

Operationalization of Negosyo Center as an Entrepreneurial Strategy to Selected Micro, Small, and Medium Enterprises in Taguig City

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Abstract:

Purpose: The tenacity of this study is to assess the level of operationalization of the Negosyo Centers of micro, small and medium enterprises in Taguig City and the development of a strategic entrepreneurial model that will assist and improve their well-being as successful entrepreneurs: financially, emotionally, and socially.

Designs/methodology/approach: The researchers conducted and gathered data through survey questionnaires (n=209) to MSMEs owners in Taguig City's selected barangays using a descriptive and quantitative approach to interpret the results. It also assessed the respondents' business profile and the level of operationalization of the Negosyo Center in terms of the entrepreneurial strategic model (mindset change, mastery, mentoring, money, machines, market access, and model). The researchers used systems theory in the study and presented a systematic method using the IPO Model (Input-Process-Output Model).

Findings: The findings revealed that most MSME owners started their businesses with initial capitalization ranging from 50,001-100,000 or 30.14%. They operated for more than a decade (n=68; 32.54%) with an average number of employees (n=1-10; 46.89%). The level of operationalization of Negosyo Center of MSMEs has significant differences in terms of initial capitalization and number of years in business with *p-value* of 0.000 whereas, the number of employees for business profile has a *p-value* of 0.127. The respondents agreed to have a strong collaboration with the Local Government of Taguig (LGU) and the Department of Trade and Industry (DTI) through establishing the Negosyo Center in assisting MSMEs.

Practical implications: In general, it is agreed that Negosyo Center program can have as much benefits in ease of doing business and access to services for Micro, Small, and Medium Enterprises (MSMEs). It also seeks to strengthen MSMEs to create more job opportunities in the country.

Originality/value: This study serves as a roadmap for establishing a Negosyo Center in Taguig City by stimulating and attracting micro-entrepreneurs and government agencies. Therefore, through trade fairs and exhibits, micro-business owners should participate in business and entrepreneurial exposures—continuous business guidance for training and seminars to promote an entrepreneurial mindset. TCU should offer extensive connections to industry experts in coaching and mentoring with social media and other online platforms used by MSMEs for

business promotion and exploitation. The Negosyo Center and the local government should provide business models that teach them how to create interrelationships, develop entrepreneurial skills, and keep their businesses running.

Keywords: MSMEs, Negosyo Center, Operationalization, Taguig City University

Introduction

Micro, small and medium enterprise (MSME) is very popular in the Philippines as a business entity engaged in industry, agriculture, and services, with an asset size of up to Php 100 million and fewer than 200 employees, and is classified as micro, small, or medium. According to the Philippine Statistics Authority (2019), 1,000,506 enterprises with a population of 995,745 (99.5 percent) and 4,761 (0.5 percent) large enterprises accounted for 62.40 percent of total business generation. As the most important driver for unused business people and expansive companies, these make the Philippines a prosperous country. With the growth of MSMEs in the Philippines, the government enacted Republic Act (RA) 10644: An Act Promoting Job Generation and Inclusive Growth through the Development of Micro, Small, and Medium Enterprises, which is governed by the Micro, Small, and Medium Enterprise Development Council (MSMEDC) and the Department of Finance under Implementing Rules and Regulations (IRR) Administrative Order 14-5 Series of 2014 and is mandated in all provinces, cities, and municipalities. This program serves as a conduit to the entrepreneurial state, bringing together all key stakeholders and empowering them to develop competitive Filipino entrepreneurs. (Guiniguindo, 2018).

The Go Negosyo Act of 2014 has provided each channel a team that gives the functions to entrepreneurs designed to cater to one-stop-shop services needed by MSMEs. Department of Trade and Industry (DTI) helps in reaching out to more micro-entrepreneurs and form partnerships with private companies to achieve their objectives. Taguig, the most populous city in the National Capital Region, is destined to become the region's next financial and commercial center. The city's business openness has increased due to its ease of doing business, and residents have flocked to appropriate policies, transforming it from a poor fishing village to a prosperous manufacturing, commercial, and residential center. According to the BPLO, the city had 17,725 total business establishments in 2016, with 3,385 new business registrations and 14,340 business renewals, making it the richest local government unit in the Philippines, the fastest-growing city, an eco-dynamic community, and the next investment center, with numerous accomplishments in various business partnerships and corporations. As a result, Taguig City encourages entrepreneurship, making it the fastest-growing business city in the Philippines and ensuring that its business needs are met.

The MSME Sector

Tobias (2020) defined MSME is considered as the backbone of the economy, a small-scale industry with the capacity and capability to develop a strong foundation for business appropriation and provides fierce competition in domestic and international markets. Also, it contributes a lot to creating employment and generates income for new entrepreneurship. The DTI (2019) reported that most enterprises are homed in the country and are primarily associated with the population's size at economic activity. They also related that Filipino enterprises expedite every working day. And, thousands of families and individuals benefited from a regular paying job, increased income and spending, and contributed back to the economy. However, the Philippines still need support in the business process and operations to be more efficient. Also, the sector paved its way as it grew buoyantly. MSMEs have lower productivity than large enterprises because of low wages that affect the labor force. Small businesses encumbered conventions and red tape to have rigid rules and corporate structures. As

microenterprises operate and grow, they need capital to inject the community to support other local businesses. And businesses realized the impact of the need for support from the government and private organizations. DTI (2019) Secretary Ramon Lopez stated that the overall mission is to reduce poverty and boost Filipinos' living costs and sustain growth. Income opportunities and entrepreneurship is pushing for the rebuild, revitalizing of business through investments, livelihood, and domestic demand. It is the strategy to revive the economy and enhance production. The Go Negosyo Act's policy promotes entrepreneurship and integrates the informal sector's micro-enterprise in a dynamic economy. Negosyo Center's business models entail business development services available in all regions catering to all MSMEs. Local government units and private sectors collaborate to ensure enterprises have access to all.

The Operationalization of Negosyo Center

As the Philippine government and the DTI enacted and approved Republic Act 10644, initiated by Senator Paolo Benigno "Bam" Aquino to bring government services closer to the enterprise through small businesses, paving the way for the establishment of a Negosyo Center in all provinces, cities, and municipalities nationwide. It is a program that offered four (4) primary services: (1) business registration facilitation, (2) business advisory, and (3) business advocacy information, and (4) monitoring and evaluation. The tenacity of this act is to promote the ease of doing business and to facilitate services to MSMEs, to intensify the promotion of entrepreneurship, and to help sustain the growth and expansion of businesses nationwide, thereby creating and improving the standard of living for Filipinos. The NC operates and assists in business registration, technological transfer, production, and management of training and marketing programs through DTI, DOST, the University of the Philippines-Institute for Small-Scale Industries (UP-ISSI), Cooperative Development Authority (CDA), Technical Education Skill Development Authority (TESDA), and other support agencies such as Micro, Small, and Medium Enterprise Development Agency (MSMEDA). As a result, approximately 1,110 NCs opened nationwide to serve small businesses in 470 cities, with a total number of around 35,604 business owners steadily increasing month after month, reaching over 11,000 business establishments nationwide (BOI, 2018).

Negosyo Center Program

According to the DTI (2019), 470 cities have opened NCs. In one month, the total number of MSMEs assisted approximately 35,604 business owners, reaching over 11,000 business establishments with the assistance of a large number of Negosyo Centers located across the country (BOI, 2018). Business owners appreciated the center's efforts because they were not subjected to long waits, unreasonable charges, or fixers. Services were provided in an open and professional manner, with the goal of utilizing shared services, grant loans, and other forms of financial assistance. Serrano and Seto (2018) stated that MSMEs were shaped within Negosyo Center, where academic, business, and government agencies seamlessly collaborated with different programs. Bulfa (2018) related his study that the governments created unique programs to assist small enterprises in their business-start and continue to grow and compete with other companies. They do this by addressing them to special training, helping them with fast-tracking in applying for business permits and licenses.

Business information and advocacy have been tasked to give information and services in training, financing, marketing, and other areas needed by the enterprise. They established a data bank related to the business application process regarding Negosyo Center (Recotvet, 2020). They were coordinated with schools and non-organizations to promulgate entrepreneurship programs, credit facilities, and other assistance forms. Monitoring and evaluation are needed as a mechanism of MSMEs in performing other functions like Project

Kapatid, DTI, the Philippine Center for Entrepreneurship (PCE), Mentor ME (Micro-entrepreneurs), Shared Service Facility (SSF) programs, and Inclusive Business (IB) models. These are the team models that mold the business operation of micro and small enterprises to be productive (OECD, 2018). The program also provides entrepreneurs access to improve competitiveness with machinery, equipment, tools, systems, skills, and knowledge under a shared network. It is implemented nationwide through LGU partners and vocational training schools to increase the industry cluster's productivity regarding product improvement, quality enhancement, marketability, and price competitiveness in conformity to the standards (Mabaquiao, 2018).

Evaluating Entrepreneurial Behaviors and Competencies of Filipinos

In 2013, the Global Entrepreneurship Monitor (GEM) reported that Filipinos have high regard for entrepreneurship, with 85% expressing interest to make an entrepreneur a good career choice, and respondents showed a very high intention (44.1%) to start a business (Reyes, 2015). Meanwhile, the 2015 Philippine APS (Adult Population Survey) results and NES (National Experts Survey) revealed that more than half of the population sees a business opportunity. Closed to 70% believe that they have the necessary skills to seize the entrepreneurial opportunities in the economy (Velasco et al., 2017). Similarly, studies show that women entrepreneurs in the country play an important role in goal-setting, information gathering, and systematic planning and monitoring competencies. (Resurreccion, 2012).

Authors explained that most Filipinos exhibit many optimistic entrepreneurial behaviors and competencies (Velasco et al., 2017). It is reported a high business closure rate because of unprofitable business activities and difficulty obtaining financing to continue operations. A report from the Social Enterprise Development Partnerships, Inc. (SEDPI), Filipino millennials representing almost half of the country's workforce, are the least financially literate. In the study conducted by Mendoza (2015) on MSMEs' financial performance, enterprises performed favorably in liquidity, activity, and leverage but suffered low-level profitability.

Besides financial skills, a study on entrepreneurial competencies among 100 college-level SME operators of Ozamiz City Public Mall revealed that almost 43% found moderate time management skills, marketing management skills, and technical skills (Betonio, 2014). Furthermore, research findings on students' entrepreneurial competencies and practicing Entrepreneurs in the Cordillera Administrative Region and Cities of Baguio, Dagupan, and San Fernando, La Union show that they are weak risk-taking (Bautista et al., 2007).

7Ms and Ease of Doing Business

The Department of Trade Industry (DTI) imposed this Seven-point strategy to help the MSMEs stand out in the market, grow and contribute to the entrepreneurial world's sustainability. *Mindset Change* is the right and positive attitude that an entrepreneur must maintain throughout his or her business journey. The initiative that MSMEs should consider is how to become collaborative and proactive. An entrepreneur should be creative and innovative in different ways (Patel, 2019). *Mastery* is an essential component of successful entrepreneurship. An entrepreneur must understand the how and how-to, especially when starting a business. A business owner expands his company by attracting talents without committing to a specific outcome (Collins, 2018). He should understand the fundamentals of identifying business opportunities, determining the appropriate product positioning and differentiation, product and market development, and the right business financial and preparation in business development. *Mentoring* is an essential strategy in business operations. Continuous guidance and partnership with the private sector will assist them in achieving their business goals. To gain more business knowledge, they must participate in personal coaching and mentoring from business experts. It is significant in adapting to the new environment and business culture to settle in and get off

to a good start (Contributor, 2020). *Money* is considered to be the critical aspect of starting a business. Entrepreneurs can obtain financing. Obtaining funds from various sources will be another option for those struggling to explore business requirements (Bobbink, 2020). MSMEs require *machines* to equip them with the necessary knowledge and select the appropriate tool to ensure quality production. It can level up and increase output. It is critical to have a proper and safe procedure for a successful operation (General, 2019).

Market access will promote products through trade fairs and mall exhibits and international connections with large corporations and government entities to supply the needs. Through the Department of Trade and Industry, the government helps improve market access through the Go Lokal Program, assisting them to rent space in various malls across the country to bring Filipino MSME products into the mainstream market (Crismundo, 2020). The DTI's Negosyo Model offers multiple ideas to help entrepreneurs get started in business, from traditional enterprises to direct selling and franchising. It can also demonstrate livelihood skills. *Models of Negosyo* come with innovations and business ideas that have been developed and standardized for the MSME, assisting them in building and sustaining their businesses. They must form alliances with larger corporations to create synergies that will serve as critical tools in matching and innovating their products. Negosyo model assists entrepreneurs in various ideas, bringing them to business from traditional practices to direct selling and franchising. In collaboration with the DTI, they provide livelihood training skills to improve business promotion to the market. (Cadavos, 2018).

The aim of the study is to assess the level of operationalization of the Negosyo Center on micro, small, and medium enterprises in Taguig City and develop a strategic entrepreneurial model that will assist and improve their well-being as successful entrepreneurs: financially, emotionally, and socially. Though the study is new and incomplete, it hopes to serve as a road map for establishing a Negosyo Center in Taguig City by stimulating and attracting micro-entrepreneurs and government agencies.

Research Problem

The research study assessed the operationalization of the Negosyo Centers of micro, small and medium enterprises in Taguig City and established a strategic entrepreneurial model. Specifically, the study strives to answer the following questions:

1. What is the respondents' business profile in terms of?
 - 1.1 initial capitalization;
 - 1.2 number of employees; and
 - 1.3 number of years in the business
2. What is the level of operationalization of Negosyo Center of Micro, Small and Medium Enterprises in selected barangays in Taguig City in terms of?
 - 2.1 mindset change;
 - 2.2 mastery;
 - 2.3 mentoring;
 - 2.4 money;
 - 2.5 machine;
 - 2.6 market access; and
 - 2.7 models of negosyo
3. Is there a significant relationship on the assessment of the respondents on the level of operationalization of Negosyo Center of MSME on the above-given variables?
4. Is there a significant difference between the levels of operationalization of Negosyo Center of MSMEs when grouped according to business profile?
5. Based on the findings, what recommendation can be proposed for Negosyo Center's operationalization of MSMEs as the basis for the strategic entrepreneurial model?

Strategies for MSME Development and Negosyo Centers

As part of the government's mission to achieve sustainable growth and address income inequality, encouraging entrepreneurs to profit from ongoing economic growth and improve their quality of life. To enable and foster the country's MSME, government agencies identified strategies and summed them up as the "7Ms."

Mindset Change Strategy. The entrepreneurial mindset is considered a significant economic activity force, contributing to various economic indices' positive growth and changing the economic landscape. In the Philippines, individuals supported by government agencies adopt the correct and optimistic entrepreneurial mindset to take them on a successful entrepreneurial journey. They instill an entrepreneurial mindset that is an achievement and creativity-oriented, collaborative, and constructive through DTI's Negosyo Center workshops, the SME Roving Academy (SMERA), and the Kapatid Mentor ME program. Working with community organizations and mentors, having the opportunity to work on projects of their interest helps individuals develop their imagination, innovation, and empathy and creates an environment where entrepreneurs learn and are ready to be successful (Dragoi, 2019). Entrepreneurship is a critical component for any country wishing to compete in the knowledge-based global economy since it fosters economic growth, creativity, and innovation (Boldureanu et al., 2020). The positive impact of entrepreneurship on developing an individual's know-how, skills, entrepreneurial attitude, and intention is acknowledged and having an entrepreneurial mindset is respected by employers, improves educational achievement and success, and is essential for starting a new business (Bosman, 2019). This notion is paralleled to the World Economic Forum (WEF) report. The top three skills that employers would most seek are: problem-solving, critical thinking, and innovation are all essential skills (Matthee and Turpin, 2019). Fowosire, et al. (2017) stated that this strategy helps the entrepreneur to become more competitive. Negosyo Center is competitive in terms of scaling up and fostering prosperity, assisting in the improvement of inclusive growth and technological innovation, competing at a lower price, and promoting business enterprise. As Cooney (2012) also expressed in his study that entrepreneurship education and training should aim to "develop entrepreneurial capacities and mindsets" that benefit economies by fostering creativity, innovation, and self-employment. Thus, given this prior research the following hypothesis is posed.

H1: The respondents' assessment of the level of operationalization of Negosyo Center of MSMEs in selected barangays in Taguig City in terms of *Mindset Change* has a significant relationship to the other strategic entrepreneurial variables.

Mastery and Competence Strategy. Mastery is a set of core entrepreneurial skills and competencies. Building the right mindset is critical in determining a new venture's prosperity and setting up on the path to success. Education and training skills play a crucial role in cultivating future entrepreneurs and developing the mastery skills of existing entrepreneurs to grow their businesses to greater success levels. However, a study by Shepherd et al. (2020) stated that creating and managing a new business venture is not easy. While failure is the mantra of many seasoned entrepreneurs, many obstacles hold potential business owners back from succeeding. Therefore, given the current economic difficulties that many countries face, encouraging more excellent entrepreneurial activity has become a top priority for many national governments. It increasingly recognizes the positive impact that new businesses can have on employment levels and the competitive advantages that small firms can bring to the marketplace (Kang and Na, 2020). Coaching new business owners should focus on the four drivers of mastery: destination, delivery, financial, and time. These four areas are already critical in setting down a solid foundation for growing a business. They teach mastering the

know-how and how-tos of entrepreneurship at Negosyo Centers, covering everything from what a person requires to start a company to the basic rules of spotting market opportunities. They identify product positioning and differentiation, product growth, market development, basic business finance, and strategic planning and create a framework for continuous innovation. Mamun et al. (2019) related in a Journal published that an entrepreneur possesses a know-how and how-to knowledge, entrepreneurial skills, and competencies needed in determining the success of a business venture. Thus, this study will assess the following hypothesis.

H2: The respondents' assessment of the level of operationalization of Negosyo Center of MSMEs in selected barangays in Taguig City in terms of *Mastery* has a significant relationship to the other strategic entrepreneurial variables.

Mentoring Strategy. Mentoring and coaching is a commonly used method of employee development that has generated positive business outcomes. A strong mentoring and coaching culture can link to increased business performance and employee engagement. The hallmarks of mentoring and coaching are personalized, customized, and done one-on-one with a specific business objective in mind. Mentoring is similar to, but distinct from, coaching. The latter is a career development method whereby less experienced employees match more experienced colleagues for guidance through formal or informal programs. Individuals benefit from mentoring and coaching as they plan for or transition into new tasks, develop work habits, adjust to a changing world, or resolve particular challenges (Di Girolamo, 2015). According to a 2015 survey report from the International Coach Federation (ICF) found that 51% of respondents from organizations with strong mentoring and coaching cultures reported revenue above that of their industry peer group, and 62% of employees in those organizations rated themselves as highly engaged (Human Capital Institute, 2016). Hasan et al. (2020) related that participating in seminars and training, trade fairs, and exhibits imparted knowledge in empowering decision making and improving rural livelihood. Negosyo Center contributes to the ease of doing business by offering free seminars and training, as well as participating in free trade fairs and exhibits sponsored by industry partners. Thus, this study will assess the following hypothesis.

H3: The respondents' assessment of the level of operationalization of Negosyo Center of MSMEs in selected barangays in Taguig City in terms of *Mentoring* has a significant relationship to the other strategic entrepreneurial variables.

Money Strategy. SMEs are the most vulnerable to knowledge and opportunity issues, and a lack of external financing often hampers them. Managers and policymakers can correctly promote company growth by understanding the financial determinants of small and medium-sized businesses at various stages of their corporate lives. La Rocca et al. (2009) study small business financing and financial preferences throughout the life cycle. An inductive approach centered on cluster analysis displayed that firms tend to adopt specific financing strategies as they progress through their life cycle phases. A business's financing strategy is influenced, among other factors, by asymmetric information considerations and the role of financial institutions. Financial and management are at the core of running an effective business. It marks every aspect, from handling cash flow and pursuing business performance to increasing plans that safeguard that business owners can make the most opportunities (Bansal, 2019). Several government programs offer loans, training, and financial assistance to help with financing, whether individuals set up a business or expand. For instance, DTI helps individuals finance business requirements through the P3 microfinance program in cooperation with several corporations or alternative sources. The allocated subsidy for the "Livelihood Seeding Program – Negosyo sa Barangay" amounts to PhP 203 million, which will provide a package

of livelihood kits and business advisory assistance and services, amounting to at least PhP 5,000 up to PhP 8,000 to MSMEs (DTI, 2021). This only means that Negosyo Centers are created to aid in the provision and facilitation of technical and financial assistance to MSMEs. Thus, this study will assess the following hypothesis.

H4: The respondents' assessment of the level of operationalization of Negosyo Center of MSMEs in selected barangays in Taguig City in terms of *Money* has a significant relationship to the other strategic entrepreneurial variables.

Machine Strategy. Machinery and equipment are critical assets to helping launch a business. Machinery will propose engaging in a functional role. Entrepreneurs require technical competency to ensure that business-related tasks could be accomplished satisfactorily (Pepple and Enuoh, 2020). In SMEs, the critical resources are likely to be held by the individual entrepreneurs reflected in their skills, knowledge, abilities, experience, and education. SMEs are the key decision-makers. The entrepreneurs have a strong influence on the formulation of business strategy and are responsible for setting the roadmap for their firms to set goals. Various studies have confirmed that the person who forms a venture is ultimately responsible for its success or failure. Many entrepreneurs must take numerous steps to develop the right combination of technical skills for machinery and equipment to succeed with their efforts. Technical skills include using and adapting techniques and tools relevant to the business (Tokarcikova et al., 2020). It involves possessing knowledge of instruments and the functioning of tools, machines, research procedures, and mastery of tasks or work content. Mamabolo et al. (2017) have endorsed this by suggesting that technical skill is an essential requirement for entrepreneurs to create successful ventures. In one of the government agencies, under the Shared Services Facility (SSF) scheme, DTI provides individuals with the necessary knowledge of equipment and resources to ensure quality production and use these to level up production and improve business efficiency. Fellow entrepreneurs can create more goods and do so more effectively with the help of creativity. Negosyo Center intends to promote ease of doing business, stimulate entrepreneurship development for product positioning and differentiation, and encourage entrepreneurs to become innovative and technologically oriented. Thus, this study will assess the following hypothesis.

H5: The respondents' assessment of the level of operationalization of Negosyo Center of MSMEs in selected barangays in Taguig City in terms of *Machine* has a significant relationship to the other strategic entrepreneurial variables.

Market Access. Marketing is a critical success function for SMEs to facilitate market access (Tadesse and Pettersson, 2019). Information plays a crucial role in market access and is the central core of any marketing system. Different strategies exist for improving market access. Procedures that enhance market access significantly impact small enterprises' performance (Gamage et al., 2020). SMEs are understood as growth engines, but they face significant obstacles that prevent them from reaching their full potential. Due to globalization's declining domestic market, limited market penetration remains a crucial constraint to their growth and competitiveness. SMEs struggle to shift from subsistence and barter to more effective exchange forms without essential supporting functions such as infrastructure and service provision. The promotion of the SME economy has been a core focus of government policy. With high unemployment and poverty levels in urban areas, this policy intervention's impact is critical for city development. In the Philippines, DTI will promote products through trade fairs in significant exhibits and malls. They can also link entrepreneurs' businesses to big companies or the government to supply them with the products on a continued basis. Negosyo Center provides small business owners with the necessary knowledge and technical assistance on efficient and cost-effective equipment and tools, allowing them to increase production,

improve productivity, and maintain high-quality products and services. Thus, this study will assess the following hypothesis.

H6: The respondents’ assessment of the level of operationalization of Negosyo Center of MSMEs in selected barangays in Taguig City in terms of *Market Access* has a significant relationship to the other strategic entrepreneurial variables.

Models of Negosyo. A business model describes how a company intends to develop, deliver, and capture value for its target customers or stakeholders. For Go Negosyo, the following comprise their offering model: target market, value proposition, channel, customer bonding Strategy, and revenue model (Go, 2020). A study by Shalender and Yadav (2019) argued that strategic flexibility is the key to a business model’s success. They examine the relationship between manager personality, strategic flexibility, and firm performance. The study’s findings highlight the vital role of managers’ character in deciding the firm’s strategic direction and implementation. At Negosyo Centers, new and innovative business ideas will be developed and provided to MSMEs to help them get into business. Moreover, negosyo center offers prospective entrepreneurs a variety of business model plans to lead them, programs ranging from traditional business lines to direct selling and franchising and improving their livelihood skills. Thus, this study will assess the following hypothesis.

H7: The respondents’ assessment of the level of operationalization of Negosyo Center of MSMEs in selected barangays in Taguig City in terms of *Models of Negosyo* has a significant relationship to the other strategic entrepreneurial variables.

In this context, these findings have significant implications on the implementation of the DTI’s 7Ms. These will serve as bases in determining the appropriate programs, activities, and projects and addressing emerging issues that will obstruct the seven-span strategic plan’s goal achievement.

Conceptual Framework

Based on the hypotheses derived earlier, the researchers took advantage of systems theory and categorized the findings in a systematic framework: Inputs, Processes, Output model (IPO). It will depict the flow of the study as well as the needs that are expected to emerge. The input of the study is composed of data needed by the survey. It shows the business profile of the respondents and the problem statement of the study. The process used the descriptive methods of the research in conducting the study. It also states the analysis of data collection, evaluation, and interpretation through statistical treatment. The last step of the diagram is the output, the study’s final result, which described how the study became possible. Figure1 illustrates the proposed conceptual framework.

Input	Process	Output
<ul style="list-style-type: none"> Level of operationalization of negosyo center of MSMEs in terms of: mindset change, mastery, mentoring, money, machine, market access, and model of negosyo 	<ul style="list-style-type: none"> Analysis of data collection Evaluation and interpretation through statistical treatment method 	Basis for Strategic Entrepreneurial Model
Feedback		

Figure 1: Conceptual Framework

Methodology

The research was descriptive and quantitative in nature, with the aid of a survey questionnaire as a means of gathering data, and the results were statistically computed and interpreted using the statistical treatment. The instrument developed was based on the articles and newsletters published by the DTI. To obtain the required population for this study, the researcher used simple random sampling techniques. A study was conducted to test a hypothesis about the characteristics of the population, with a sample size of 209 micro (55), small (131), and medium (23) enterprise owners in selected barangays in Taguig City.

To assess the instrument's reliability, the questionnaire was pilot tested on ten (10) non-sampling participants using an Alpha Cronbach Analysis. As a pre-test with 35 questions, the reliability measure resulted in $\alpha = 0.984$. All items contributed to the instrument's reliability and construct validity. Cronbach's alpha showed that it had acceptable reliability: $\alpha=0.984$ indicated that the researcher had exceeded the acceptable test value of 0.70 and can be regarded as a reasonable goal.

Result and Discussions

The study assessed the operationalization of Negosyo Center to Micro, Small and Medium Enterprises in selected barangays in Taguig City. The study's findings serve as a tool for determining the research's purpose, the strategic entrepreneurial model that entrepreneurs employ in their business operations. The research problems were answered as to respondents' business profile, assessment on the level of operationalization of Negosyo Center to micro, small and medium enterprise in selected barangays in Taguig City. The test of hypotheses were also included as significant relationships and differences, and the proposed strategic entrepreneurial model.

Table 1: Business Profile of the Respondents

Items	Freq	%
Initial Capitalization		
51,000 - below	36	17.22
50,001 - 100,000	63	30.14
100,001 - 150,000	34	16.27
150,001 - 200,000	54	25.84
200,001 and above	22	10.53
No. of Employees		
1-10	98	46.89
11-20	88	42.11
21-30	15	7.18
31-40	8	3.83
41 and above	0	0.00
No. of Years in Business		
1 month -11 months	8	3.83
1 year – 3 years	43	20.57
4 years – 6 years	62	29.67
7 years – 10 years	28	13.40
11 years and above	68	32.54

Table 1 shows the frequency and percentage of the business profile of the respondents. The

table reveals that the majority of the respondents' initial capitalization ranging from 50,001 - 100,000 with the highest frequency of 63 or 30.14%. This implies that most of the respondents' initial capitalization started from a small capitalization to operate a business. 98 or 46.89% of respondents have 1-10 number of employees which means that micro-business requires an average employee of at least one and can operate a business with at least owner-manager. From the above information, it shows that respondents with 11 years and above (68 or 32.54%) spent their lives for more than a decade on their business.

Table 2: Level of Operationalization of Negosyo Center of MSM Enterprises

Variables	SD	WM	VI
Mindset Change	0.581	3.23	Agree
Mastery	0.620	3.20	Agree
Mentoring	0.636	3.26	Agree
Money	0.617	3.22	Agree
Machines	0.610	3.14	Agree
Market Access	0.622	3.21	Agree
Models of Negosyo	0.633	3.30	Agree

Table 2 summarizes the computed mean, standard deviation, and verbal interpretations, as well as the level of operationalization of the Negosyo Center for Micro, Small, and Medium Enterprises in terms of variables. Based on the computation, the highest rank among the list of variables is “Model of Negosyo” with the highest weighted mean of 3.30 (SD=0.633). The respondents agreed that the center has a quick market access to shared service facilities, industry clusters, and value chains in selected MSM Enterprises. It also implies that Negosyo Center offers prospective entrepreneurs a variety of business model plans to lead them, programs ranging from traditional business lines to direct selling and franchising and improving their livelihood skills.

Table 3: Significant Relationship on the level of Operationalization of Negosyo Center of MSM Enterprises

	M1	M2	M3	M4	M5	M6	M7
M1		.696	.698	.682	.640	.595	.585
M2	.696		.822	.780	.679	.708	.520
M3	.698	.822		.825	.749	.856	.719
M4	.683	.780	.780		.826	.825	.850
M5	.640	.679	.749	.826		.750	.581
M6	.594	.708	.856	.825	.750		.676
M7	.585	.520	.719	.685	.581	.676	

If r -computed $>$ r -critical (0.087), reject H_0

Legend: M1=Mindset Change; M2=Mastery; M3=Mentoring; M4=Money
M5=Machines; M6=Market Access; M7=Models of Negosyo

Table 3 shows the relationship of the assessment of the respondents on the level of operationalization of Negosyo Center of Micro, Small, and Medium Enterprises on the variables as indicated by *Pearson r*. The value of each variable were obtained for Mastery, Mentoring, Money, Machine, Market Access, and Model of Negosyo, respectively. Based on

the results, the null hypothesis is rejected because all *r values* are greater than the *critical value* of 0.087 at 0.05 level of significant and 207 degrees of freedom. As a result, variables have a significant relationship to each other.

Table 4: Significant Difference between the level of Operationalization of Negosyo Center of MSMEs when Grouped according to Business Profile

Business Profile	F-Value	P-Value	Decision	Interpretation
Initial Capitalization	10.515	0.000	Reject Ho	Significant
Number of Employees	1.817	0.127	Accept Ho	Not Significant
Number of Years in Business	5.972	0.000	Reject Ho	Significant

Decision Rule: $\alpha = .05$ if $p \leq .05$, reject Ho

Table 4 shows the significant difference between the level of operationalization of Negosyo Center of MSMEs when grouped according to business profile as determined by the p-value of One-Way ANOVA or f-test. As the table reveals, the initial capitalization and the number of years in business, have both *p-values* of 0.000 which are less than 0.05 level of significant, hence, the null hypothesis is rejected, indicating that there is a significant difference between the levels of operationalization of Negosyo Center of MSMEs. On the other hand, the number of employees' business profile with a *p-value* of 0.127 which is greater than 0.05 indicates otherwise.

Conclusion

Based on the findings, majority of the respondents have initial capitalization ranging from 50,001 to 100,000 with 1 to 10 employees and existed for more than 11 years in business operations. These conclude that the respondents started their business with a small capitalization, that micro-business required average employees of at least owner-manager to operate a business and dedicated their lives to businesses for more than a decade.

As to the level of operationalization of Negosyo Center to micro, small and medium enterprises in terms of 7Ms Entrepreneurship: mindset change, mastery, mentoring, money, machine, market access and models of negosyo were all agreed by the respondents on the assessment of the level of operationalization of Negosyo Center of Micro, Small and Medium Enterprises. This implies that 7Ms of entrepreneurial strategy contribute to the ease of doing business and that they are connected to ensure the success of the enterprise.

The test of relationship on the assessment of the respondents on the level of operationalization of Negosyo Center to Micro, Small and Medium Enterprises in terms of 7Ms Entrepreneurship: Mindset Change, Mastery, Mentoring, Money, Machines, Market Access and Models of Negosyo using *Pearson r* resulted in the rejection of the null hypothesis, where *p-values* are greater than the *critical value* of 0.087 at 0.05 level of significance and 207 degrees of freedom. The test of significant difference when grouped according to the business profile using One-Way ANOVA or f-test: the initial capitalization and number of years in the business have significant difference, while the number of employees is not significantly different.

Recommendations

1. As to business profile

- Because most respondents began with a small capitalization, the Taguig Local Government and the Department of Trade and Industry-Negosyo Center should have strongly collaborate to help and assist micro, small, and medium enterprises.

To boost their interest and willingness to engage in business, the government should provide funding assistance through microfinance programs to help micro-enterprises with financing for starting or expanding a business to keep or maintain the business in circulation.

- Employees of the business enterprise should attend and participate in business and entrepreneurial activities such as training and seminars and other business opportunities offered by industry experts and other large corporations on a regular basis.
- For the micro owners to exist, they should be involved in more business and entrepreneurial exposures, some twists of enhancement that will boost them socially.

2. *In relation to the operationalization of Negosyo Center of micro, small, and medium enterprises, it is highly recommended to use and maintain the 7Ms of entrepreneurship to keep the business running smoothly. The researcher proposed strategic entrepreneurial model as the final output of the study. It is particularly focused on the operationalization of the Negosyo Center to MSMEs in Taguig City's selected barangays. It aims to develop a strategy to guide, support, and encourage MSMEs in their business operations to achieve long-term growth and development. It outlines the stages that MSMEs must take to launch entrepreneurial activity.*

- *Opportunities and Business Ideas:* The entrepreneur looks and examines opportunities that stem from a desire to start and run a business in a community. On this level, the task of selecting, identifying, and evaluating options is complex; an entrepreneur seeks advice from a wide range of individuals, including staff, customers, channel partners, technical experts, and so on, to arrive at the best business opportunity. This is the framing attitude that an entrepreneur needs to relate to embrace a correct and positive entrepreneurial mindset and learn the basic knowledge and how-to of the business. The next stage is to examine the opportunity once it has been chosen. An entrepreneur can assess the efficiency of a business opportunity by asking himself a series of questions, such as whether the option is worth investing in, whether it is sufficiently appealing, or whether the suggested solutions are feasible, if there is any competitive advantage, and what are the risks involved. Above all, an entrepreneur must assess his skills and interests to see if they apply to the business they want to put up.
- *Nurturing Start-Up:* Once an opportunity has been found, a business idea has materialized. The formalization of the business will be done through registration with the appropriate agency for seeking permits and licenses for the start-up and promotion if the enterprise is new, a time for new registration while existing for renewal of business that will create and boost the business. If the enterprise is new an entrepreneur must develop a detailed business plan to check and determine whether the business is getting toward its goals. Starting a business is similar to growing a plant that must sow the seed, allow the roots to develop, and then wait for those fantastic shoots to appear. He needs to develop an idea, a passion, or a desire to be motivated to persevere in the long run and produce his labor as benefits in the form of profit. The major components of a business plan are the purpose and vision statement, setting of priorities and objectives, capital requirement, a summary of goods and services, and so on. An entrepreneur must devote sufficient time to its development.

- *Growing Enterprise:* This is the stage where the business is fully registered and is equipped with resources and capitalization. He needs to reap wider, diverse opportunities and tap the resources for growth and development. This is the time that an entrepreneur increases capitalization and improves the production capacity and investment for new technologies that will boost the product movements while minimizing the cost of the operations. The entrepreneur seeks out investors for his or her new venture and manpower to carry out the business operations.
- *Expanding Enterprise:* At this stage, an enterprise is already fully grown, well established with a wide range of markets, and is capable of geographic expansion. In this aspect, one of the components of business operations is management capacity. After the funds have been collected and the workers have been recruited, the next move is to begin the business operations to meet the next level of operations. The need for a management structure or hierarchy to address organizational challenges would then emerge. It can also pursue expansion and new business opportunities by subcontracting, branching, franchising, and licensing agreements with other businesses.
- *Sustaining Enterprise:* Sustaining a business is the final stage in the entrepreneurial model, in which an entrepreneur decides on the business's prospects, i.e., its growth and development. The level relates to enterprise in a steady and gaining in terms of marketing, achievement of economies in productions while improving and maintaining quality, tightening the market linkages and product diversification and innovation, and its corporate social responsibility. Here, the real growth is compared to the expected growth, and an entrepreneur decides the stability or expansion of business operations based on the results.

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