. Also, it is important for a company related to clothes to keep abreast with the latest trends in the market. This also projects an image of flexibility for the clientele and it will attract potential clients to join the list.

Table 2
External Factors Evaluation (EFE) Matrix

Opportunities	Weight	Rating	Score
1. Implementation of RA No. 11534 (CREATE Law).	0.15	3	0.45
2. The large number of MSMEs in Luzon.	0.15	4	0.6
3. Emergence of technological innovation in the garment production.	0.10	2	0.2
4. Marketing potential brought by the existence of internet.	0.15	2	0.3
Threats			
1. Potential expansion of major competitors that can affect the market share of the business.	0.10	2	0.2
2. Bid to end contractualization made by the Duterte Administration.	0.10	2	0.2
3. Work-from-Home employment arrangement brought by the COVID-19 pandemic.	0.15	2	0.3
4. The evolving preference of the target market.	0.10	2	0.2
Total Weighted Average	1.00		2.45

Conclusion on Industry Analysis

To assess and evaluate the industry of Bespoke Tailor Inc., the researcher employed the use of PESTLE Analysis, Porter's Five Forces Model and the External Factor Evaluation (EFE) Matrix. The Porter's Five Forces Model determined that the industry is **moderately attractive** to engage in and the EFE Matrix garnered a **2.45 rating** for the company. It means that the company should improve its business strategy in terms of its flexibility in dealing with threats and capitalizing on its opportunities.

COMPANY ANALYSIS

Company Profile. Bespoke Tailor Inc. (BTI) is a family-owned corporation located in Kaunlaran Village, Caloocan City, Metro Manila. It was registered with the Securities and Exchange Commission on September 14, 2002 with the primary purpose of offering designs for corporate uniforms to public and private institutions. The company has a wide range of designs suitable to customers' preferences.

Before its registration with the SEC, the matriarch of the Gonzales clan, Ms. Rosario Gonzales, has long been running small dress shops in Caloocan and Nueva Ecija. But prior to her retirement, Ms. Gonzales encouraged her daughters, Ma. Nenita G. Perez and Melanie G. Santiago, to continue the operations of the business. The sisters pooled in their resources resulting to the establishment of **Bespoke Tailor Inc.**

Bespoke Tailor Inc. has 20 regular employees, six contract-based and 10 on-call employees.

These employees are the company's most prized assets. They are the bread and butter of the company. It is through their expertise in pattern making, design craftsmanship and garment/apparel construction that made Bespoke Tailor, Inc.'s budding reputation in the business.

Products and Services. Presently, Bespoke Tailor Inc. caters to several government and private institutions. It uses the direct sales strategy in its feat against the prominent tailoring shops in the country. It provides fashionable designs fit to the needs and requirements of the clients.

With more than a decade of experience, Bespoke Tailor Inc. ensures to provide only the best custom-made uniforms and uphold its commitment of producing only quality products. The company's product of custom-made uniforms has reached Palawan City Government and Palawan State University. In the metro, they supply uniforms for the PNP Non-Uniformed Personnel and the Supreme Court of the Philippines.

Value Chain Analysis (Primary Activities)

Inbound Logistics. Bespoke Tailor Inc. uses raw materials from Divisoria, Taytay, Rizal, and Manila. Majority of the materials are imported goods from countries like China, who is known for the quality raw materials at a

reasonable price. The company's raw materials are delivered to the Caloocan office in bulk orders. The company uses the safety stock inventory management. This is the kind of inventory management where the company procures bulk of raw materials for the company to store in the facilities. The most common problem with this type of inventory management is the tendency of the company to hoard unnecessary raw materials which often results to stagnant resources and inefficient utilization.

Operations. The company has 36 employees who are employed in a regular, contract-based, and on-call arrangement. The number of employees is a mixture of tailors, seamstress, pattern makers, sewers and other production staffs. This limited number of employees resulted to the limited production capacity of the business.

The type of production operation of Bespoke Tailor Inc. is full production package. This style of manufacturing is preferred by small to medium sized businesses in the garments industry. The company retains full control over the products from fabric selection up to the smallest details of the garment.

However, the FPP type of production is a tedious process and requires great amount of time during production. Also, it only works on small scale production and becomes a problem in the long run due to production limitation.

Outbound Logistics. Bespoke Tailor Inc. delivers the finished products on a by batch system. Since the production capacity of the business is only limited, the company delivers the uniforms of the clients on a first come, first served basis.

The finished goods are personally delivered to the client's location with the use of the company's delivery vehicles. The delivery process includes the personal appearance of a tailor and an assistant to attend to the needs of the clients in case of fitting issues.

Marketing and Sales. The company patronizes the traditional marketing of its products wherein they personally present their designs to the clients. This is an effective marketing style because of the personal approach and promotes brand awareness.

Also, the business relies on referral marketing where the existing clients of the company endorsed or advocate for the company. This marketing style is a result of continued customer satisfaction by product quality and affordable price.

Bespoke Tailor Inc. has a limited marketing reach due to the lack of internet presence of the company. The business does not have any social media accounts or a website to advertise its products in the online platform.

Value Chain Analysis (Support Activities)

Firm Infrastructures. Bespoke Tailor Inc. infrastructure includes the hierarchical level of management pertaining to the finance, marketing/sales, and operations of the company.

The effectivity of these departments and its managers is essential to the smooth operation of the business, like Bespoke Tailor Inc.

Human Resource Management. The company hires competent and skilled workers in the poverty-stricken sector of the community. These workers are the partners of the business to ensure the quality of the production output.

Bespoke Tailor Inc. still practices the culture of contractualization which results to high employee turnover.

Bespoke Tailor Inc. puts their workers into the TESDA Program for aspiring tailors. This is an effort made by the company to further develop the talents and skills of its workers. Out of the 20 regular employees of the company, 12

workers have undergone the TESDA Program and have been steadily contributing to the growth and development of the company's operations.

Technology Development. Bespoke Tailor Inc. uses industrial sewing machines and embroidery equipment to manufacture the finished goods of the company. However, the business lacks the latest technological innovations available in the market.

The company has to implement systems that can aid not only the production efficiency of the business, as well as the marketing and sales aspects.

Strengths and Weaknesses

Strengths

Traditional Brand Marketing Through Direct Sales and Referral. The direct sales marketing approach is defined by the company as the personal marketing of the products being offered by the company. The management approaches potential clients and presents their ideas for the product they are looking for. This marketing approach is often preferred by small companies because it does not require big capital machineries.

Moreover, a traditional marketing also includes the referral system where existing clients become brand advocates of the product. This marketing strategy is only effective through continued customer satisfaction.

Competent and Experienced Management and Employees. The lifeblood of the company are its employees. They are the ones who ensure that the company is operating efficiently and maximizing the resources. For Bespoke Tailor Inc., its management consists of highly experienced managers with years of experience from the industry.

The company's tailors are equipped with years of experience from the industry. Also, training from TESDA's NCII training program were provided to regular employees to enhance their skills, not only on tailoring but on how the machines works.

Accessibility of the business' location. Bespoke Tailor Inc. is located in Caloocan City, Metro Manila. The business' location is highly accessible to potential clients due to the various modes of transportations within the vicinity of the business location. Also, the business is strategically located as it is a short distance away from the business districts of the country.

TESDA NCII Program for the Continuous development of employees' skills. The Technical Education and Skills Development Authority (TESDA) is a government agency that aims to improve the lives of the poor and underserved citizens of the country through skills development. Bespoke Tailor Inc., in coordination with TESDA, enrolls its skilled workers to the NCII Program of the agency to further develop the capacity of the workers to produce quality products. It is important for the workers to be abreast on the latest approach with regards to garment production. It can help the business improve the production efficiency of the company.

Long Standing Relationship with Suppliers. Bespoke Tailor Inc. has a sustainable source of fabrics and raw materials in the country. For a business that deals with deadlines and timelines, having a stable source of materials is essential to the continuity of production.

Weaknesses

Limited Production Capacity brought by the Full Production Package system. Full package production system is the process of manufacturing apparel from the raw materials selection to the delivery of the goods to clients. This is a production type utilized by small to medium scale businesses

in the garments industry. However, this production style is time consuming and produce a relatively significant amount of waste which affects the production efficiency of the company.

Bespoke Tailor Inc. has limited production capacity due to its limited manpower and tedious process resulting to delays and inefficiency in the production process. This is a minor weakness for the company because it affects the relationship of the business with its clients and optimal use of resources. It is considered to be minor only because it still gets the job done, but improvement must be made to further enhance the company's production capacity.

Limited Marketing Reach, due to lack of Internet Presence. In the age of internet, being visibly present in the internet space is essential. For a business, a website or a social media account is important to promote and make the product known to the general public. It widens the reach of the business and somehow promotes the credibility of the company through posting of successful client projects and product samples.

Bespoke Tailor Inc. does not have a website nor any social media account to promote the business and its products. It limits the business promotion and advertisement in the online platform.

Poor Inventory Management as Evidenced by the High Percentage of Resources Allocated to inventory. Bespoke Tailor Inc. uses the safety stock inventory management. This system, when not implemented effectively, gives the company excessive inventory amount than what is really needed for the production.

The company's financial analysis indicated that Bespoke Tailor Inc. allocates more than 40% of its assets towards inventory. Although the inventory of the business is not perishable, the efficient use of the shareholder's

resources is sacrificed. A large sum of money becomes stagnant on the inventory instead of investing on the latest technology available in the market or improving the working condition of its employees.

Lack of Technological Innovations and Efficient Machinery and Equipment. To keep up with the market and industry players, Bespoke Tailor Inc. has to invest in the latest technological innovations available in the market. Although the business has industrial sewing machines and embroidery equipment, it is not enough to increase the production capacity of the company. Also, during the financial audit, it showed that the equipment and machineries available in the company are almost fully depreciated and often undergo repair which incur cost and delays in the production process.

Table 3
Internal Factor Evaluation Matrix

Strengths	Weight	Rating	Score
1. Traditional Brand Marketing Through Direct Sales and Referral Marketing Strategy.	0.10	3	0.30
2. Competent and Experienced Management and Employees.	0.15	4	0.60
3. Accessibility of the business' location.	0.10	4	0.40
4. TESDA NCII Program for the Continuous.	0.05	4	0.20
5. Long-standing Relationship with the Suppliers.	0.10	4	0.40
Weaknesses	Weight	Rating	Score
1. Limited Production Capacity brought by the Full Production Package System.	0.10	2	0.20
2. Limited Marketing Reach, due to lack of Internet Presence.	0.15	1	0.15
3. Poor Inventory Management as Evidenced by the High Percentage of Resources Allocated to Inventory.	0.15	1	0.15
4. Lack of Technological Innovations and Efficient Equipment	0.10	2	0.20
Total Weighted Average			2.60

Conclusion of Company Analysis Based on IFE Matrix

Based on the researcher's assessment of the company's internal strengths and weaknesses, Bespoke Tailor, Inc. garnered an IFE Matrix rating of **2.60 or a slightly above average**. This signifies that the company has a relatively above average response in mitigating its weaknesses and capitalizing on its strengths.

As stated in the strength's assessment, the salient positive traits of the business and are considered to be its major strengths are the competent employees, accessibility, continuous development of the employees and its long-standing relationship with business suppliers. As emphasized, the business values employees of the company and provides as much incentives that they can give without majorly depreciating the company's resources. Furthermore, the subject entity should capitalize on its strategic location in the Metro to mitigate the impact of its weaknesses.

However, the internal analysis of the business also shows major weaknesses of the company that can gravely affect the competitiveness of the subject entity. The lack of internet presence as a medium of sales/marketing and its poor inventory management should be an issue of concern for the company.

Strategic Issues Facing the Firm

Improvement of the sales/ marketing strategy.

The sales/marketing strategy of Bespoke Tailor Inc. is relatively traditional as it relies on business presentations and referrals. In a competitive environment, the business should consider alternative medium of marketing that could provide the company with a wider reach of client and enhanced credibility.

Efficient allocation of resources. The primary goal of a business should be profit maximization that can be achieved through efficient resource allocation. As demonstrated in the IFE Matrix, the business has a poor inventory management resulting to a stagnant allocation of resources to the inventory. This strategic issue should be addressed in order for the company to reach the penultimate goal of profit maximization for the shareholders.

Limited Production Capacity. Given the limited manpower complement and outdated equipment, Bespoke Tailor Inc. must address the issue of production capacity in an urgent manner. The production capacity of the subject entity is an issue especially with the target of establishing market niche in the industry. This critical success factor is highly considered by potential clients because it demonstrates the company's capacity to meet deadlines and delivery of the products in a timely manner.

STRATEGY FORMULATION

Vision and Mission

Currently, Bespoke Tailor Inc. has no definite vision and mission statements. The vision and mission statements are essential as it leads the company into the right direction.

Proposed Vision Statement

"To become Luzon's top tailoring supplier of custom-made garments with at least Php20M sales by the end of year 2030, attained through customer satisfaction in quality and affordability."

Table 4
Evaluation of the Proposed Vision Statement

Parameter	Yes/ No	Evidence
Does it clearly answer the question, "What do we want to become?"	Yes	To be included in Luzon's top tailoring supplier of custom-made garments.....
Is it concise enough yet inspirational?	Yes	The proposed vision states that the company aims have at least Php20M sales by the end of year 2030.
Does it give clear indication as to when it should be attained?	Yes	It implies that the company should attain this vision by the year 2030.

With that, the researcher believes that the company has now complied with the criteria of knowing what to become, being aspirational, concise, and time bound.

Proposed Mission Statement:

In order for the company to achieve the proposed vision, the researcher suggests the following mission statement to guide the business towards achieving their goals:

To uphold our commitment in tailoring quality and affordable custom-made uniforms for public and private employees within Luzon through the use of premium-grade materials and innovative equipment.

We strive to be the provider of quality employment for skilled and passionate workers in the community, especially the poverty-stricken sector and elevate their way of life.

To be efficient in the use of the shareholder's resources and reach for optimal profit for the company.

As for the evaluation of the proposed mission statement, below are the pieces of evidence in compliance with the mandated criteria:

Table 5
Evaluation of the Proposed Mission Statement

Elements	Aligned?	Evidence
1. Customers	Yes	public and private employees
2. Products/Services	Yes	custom-made uniforms
3. Market	Yes	within Luzon
4. Technology	Yes	innovative equipment
5. Survival, Growth, Profit	Yes	efficient in the use of the shareholder's resources and reach for optimal profit
6. Philosophy	Yes	uphold our commitment
7. Self-Concept	Yes	tailoring quality and affordable
8. Concern for public image	Yes	employment for skilled and passionate workers in the poverty-stricken sector
9. Concern for employees	Yes	provider of quality employment

Objectives

1. To fully commit on the production of quality custom-made garments, for public and private sectors, throughout Luzon.
2. To increase production efficiency through the procurement of new machineries and implementation of new marketing strategy through social media penetration and advertisement.
3. To improve the employee's productivity through sufficient and proper training accompanied with relevant rewards.

Strategic Objective. As the strategic objective of the business, Bespoke Tailor Inc. should strive to be included in Luzon's top tailoring supplier of custom-made garment by the end of year 2030, attained through continued customer satisfaction in quality and affordability.

Financial Objective. As the financial objective of the business, Bespoke Tailor Inc. should gear towards achieving at least 20% revenue growth rate every year and at least a Php 20 million revenue by year 2030. However, there should be due consideration to the financial impact of the COVID-19 Pandemic and the uncertainty of quarantine restrictions.

Strategic Choice and Generic Strategies

Strategic Choice. A business strategy is a company's plan of action towards achieving the desired goals and outcomes of its stakeholders. It is a medium for the organization to secure a competitive advantage over its business rivals. For the subject entity, Bespoke Tailor Inc., the researcher used the SWOT Matrix Analysis to help identify and formulate the business strategy deemed fit for the goals and objectives of the entity.

Based on the SWOT Matrix Analysis, here are the recommended business strategies for the market penetration and product development business strategy of the company:

S2, S4, T1. *Invest on Machine and Equipment Improvements and Employee Skill Development to Increase Production Capacity.* Bespoke Tailor Inc. should invest on machineries and equipment that can aid in achieving an increased production capacity. Normally, a new piece of equipment is more reliable and efficient in producing quality products. Also, the company should invest on the skills development of its employees. Bespoke Tailor Inc. values its employee's craftsmanship and therefore should invest on its enhancement.

Furthermore, Bespoke Tailor Inc. should invest into brand new machineries and equipment. By doing so, the company can increase its production efficiency by having a decreased time spent on repairing the machineries and equipment. Additionally, the company can save repair costs incurred for the refurbishment of the old equipment.

S2, O1, O3. *Investing on software system to improve operation and production monitoring.* With the problem of the company with inventory management, Bespoke Tailor, Inc. should invest on a software system that can aid them in being efficiently monitoring their operations and production transactions.

A system, like CRM or ERP, will allow the company to be efficient in the allocation of resources and be able to generate prompt reports necessary for business decisions.

S1, S2, O4. *Integrate the Traditional Brand Marketing and Online-Based Marketing for a Wider Customer Reach Through a Digital Marketing Roadmap.* With the development of social media, the business should capitalize on its wider customer reach. The business should establish a social media account or a website to promote the products and services of the company. A digital marketing roadmap will allow the company to have an increased internet presence extending its reach to customers within the country.

Generic Strategy. The generic strategy of Bespoke Tailor Inc. is **cost leadership strategy**. This type of strategy is attained through two (2) possible ways:

- a. Increasing profits by reducing cost; and/or
- b. Increasing market share by charging lower prices and maintaining reasonable profit.

The cost leadership strategy of the company is evidenced by the company's efforts to provide quality products at minimum production cost. Although the company's market share is not significant enough, this strategy is conducted through the low cost of labor and low-priced raw materials used in the production process.

Present Strategy. Currently, Bespoke Tailor Inc. uses the cost leadership strategy. The company focuses on reducing the cost of supplying the products that the customers need. Aside from that, the company also employs the following strategies:

Direct Sales Marketing Strategy. The company depends on the personal and actual presentation of the products and services to potential clients. This is conducted through business proposals accompanied by samples of products that attract clients to hire the services of the company.

Referral or Word of Mouth Marketing Strategy. This marketing strategy is engaged by the company with reliance to former/current client as brand advocate of the business. Such strategy is implemented through continued customer satisfaction achieved by maintaining product quality and pricing satisfaction.

Employee Development Strategy. This strategy is conducted by the company to ensure that the employees are equipped with appropriate knowledge and skills essential in providing quality products and services. The TESDA NCII Program for Tailoring provides proper training for the employees to further enhance their skills towards improving production efficiency and effectiveness.

Safety Stock Inventory Management Strategy. This type of inventory management practices the stock piling of raw materials. Safety stock provides the company a buffer for emergency situation and immediate resources at the helm of

the company's stock room. However, this strategy often creates problem if proper monitoring is not done.

Proposed Strategies

Based on the Internal-External Matrix Evaluation and all the above matrices utilized in this study, the researcher has concluded that the appropriate stratagem for Bespoke Tailor Inc. is to **hold and maintain**. This proposed strategy shall be implemented through market penetration and product development.

Market Penetration

Intensify marketing strategy through establishing a social media marketing roadmap and curating effective advertisement materials. The internet is an avenue for a company to promote its products for a wider reach of customers. By intensifying the company's internet presence, the business can grasp more customers. A digital marketing roadmap acts as a solid foundation for all online marketing efforts of the company. It allows the business to plot a course for optimal growth and lays out the exact tactics to enable efficiently attain the company's goals. Also, this marketing strategy incurs only minimal cost and should be capitalized by the company to reap maximum rewards. Bespoke Tailor Inc. should establish a social media presence to penetrate unexplored market fitting for the company's production capacity. The social media will allow the business to advertise the business widely and more efficiently.

The social media presence of the business may be improved through advertisement boost being offered by social networking sites, such as Facebook.

Fostering a focused strategy on establishing market niche. With the limited manpower complement and production capacity, Bespoke Tailor Inc. should focus on micro, small to medium sized enterprise and local government unit clients. A focus strategy involves offering the clients with

a product customized to the preferences and is directed towards satisfying the needs of the identified customer group.

This business strategy can be implemented by having an intensified marketing strategy through an integration of both the traditional and digital approaches of sales/marketing.

Product Development

Investing on software system to improve operation and production monitoring. Bespoke Tailor Inc. should invest on the adoption of the Enterprise Resource Planning (ERP) System for better inventory management and financial monitoring. The company should consider adapting this system to enhance the business' capacity to manage the inventory and monitor its financial position.

An ERP inventory management system provides real-time inventory information to the entire organization. This is an important capability for businesses that plan to expand, have complex workflows or supply chains, need advanced automation, operate in "just in time" mode, sell many products or simply wish to maximize their investments in inventory (Schwarz, 2020).

Investing in capital expenditures essential to the improvement of production capacity and efficiency. In order for Bespoke Tailor Inc. to achieve its objectives, the business should invest in the procurement of production equipment and machineries. Acquiring additional industrial sewing machines and embroidery equipment to replace the non-functional and fully depreciated machines is pivotal in increasing the capacity and efficiency of the business production.

Conclusion to the Proposed Strategies

The researcher can conclude that with proper implementation of the proposed business strategies and the improved production efficiency, the business will be successful in achieving positive results for the company's operations. With new machines, the business can be more efficient in the production of the products and have an increased production capacity. Also, the improved marketing strategy will allow the business to penetrate new market which will expand the company's profitability.

IMPLEMENTATION

McKinsey's 7S Framework

Through this model, the researcher can evaluate the organization's effectiveness in terms of the strategy, structure, system, shared values, style, staff, and skills.

Hard Elements

The hard elements are the tangible and identifiable elements which are perceived to be immediately influenced by the management. There are three (3) hard elements in the framework.

Strategy. The strategy of Bespoke Tailor Inc. is *Cost Leadership Strategy*. As a small-medium enterprise (SME), the company focuses on maximizing potential returns for the shareholders through minimizing the incurred cost in the production. Although it is not stated in the company's vision, the company official stated that they are focused on providing quality and affordable products for its target market.

With the analysis conducted in the previous section, the company is recommended to implement market penetration and product development. This can be achieved through the following suggested strategies:

1. Investing on software system to improve operations and production monitoring.
2. Intensify marketing strategy through a social media marketing roadmap and curating advertisement materials.
3. Investing in capital expenditures essential to the improvement of production capacity and efficiency.
4. Fostering a focused strategy on establishing market niche.

Structure. Bespoke Tailor Inc. employs a functional organizational structure composed of the sales/ marketing, operations, finance and human resource. The company is headed by the Chief Executive Officer (CEO), followed by the managers and staffs accordingly.

System. Based on the researcher's interview, the company does not use or utilize any system for its business processes. They only utilize Microsoft Excel for its financial monitoring, as well as for its inventory monitoring during the production process. The lack of an established system in its financial and operational needs may prove to be a hindrance for the company to achieve overall effectiveness and efficiency.

Soft Elements

The soft elements of an organization are the intangible, but equally important factor to a company's overall effectiveness.

Shared Values. These are the company's stated values and behaviors that act as guides for the leaders,

employees and customers about the vision and mission of the institution. For Bespoke Tailor Inc., the shared values are as follows:

Quality. The commitment of providing excellent products that meets the needs and expectations of the customers. It is the degree of excellence that is aimed by the company in terms of product output.

Competence. With a labor-intensive business, the capability of the employees to produce quality products is linked to the competence and skills that they possess.

Teamwork. It is the coordination of the company employees towards achieving one goal, which is to provide quality products for the clients.

Value for Craftsmanship. The objective of the company to provide continuing education and training for its employees to attain the desired craftsmanship of the business.

Social Responsibility. The commitment in providing employment for skilled workers in the poverty-stricken sector of the community.

Style. The leadership style for Bespoke Tailor Inc. is democratic. The President/CEO utilizes this participative leadership style which promotes trust and confidence to the employees. The tailoring business is an industry driven by collaboration of designs and inputs from all levels. The democratic leadership style allows the business to be productive through the collaborative effort of all managerial levels. Also, the President/CEO conducts coaching and brainstorming activities with its managers for the improvement of style and operations of the business.

Staff. The employees of Bespoke Tailor Inc. are distributed across different departments with respect to their appropriate functions. The operations staff of the company

are residents of the community where the business operates (Caloocan City). Given that majority of the employees are undergraduate and does not have the proper training but possess the skills, the company provides an incentive program for the employees that allows them to study the TESDA NCII Program for tailors. This allows the employees to improve their skills and deepen their knowledge about the craft.

Having identified the sales/marketing department as a waterloo for the business, the company must invest or utilize the opportunity of social media marketing to widen its reach in the target market. It is essential for a product-driven business, like Bespoke Tailor Inc., to be well adept with the latest marketing innovations available in the market.

Skills. Bespoke Tailor Inc. is under the subset of the garments industry, known as tailoring/ custom-made sector. The skills requirement for this type of business includes technical knowledge on apparel/garment designing, pattern making, fabric selection, and garment construction, also known as the actual tailoring process.

The skills mentioned can further be improved through continuous training by undergoing training programs such as TESDA NCII Tailoring which the business already employs. However, this kind of training program can be implemented in a more efficient and effective manner. A retention period for the employees must be included in the contract or a regular position may be employed to strengthen the business workforce.

Policies

In support of the researcher's proposed strategies, Bespoke Tailor Inc. must implement the following policies:

1. Ensure the strict implementation of the Just-In-Time Inventory Management System and monitor properly the inventory level of the company.
2. Capitalize on the benefits of using the Enterprise Resource Planning System such that finances and operation expenses shall be properly monitored and accounted for.
3. Monitor the efficiency of the machines to minimize production disturbance and reach optimum results for the company's gain.
4. Conduct regular performance assessment of the employees to implement the proper reward system and enhance the employees' motivation and productivity.

Attainment of the Objectives

1. Bespoke Tailor Inc. continues to be a cost leader in the custom-made garments industry in Luzon, with increased market share through market penetration and product development.
2. The company will increase its production efficiency as a result of the procurement of new machineries, and the ERP System, specifically the inventory management feature.
3. Continued employee development and commitment will be achieved through the training program brought by the TESDA NCII Tailoring Program and contribute to the corporate social responsibility of the company.

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