

BTS PRINTING COMPANY

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Executive Summary

*The Philippine printing industry is engaged in the printing of texts and images on paper, glass, apparel and blank canvas. This industry may be considered as a modest industry but it is a major contributor to the economic development of the country. On February 29, 2008, **BTS PRINTING COMPANY (BTS)** was incorporated and registered with the Securities and Exchange Commission primarily to engage in the business of printing services, bookbinding, printing of school yearbooks, annual reports, brochures, leaflets and all kinds of printed materials. Also, the company is engaged in actually using the printers to print all sorts of materials for corporate clients: calling cards, brochures, books, magazines, paper labels, paper bags, and carton boxes.*

The major concerns that this firm would like to address are the inefficiencies of the firm in terms of printout quality, poor marketing strategy of the firm to reach more clients, and the organizational chart with limited workforce or understaff for the major positions.

Furthermore, the specified concerns are identified through the use of the tools in research such as the Internal-External (IE) Factor Evaluation Matrix and Strengths-Weaknesses-Opportunities-Threats (SWOT) Matrix. The researcher identifies that the firm needs to proceed with the Hold and Maintain Strategy by making a market penetration and product development tactics.

To address the abovementioned gaps, the researcher suggests procurement of new and advance printing machineries at par with the industry, enhancements of the marketing strategy with the use of the website or social media to reach a wider and larger network of clients,

and designation of staffs for the essential and vital positions of the firm to relieve the owner from the multiple functions and to focus on a more indispensable function for the betterment of the firm.

INDUSTRY ANALYSIS

The Philippine printing industry is engaged in the printing of texts and images on paper, glass, apparel and blank canvas. This industry may be considered as a modest industry but it is a major contributor to the economic development of the country.

In 2016, Mr. Dominador D. Buhain, the incumbent President of the Philippine Printing Technical Foundation (PPTF), stated that the country has 3,000 printing businesses. Additionally, a total number of 30 printing and publishing businesses are included in the top 1,000 corporations in the country, posting an aggregated revenue of P21.8 Billion (Philippine Star, 2016).

The local printing industry has provided employment for 160,000 Filipinos, 90% of which are involved in the production of print materials.

However, even with the posted revenue and employment generation, the Philippine printing industry is at a disadvantage in comparison with its global competitors. This industry setback was aggravated by the lack of unity in the industry and integration of technology in the production process.

The PPTF has called for the attention of the industry players to spearhead a unification roadmap, initiated by the identification of challenges imposed by the inadequate investment in technology and dependence on imported raw materials and machineries.

Economic Characteristics of Printing Industry in the Philippines

In the December 2019 Monthly Integrated Survey of Selected Industries, the capacity utilization rate of the printing industry was at 84.1%, an improvement from the December 2018 result of 79.2%. The average capacity utilization rate is the proportion of potential economic output that is actually realized. This utilization level provides insights into the overall slack that is in an economy at a given point in time (Investopedia, n.d.).

Furthermore, the assumption that the arrival of digital technology will change the printing industry has not been the case as the printers themselves have evolved. According to the marketing manager of HP Philippines Mr. Francis Chua, *"We may have gone more digital over the years, but the amount of information we print day-by-day remains to keep the local print industry relevant (2019)."*

In 2017, the registered number of printing establishments in the country is accounted to be at 5,000. Around 3,500 of which are located in Metro Manila and the rest are in key cities and provincial capitals. Additionally, some 1.5 million Filipinos are estimated to be dependent in printing and its allied trade (Chua, 2017).

Printing demands across industries

According to Global Data (2020), a leading data and analytics company, the Philippine market for packing goods is expected to reach 69.0 billion units at 3.3% compounded annual growth rate (CAGR) by 2024.

The food industry was the leading sector in terms of usage of package with a share of 66.9% during fiscal year 2019. It was then followed by packaging for non-alcoholic beverages with a 23.4% share in the same year (Global Data, 2020).

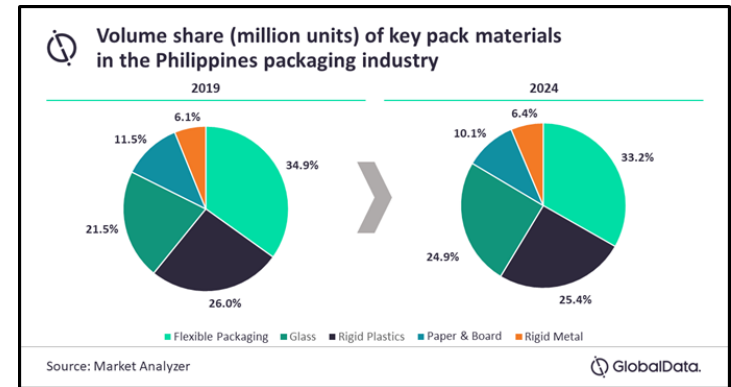


Figure 1. Volume Shares (million unit) of Key Pack Materials in the Philippines Packaging Industry.

Analysis of the Industry Using Porter's Five Forces

Threat of New Entrants – High. Based on the average cost of establishing a business, a start-up printing business may require an average capital that ranges from Php500,000.00 to Php2,000,000.00. This includes the procurement of a basic printing equipment, start-up amount of materials and a vehicle for the delivery of goods to the clients. Afterwards, the business has to comply with the requirements as mandated by the respective national agencies, such as the Bureau of Internal Revenue, and local government units.

Also, with the ratification of CREATE Law and ASEAN Integration, the tendency is for business investors, foreign or local, will be attracted into devoting their capital to the industry. Given the improved fiscal incentives and the collaboration between industry players, the possibility of new businesses entering the market is imminent.

Threat of Substitute – Moderate. The printing industry is engaged in the production of text and images on blank canvas including paper, fabrics, and other feasible materials. The wide-range of products in the industry

includes tarpaulin, promotional items, packaging materials, printed paper bags, stickers, and product labels. While it may be noted that in the advent of technological growth and advancements the printing industry was affected. There are products of the industry that cannot be replaced by the latest technology. As an example, the printing of packaging materials cannot be replaced by any digital technology. Although the medium and style of printing can be affected, the actual packaging of the product cannot be substituted.

Also, the production of packaging labels can be enhanced through the latest technology but the bottom-line is that these printed materials will continue to exist in the foreseeable future.

However, the production of marketing/promotional materials is greatly affected by the rise of smart media. Nowadays, people tend to have an increased screen time or also known as increased exposure to social media. This is the reason some companies tend to invest their marketing campaigns through the world wide web. It is considered to be cheaper and has a wider reach of clients.

Bargaining Power of Supplier – Moderate. The major suppliers of the printing industry are as follows:

- a. Supplier of printing and other equipment – High. Majority of the printing equipment in the industry are imported from other countries. The rarity of the machines allows the supplier to dictate the price of the equipment.
- b. Supplier of raw materials – Moderate. This includes the ink and paper materials utilized in the production process. There are several local suppliers of paper materials in the country diminishing the capacity of the suppliers to dictate the terms of pricing. However, the inks being used in the production process normally comes from the same supplier of printing equipment.

Therefore, it gives them the control over the pricing of the production materials.

- c. Laborers/ Employees – Low. With the recent development brought by the pandemic, there are millions of Filipinos who lost their jobs due to unforeseen business closures and quarantine restrictions. With that, there is an influx of laborers in the market who are looking for jobs to provide food for their families. This economic recession makes people vulnerable into accepting any jobs without prejudice to the labor wage being provided.

To sum it up, the bargaining power of suppliers in the printing industry is MODERATE. The high bargaining power of the machine supplier is mitigated by the low and moderate bargaining power of the laborer and raw materials, respectively.

Bargaining Power of Buyers – High. The firm offers its products and services mostly to private companies across the country. Their clients are engaged in fast foods services, canned goods, production of alcohol, financial institutions, airlines, and real estate to name a few. They provide printed boxes, labels, stickers, promotional items, menu, paper bags, packaging labels, magazines, calendars, and posters to name a few. BTS's existing clients are generally large and most of them are listed in the Philippine Stock Exchange.

Given all the existing clients and the products frequently ordered to BTS, the rating of this force is High. According to Philippine Statistics Authority, there are 5,000 printing establishments all over the country, 3,500 of which are situated in Metro Manila. It is evident that a buyer has the luxury of option in terms of printing supplier.

Rivalry of Competition – Moderate. Various printing industries are competing head-to-head among each other to see who is better in terms of one aspect over the

other. They are competing in terms of price, quality, timeliness, responsiveness, and accessibility among others. Buyers tend to go to a company that offers an optimal package of every aspect they are looking for.

After enumerating the above aspects, the buyers are looking for, the researcher can rate these forces Moderate because players in the industry can compete in a particular aspect they wish to specialize in, be it a low-cost product, high quality product, responsiveness to customers' inquiries, or any combination of the aspect they think is vital in the competition. One cannot have all the qualifications that customers are looking for. There will be a time that one aspect in BTS is present compared to their rivalry and vice versa.

Conclusion of Industry Analysis Based on Porter's Fiver Forces Model

With all the foregoing information discussed in this part of the paper, the researcher concludes that the industry is **moderately attractive** to potential investors. Given the relatively moderate assessment on the threat of substitute and bargaining power, the high assessment for the threat of new entrants and bargaining power of buyers is mitigated.

Opportunities and Threats

Opportunities

Increasing Demand for Packaging and Labels. For the past years, a significant increase in the demand for construction, accommodation and food services has been noted, not until COVID-19 happened. While the pandemic created havoc across all borders, it has provided also opportunities for some businesses, like the one's in the printing industry.

The recent pandemic provides an opportunity to the subject firm since their clients, as a food industry (i.e. KFC, McDonalds) and antiseptic disinfectant solutions (i.e. Greencross Alcohol, Inc.), are heavily demanded in the market since the minimum health standard is now being observed anywhere. Since alcohol is now present in every establishment before entering and every individual has his/her own alcohol in his/her pocket, the production of alcohol labels has increased. Also, since the capacity in the restaurant was reduced into half, most the orders are being made and delivered thru various delivery applications (i.e. Grab, Food Panda).

Fast Technological Evolution. Having the most updated and efficient type of printing machines makes them more productive in output and attractive to existing and new clients.

In the printing industry, the biggest innovation was brought by the rise of digital print technologies. The industry was previously dominated by the traditional letterpress and silk screen printing but with the development of digital printing, the playing field changed significantly.

Emerging New Companies in the Market. With the implementation of the ASEAN Integration and CREATE Act, new companies are expected to enter the business market. Generally, companies need printed materials to market their products or to put in their products (packaging or labels). Despite of the pandemic, there are various sectors emerging in the competitive market. They want to make the most of the time while the iron is still hot and market is still not in normal condition yet. New companies will emerge to see if they can take advantage of the present situation and if they can survive the effect in the market brought by the pandemic.

Implementation of the ASEAN Integration and CREATE Law. The CREATE Act will help every business in the country by decreasing the corporate taxes to 25% from 30% or a 5%

reduction from their annual income taxes paid to the government. Meanwhile, the ASEAN Integration helps the printing industry situated in the South East Asian Region to be more collaborative and cooperative instead of bringing each other down.

Threats

Competitor's marketing/ sales activity. The level of aggressiveness of the competitor in terms of marketing/ advertisement is a threat to the company's ability to prosper and grow. Having a website is an advantage because potential clients do not need to visit first the physical store. Through the website, potential clients can see the performance and reviews of the customers who are already availed the product and can see if their statements are genuine. Potential clients are skeptical and need proof before they even believe that the firm is doing things right.

Emergence of SMART Devices. This threat is expected to decrease the marketability of the products of the printing industry. In the long run, the printed marketing materials of the firm will just be a waste and eventually decline remarkably. As smart devices continue to become more popular around the world, companies are moving into different markets to take advantage of mobile commerce and payment systems, cloud computing, and social media outlets such as Facebook, Twitter, and LinkedIn. Companies must adapt to this new way of doing business or risk becoming outdated and less competitive (Globoedge, 2014).

Entrants of New Printing Companies in the Area. New printing companies with comprehensive information, available in their website, about their products and services will gain more clients compared to the conventional and old fashion way of marketing. However, the Philippine printing industry can take advantage of the ASEAN Integration, as mentioned above, since the goal of the countries is to cooperate instead to compete. Instead of buying new and

updated printers just to meet the orders of the clients, they can refer and collaborate with other firms who have the capacity to print the orders of the clients.

Table 1
External Factors Evaluation Matrix

	Opportunities	Weight	Rating	Weighted Score
1.	Increasing demand for packaging and labels brought by the pandemic	20.00%	3	0.60
2.	Fast technological evolution of machineries and equipment	15.00%	3	0.45
3.	Emerging of new companies in the market brought by the implementation of CREATE and ASEAN	10.00%	2	0.20
4.	Implementation of CREATE Act and ASEAN Integration affects the business industry	15.00%	2	0.30
Threats				
1.	Competitor's Marketing/ Sales Strategy	15.00%	2	0.30
2.	Emergence of Smart Devices disturbs the printing of marketing materials for the clients	20.00%	3	0.60
3.	Entrants of new printing companies	10.00%	3	0.30
	TOTAL	100.00%		2.75

Conclusion of Industry Analysis Based on Opportunities, Threats, and EFE Matrix

The researcher provides a higher weight on pandemic COVID-19 and emergence of smart devices for opportunities and threats, respectively, with a weight of 20%. This is because the clients of the firm need more printed packaging and labeling materials since the former items are highly demanded via shipping or courier compared to the pre-pandemic situation when their products can be availed without the packaging or labeling materials. Ergo, BTS is inundated with bulk of orders for printed labeling and packaging.

On the other hand, emergence of smart devices has a greater weight than that of the other identified external threats since one of their product lines is printing brochures, leaflets, and any other marketing materials. Because of that, request of the products might reduce significantly.

Based on the matrix shown on the table, the subject firm, BTS, is above average **(2.75)** in maximizing the external opportunities and combating external threats. This is a good indicator because the firm is on the right path and needs some adjustments to be more competitive in the future.

COMPANY ANALYSIS

Company Profile

BTS PRINTING COMPANY was incorporated and registered with the Securities and Exchange Commission with the primary purpose of engaging in the business of printing services, bookbinding, printing of school yearbooks, annual reports, brochures, leaflets and all kinds of printed materials. The firm is currently operating in Las Pinas City, Metro Manila.

The firm is connected with MANILA Printheaus as they are both owned and operated by Dominador and Cristina Cruz. The latter is operating in Caloocan City which is engaged in printing all sorts of materials for corporate clients: calling cards, brochures, books, magazines, paper labels, paper backs and carton boxes.

As of 2019, they have 85 employees, of which, 15 are indirect and 3 are contractual in their rosters.

Due to the economic impairment that the firm's clients are experiencing, the company's collection was badly affected by the pandemic, since a lot of their clients asked if they could delay their payments for their orders. Hence, in such a dilemma, BTS is also forced to use any cash collection that they receive to keep their company's operation afloat. To add, their suppliers are now demanding cash payments since the supply of raw materials has been badly affected as well by the pandemic.

Primary Activities

Inbound Logistics. BTS's suppliers are generally local firms to support the local goods and to incur cheaper cost of shipping while providing the same quality of raw materials. High quality products add value to the output of BTS and can be manifested in their total revenues for the year.

Operation. The firm is headed by President and CEO Dominador Cruz and the company is supervised by his wife, Cristina Cruz. They have well-motivated and highly skilled employees to meet the demands of the market. Its continuous training program, coupled with the years of experience in the industry, enables them to provide quick turnaround on customer's order.

BTS has a mid-tech type of printing machine which uses traditional ink and has lower capacity production as compared to their rivals. But still, they are able to meet the orders of their clients.

Outbound Logistics. The outbound logistics of BTS is through various delivery vehicles by BTS. Sometimes, they rent delivery vans if the demands are too high, from point of production (BTS) to point of destination (clients) with various terms and conditions between them. BTS is in the heart of NCR and their key clients are also in NCR. This is an advantage for them because most of their deliveries are just a couple of hours' drive. The final products are then checked first before the vehicles leave the compound of BTS to ensure that the items are complete in number and correct in quality. Otherwise, they will make the necessary corrections before the delivery is made.

Marketing and Sales. The marketing and sales strategy used by BTS is through the conventional way or by contacting the clients through phone calls and setting an appointment to present their products and services. Once a client has been satisfied with their service, marketing by word of mouth or recommendations will take place. This gives them a wider market. However, website is needed to further promote the firm.

Service. Aside from printing of the clients' order, they provide opinion on the better way to make the output more appealing to the general public since the public will see first the visual output before they avail the product of their clients. An after sales consultation is made to know if there are things that can be improved in their product. Conduct of such evaluation helps both sides improve themselves professionally.

Supporting Activities

Firm Infrastructure. This refers to the interconnection of the divisions of the firm. Such divisions include the management, finance, human resource, accounting, operation and production, marketing and sales among others. BTS does not have the complete set of divisions; however, they manage to increase their revenues

as shown in their submitted audited financial statements to BIR from year 2017-2019. They may have a few number of staff headed by Cristina Cruz, but the operation per se is not compromised.

Human Resources Management. Continuous training and development of the employees of the firm is provided to make their employees motivated and dedicated assets of the firm. Employees are the assets of the firm. Hence, they are investing into career enhancement of their people which will then be translated into revenues of the firm.

Technology Development Management. Investments with the types of equipment is an advantage of the firm. BTS is a bit behind with their printing machine since they acquired a machine which is not up to date but can still produce the type of output their clients need. However, the preference of the clients is consistently changing. Hence, they cannot cope with sometimes and they just rely on their usual production compared to their rivals.

Procurement. This refers to where the firm gets the best quality of raw materials at the competitive price. BTS focuses on the local suppliers since the raw materials they need are mainly paper and it is not practical to get raw materials abroad since the local's quality is of the same level compared to international suppliers who may incur additional cost in shipping.

Strengths and Weaknesses

Strengths

Located in NCR, the Heart of Luzon. The company is strategically located. Most of the big clients are situated in NCR and the competition in the area is high. If the company is not located in NCR, they might not be in the list of the potential and growing companies. BTS makes itself available and accessible to the market.

Growth and Profitable Rate Are Increasing. Based on their Audited Financial Statement for 2018 and 2019, the revenue they generated is PhP 59.11M and PhP 72.37M, respectively. That is an increase of about 25% from 2018 to 2019. This is a good indicator that they are right on path and are doing well in their chosen industry. This may serve as their proof to their prospective clients whenever they ask a profitability and growth increase for the past years.

Good Credit Rating with the Universal Banks and Small Financial Institutions. Good credit standing proves that the client is a good borrower. A good borrower pays his/her loan whenever it is due, regardless of any reason. This is a proof that BTS is a responsible borrower and does not want to have a bad credit rating with banks or other financial institutions for that matter because this will affect their character reference whenever they plan to avail new loans with other banks or financial institutions.

Strong Affiliation with Big Clients. It is a big advantage for the company to be affiliated with the big clients in the country for several years. Having Greencross Company Inc., Golden Arches Devt. Corp., KFC Phils to name a few, are already an advantage for the firm to thrive more in their chosen endeavor. These big companies help the marketing of BTS through their recommendations to other companies. This enables the firm to reach a wider range of market across the country or even tap the companies outside the Philippines.

Weaknesses

Absence of Website to Market Products and Services. In a digital world nowadays, being present in the internet makes someone more competitive and reach a wider range of market. This also connotes that if the company has a website, they have invested enough and they are eager to reach more clients outside their area of coverage, physically. Being physically present is also good but the 1st step to reach far

companies is a detailed information on the products and services offered that can be accessed through the website even without meeting the company to know the products and services they are offering.

Lack of Enough Manpower to See the Overall Situation. Since one of the owners is also the manager, the former cannot focus on real job, to negotiate only to potential clients. They still look over the smallest details of the operation. Making the owners exhausted over the whole operations makes them fail to plan for the future of their business. This is because instead of decision-making, troubleshooting is being made instead. The essential part of the business is being compromised because the owner is busy fixing small details.

Low Technological Competencies in Terms of Machines. Compared to the rivals / competitors, BTS has low technology type of printing machine. BTS uses traditional type of ink and has a slower production of output for their printing machineries as mentioned in the CPM.

Table 2
Internal Forces Evaluation Matrix for BTS Printing Company

Key Internal Factors		Weight	Rating	Weighted Score
Strengths				
1.	Located at the heart of Luzon, NCR	20.00%	3	0.60
2.	Growth and Profitable rate are increasing	10.00%	4	0.40
3.	Good credit rating with the financial institutions	15.00%	4	0.60
4.	Strong Affiliation with the BIG Clients	10.00%	3	0.30

Continued.

Table 2
Continuation

	Weaknesses	Weight	Rating	Weighted Score
1.	Absence of website to market their products and services	15.00%	1	0.15
2.	Lack of enough manpower to see the overall situation	15.00%	2	0.30
3.	Low Technological Competencies in terms of Machines	15.00%	1	0.15
	TOTAL	100.00%		2.50

Based on the matrix shown above, the subject firm, BTS, is average with regard to their internal strength and weaknesses. The researcher may suggest that they need to strive more on the weaknesses to cope up and be at par of the playing field.

Strategic Issues Facing the Firm

Below are the identified strategic issues that hinder the company to excel in their chosen field of industry:

1. How to Market More Effectively the Product of BTS

Great marketing strategies help to build trust and confidence from the potential clients. Trust will keep the clients invested in the products and services offered by the firm. Admirable marketing informs the customers what the firm can offer. It also sells the company to the potential clients, what business they are into and how they can deliver their business. Moreover, it engages the customers after they see the testaments of the business.

2. What Roles the Owners Have in the Firm

A clear definition of roles makes things flow smoothly inside the firm. This helps them to identify what responsibility is within their function and who should be called on when something goes wrong in the firm. Roles must be as crystal clear in all employees and owners know their area of coverage and limitations.

3. How the Firm Will Address the Increasing Demand of Their Clients Whenever They Improve Their Marketing Strategy

Efficiency of the firm is important since this talks about how fast they can produce the products or services and translate into earnings of the firm, provided that they use optimal number of resources without suffering the overall quality of the project. Efficiency is the ability to accomplish something with minimum expenditure of time, effort and resources.

STRATEGY FORMULATION

Proposed Vision Statement

BTS PRINTING COMPANY will be the “*Numero Uno*” in the industry that provides printed materials for marketing, labeling and packaging needs from micro to large scale firms nationwide through the delivery of quality yet affordable and prompt services.

Proposed Mission Statement

To our Customers and Public

Our mission is to provide our small to large scale customers nationwide superior, dynamic, and visible quality products and services delivered in a timely manner and at a competitive price, still using the best

technology solution while still observing environmental concerns and without sacrificing the quality of results, at the same time building and maintaining mutual client-customer relationship. We adhere to return to the public share of the good harvest we make through the years.

To our Employees

We nurture new talents and develop existing skills as they are the keys to achieve success and excellence. We are providing equal opportunity for personal and professional growth consistent with the best practices in the world while cultivating healthy and harmonious working environment.

Table 3
Evaluation of the Proposed Mission Statement

Elements	Aligned?	Particulars
Customers	Yes	Micro to Large Scale Companies
Products/Services	Yes	Printed materials for M, L and P
Market	Yes	Nationwide
Technology	Yes	Best technology solution
Survival/Growth/Profitability	Yes	Maximum utility of available resources
Philosophy	Yes	Visible is Victory
Self-concept	Yes	Versatility and Dynamic
Concern for Public Image	Yes	Sharing the blessing to the community
Concern for Employees	Yes	Nurturing talents

Objectives of the Strategy

- Strategic Objectives.** The researcher identified the following strategic objectives after conducting various analysis in this paper:
 - To be the “Numero Uno” printing company in the country; and
 - To provide quality printed products and services consistent with the best in the world with the use of advanced technology solution and at the same time with a competitive price
- Financial Objectives.** For the BTS PRINTING COMPANY financial objectives, the company aims to have a five to 10 percent net income growth rate for the next 15 years and achieve a total of 50.00 million aggregate net income by 2035.

Present Strategy

The firm, BTS, is currently using the cost leadership strategy which can be manifested in the daily operations of the business. Making the most out of the available resources is the strategy they imply. Generating more revenue while limiting the expenses makes them more efficient in every way possible. Such strategy is evident to the following activities:

Advertising and Marketing thru Phone Calls. The owners of the firm do the phone calls to big companies in NCR to offer their printing product and services. A confirmation from the phone calls will lead to their presentation of products and services to potential clients as well as the terms and conditions which will build a long-lasting relationship with their client.

Advertising and Marketing thru Referrals. The existing clients refer the firm to potential customers of the firm. Referral will then be successful if the existing clients are served well by the firm and with satisfaction for the services rendered with reasonable and acceptable price of the service by the firm.

Training and Development of the Employees. The company is using printing machine to maximize productivity. The firm sends their employees to different development activities and trainings on how to operate the printing machines especially when they updated their printing machines to be at par with the competitors in the industry.

Maximum Utilization of the Existing Printing Machine. Existing machines are utilized to meet the demands of the customers without sacrificing the quality of their products.

Generic Strategy

The generic strategy used by the subject firm, from the Porter's Generic Competitive Strategies, is "**Cost Leadership**" Strategy. The remaining other strategies are overall low-cost provider strategy, broad differentiation strategy, focused low-cost strategy and best-cost provider strategy.

Cost leadership strategy involves being the leader in terms of cost in the market but being the firm with the lowest cost of product offered is still not good enough. There are two main ways to achieve this within a Cost Leadership strategy:

- Increasing profit by reducing costs while charging industry-average prices; and
- Increasing market share by charging lower prices while still making reasonable profit on each sale because of the reduced cost.

The greater risk in pursuing a cost leadership strategy is that these sources of cost reduction are not unique and can be copied by the other competitors to be at par with the market. This is the reason why every firm should find ways to reduce the cost of the products they offer in the market.

BTS focuses on low-cost services to big clients while promoting and providing quality printouts of label, marketing materials, boxes, to name a few. These help them to optimize profitability of the business.

Proposed Strategies

Based on the SWOT Matrix Analysis, below are the recommended business strategies to implement and achieve **market penetration** and **product development**. These identified business strategies aim to target 3 significant points, namely (1) marketing aspect, (2) machine acquisition, and (3) manpower development.

Marketing. Be Visible in the Internet to Increase the Reach of the Firm to Other Clients. While it is good that they cater big clients in the NCR, BTS can achieve greater things once they are active online featuring their products and services to the clients. It will boost the promotion of the business and at the same time attract unassuming clients who are looking for printing services. This is a good opportunity for BTS to penetrate the market in geographical areas of the country outside the bounds of the Metro. While it is true that online marketing is the new trend, the firm may still use their previous practices of marketing like phone calls or personal meetings with the potential clients.

Machine. Acquire and Invest into a More Advanced Printing Machine. This business strategy will allow BTS to reach its full potential through maximized production and efficient use of the shareholder's resources. This will also allow the company to achieve growth without

compromising the quality of the products and services they offer to their clients. This will help them meet the demand of the changing preferences of the clients as they have a variety of printing machines that caters to the changing needs of the clients. Also, it is suggested to acquire a printing machine which uses natural inks to be environmentally friendly.

Manpower. Designate Qualified Professionals to Oversee Operations. For the company to reach its full potential, there must be knowledgeable managers at every stage of operation for the company. The separation of duties and responsibilities is essential to maintain the quality of production and maximize the output of the business. Also, these qualified professionals will aid the head of the firm to steer the company to the right direction. Partial designation of qualified and professional people in selected area of operation is necessary and lets the owner do what they do best to operate their business as that is their way in the beginning which leads them to where they are right now.

IMPLEMENTATION

McKinsey's 7S Framework

Hard Elements

The three hard elements are strategy, structures (such as the organizational chart and reporting lines) and systems (such as formal processes and IT systems). They are relatively easy to identify as the management can influence them directly.

Strategy. BTS PRINTING COMPANY, is classified as a large corporation, based on total assets. It is implementing a cost leadership strategy for their firm as this is the best way to make it in their chosen market industry. To provide the best quality outputs available yet with competitive, affordable and lower price, without compromising their operational activities is the strategy being exercised by the

firm. This may be the most optimal way to penetrate the market effectively, but somehow, this is where they generate their income to be sustainable a firm in the industry.

After due deliberation and analysis conducted by the researcher on the firm, it is then suggested that they may implement market penetration and product development which can be achieved thru the following, viz:

Machine Acquisition. This will enable them to produce more outputs with lesser resources inputs and produce more and new quality of printed products. The researcher also suggests the use of environmentally friendly printing machines thru the use of natural inks.

Manpower Development. Designation of qualified employees for the supervisory position is a possibility. This will make the owners free from clerical duties and will have them focus on more important decision-making matters for the firm to grow. Partial designation of people in a selected area of operation is suggested instead of letting the owners forego totally their practice of operating their business.

Marketing Aspect. Through the aid of the website and presence on social media pages, this will allow them to reach more clients and present their products and services in a birds-eye-view through portfolios or collections of their done deal transactions. Still, the previous practice of marketing may still be used in marketing like phone calls or actual meetings.

Structure. The firm uses the functional organizational structure composed of the different essential functions of the firm. However, the most of the essential functions are filled in by one of the owners which leads to overlapping of duties and responsibilities.

Ideally, each function should be manned by different persons with their own expertise and profession to avoid overlapping of functions. Below is the recommended structure for the firm:

This will enable the owners to focus more on essential matters and avoid the clerical duties. Although it is still important that they know every corner of the operations. But it is better to leave them to the experts and devote their time in expanding their business.

System. The firm uses an automated system to monitor the whole operations of the firm. This covers the Accounting and Finance Department, Sales and Purchasing Department, HR & Payroll Department and Asset & Stock Management Department. This system provides a real-time information for the organization which is vital for their decision-making.

Soft Elements

These are the elements which are considered fuzzier, more intangible and influenced by corporate culture. The elements include the Style, Skills, Staffs and Shared Values.

Shared Values. These are the net of gears within the company to keep them going and to have a harmonious and productive working environment. The internal and external clients benefit from these. Below are the shared values demonstrated in the firm, viz:

Innovation. Technology is ever fast changing. So, the employees and the owners are coping with the changes to be at par with the industry and be not left behind in the market.

Synergy. One can do something, but with the help of others, he/she can do more than his/her actual count. Collaboration within the firm is essential to achieve a greater goal and do more to have a more profitable financial year.

Professionalism. Practicing the utmost conduct, behavior and attitude of someone in the workplace leads to success of the firm. This may be translated into a strong professional reputation of the firm by demonstrating high level of work ethics and excellence in whatever they do.

Commitment. This is a state or quality of being dedicated to work on to something and delivering the outcome as promised. The firm is committed to developing the skills of its employees for their professional and personal growth. They are also committed to their clients by delivering the best output they can provide while maintaining a tuneful firm-client relationship. It is also a feeling of responsibility that a person has towards the firm's goals, mission and vision he/she is connected with.

Style. The leadership style demonstrated in the firm is monocratic leadership. This is where the owner, as the President and CEO also, does mostly the decision-making with only few inputs from their employees. They see this fit and best for their firm as it is not that large of a company with many heads to supervise the operations. The head of the organization has an expertise as it is their previous business and had been migrated to a new place to operate. The owner has enough experience about handling the business. Further, they are also hands-on in the operations and financials of the firm. They train their employees on how to work effectively and efficiently in their firm.

Staff. The office employees of the firm are combinations of college graduates and undergraduates from their neighboring areas. Some of them also are with diplomas from TESDA and some are high school graduates. But nevertheless, the firm provides an opportunity to these

people to work with them and demonstrate their skills. The fact that there are undergraduates and high school graduate only, the firm provides trainings for the employees to possess the skills needed in the job and to deepen their knowledge in doing the business.

Skills. Skills are essential to operate the job well. The owners, Mr. and Mrs. Cruz, are already skilled in this field of industry as they started their firm way back before in 1995 as MANILA Printheaus in Caloocan City before migrating into Las Piñas to start BTS. The owners are generous enough to train their employees of the necessary skills, be technical or clerical, to make the business flow. It boosts the employees' level of competence and confidence whenever they are appreciated and challenged at the same time. Whenever there are available updates in printing machines they have, they set trainings to know how the updates work or even the new printing machine works, especially for the technical employees of the firm.

Balanced Scorecard

Financial Perspective

Objective: Increase firm's net income and shareholders' value

Key Performance Indicators: Annual Net Income Growth, Profitability Ratios and Book Value per Share

Customer Perspective

Objective: Meet and/or exceed customers' expectations to make them feel delighted

Key Performance Indicators: Customer Satisfaction Rating, Number of Customer Complaints Received per Month and Time Allotted to Resolve Customer Concerns

Internal Process Perspective

Objective: Improve the quality, efficiency, accuracy, and timeliness of services

Key Performance Indicators: Labor Time per Worker, Production Time per Batch and Number of Defects and Rejects per Production Batch

Learning and Growth Perspective

Objective: Improve employees' skills, competence, knowledge and loyalty

Key Performance Indicators: Cost of Training per Year, Percentage of Employee Trained and Employee Learning Curve

Attainment of the Objectives

The procurement of the new printing machineries will enable the company to do more with lesser effort and resources. These will result to a higher revenue for the firm.

The employees to be assigned to a higher position need to be trained accordingly to manage and handle new tasks which will benefit the company in return.

Effective use of social media and internet to market their products and services will increase their revenue on the end and will increase their network of clientele.

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