SIMPLIFYING BUSINESS PERMIT and LICENSING PROCESS of LOCAL GOVERNMENTS
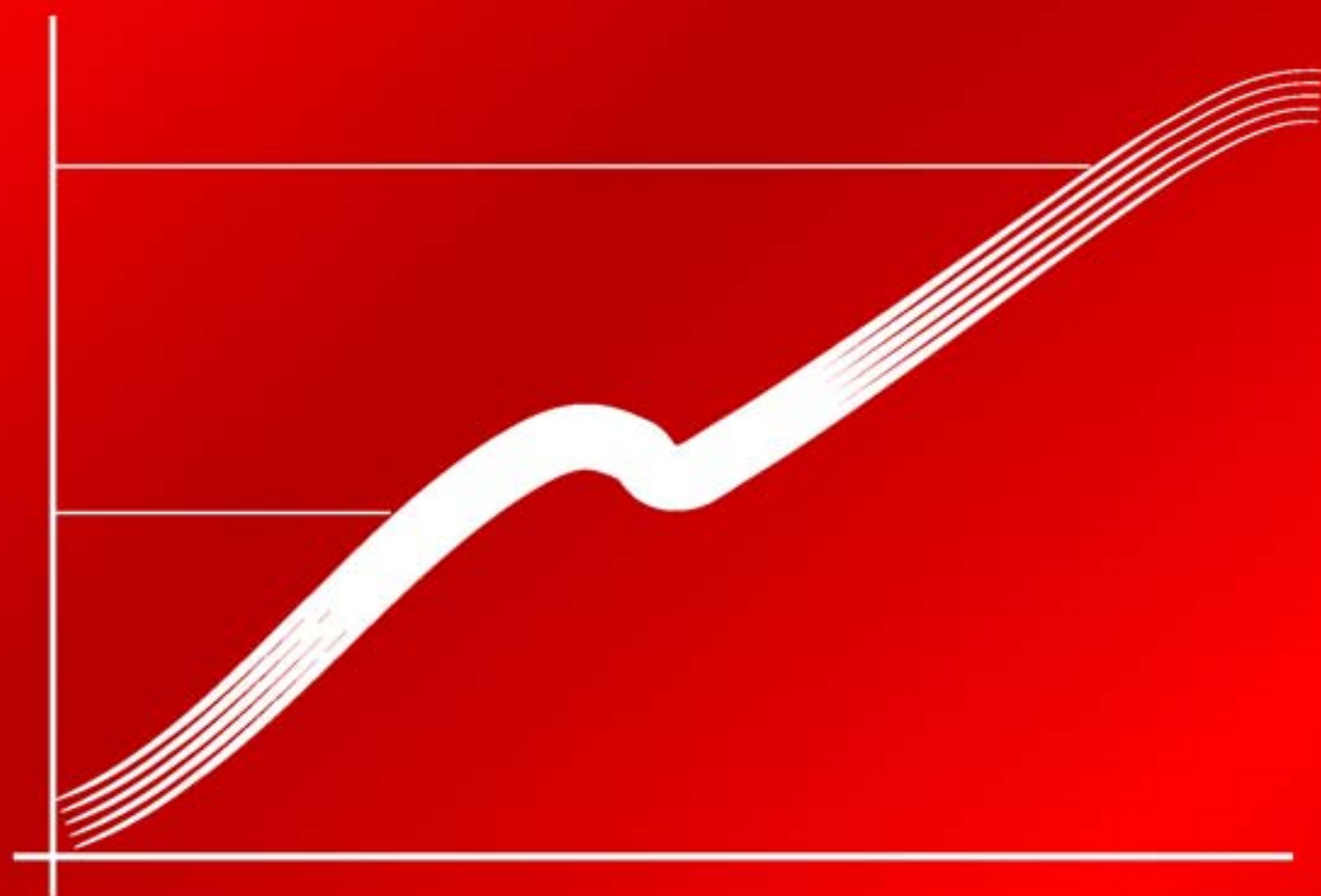
A TOOLKIT

Simplifying Business Permit and Licensing Process of Local Governments:
A Toolkit

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Governments: A Toolkit

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Foreword

A follow-up book to the *Streamlining Business Registration in LGUs* published in 2006, this edition offers a simple, easy-to-follow, step-by-step procedure on how business permit and licensing system (BPLS) at the local government unit (LGU) level can be improved. It also features experiences, good practices, lessons learned, and helpful tips shared by selected LGUs that have embarked on successful BPLS initiatives.

Altogether, this edition comes out as a practical guide and a friendly companion in the directive for BPLS improvement, embodied under the Medium-Term Development Plan and Executive Order 557, which establishes an Anti-Red Tape Task Force to reduce red tape in all government agencies, thereby reducing transaction costs as a strategic measure for global competitiveness.

Improving the BPLS offers immeasurable advantages to both the micro, small, and medium enterprises (MSMEs) and the LGUs. MSMEs benefit in the form of reduced bureaucratic costs, shorter and clearer procedure, and less processing time, among others. On the other hand, LGUs benefit mainly through the inflow of more investments and the registration of more businesses. And collectively, these reforms can account for increasing employment, generating higher business and income tax revenues for the LGUs, and improving delivery of services for their constituencies.

For the foregoing reasons, the Bureau of Micro, Small and Medium Enterprise Development (BMSMED) of the Department of Trade and Industry (DTI), on behalf of the Philippine government, had driven this book preparation and publication initiative. Such effort mobilized excellent cooperation and commendable support from a host of public and private entities including the Department of the Interior and Local Government (DILG), the Philippine Chamber of Commerce and Industry (PCCI) and development partners such as the German Technical Cooperation (GTZ), the International Finance Corporation (IFC) of the World Bank Group and The Asia Foundation of the United States Agency for International Development (USAID).

This project has accorded the development partners a golden opportunity to come up with a joint understanding of some of the issues involved in the streamlining of the BPLS and in response to the Paris Declaration's call for alignment and harmonization in the provision of assistance.

Message

I welcome and commend the publication of *Simplifying Business Permit and Licensing Process of Local Governments: A Toolkit*, a significant step towards assisting LGUs in their business permits and licenses streamlining efforts.
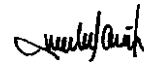
The recently signed RA 9501, otherwise known as the Magna Carta for MSMEs (micro, small, and medium enterprises) mandates the state to recognize the specific needs of MSMEs and promote entrepreneurship, support entrepreneurs, encourage the establishment of MSMEs, and ensure their continuing viability and growth. This publication can help achieve these goals by showcasing good practices that the LGUs can adopt to create a business-friendly environment for MSMEs.

This publication is one of the initiatives under the Business and Investment Enabling Environment (BIEE) Outcome Group of the SME Development Plan 2004-2010 and the Transaction Costs and Flows Group of the National Competitiveness Council. This edition serves as a toolkit that outlines the specific steps on how LGUs can implement the good practices in business registration.

I would like to thank the German Development Cooperation - Small and Medium Enterprise Development for Sustainable Employment Program (GTZ-SMEDSEP) for lending support to this publication, the members of the Consultative Group, and partner agencies from the government and the private sector for their noteworthy contributions to this project. We look forward to a strengthened partnership with the stakeholders in advocating the adoption of the good practices by the LGUs. This can go a long way toward the creation and formalization of more businesses, resulting in the generation of millions of jobs, which is at the top of President Gloria Macapagal Arroyo's 10-point agenda.

Mabuhay!

PETER B. FAVILA
Secretary, Department of Trade and Industry

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Message

When I assumed office as Mayor of Mandaluyong City, one of the reforms I implemented was to improve the business and investment climate of the city. To achieve this goal, we streamlined our business registration process and sped up the processing of business transactions. Results have shown that we were able to make headway in attracting local and foreign investors, which translated to increased revenue for the city and more employment opportunities for the people.

The formulation of the *Toolkit on Simplifying Business Permit and Licensing Process of Local Governments* is already one step forward in realizing what we have gained and achieved in Mandaluyong. The toolkit is a positive development in realizing the vital role of local government units (LGUs) in the promotion and development of small and medium enterprises in the countryside.

The toolkit serves as a guide for LGUs to enable them to improve their service delivery to businesses and to transform their respective area into a more business-friendly environment. It shows the step-by-step process on how streamlining can be done. This showcases good practices of LGUs, which can be easily replicated and implemented. With this, LGUs can now reap the benefits of having a simpler procedure and a simpler system in place.

On behalf of the members of the League of Cities of the Philippines, I extend my sincere congratulations to everyone who has taken part in putting together this toolkit. We are hopeful that the toolkit will truly serve its purpose.

Again, congratulations and more power!

BENJAMIN C. ABALOS, JR.
Mayor, Mandaluyong City
National President, League of Cities of the Philippines

Message

The League of Municipalities of the Philippines welcomes the advent of this toolkit entitled *"Simplifying Business Permit and Licensing Process of Local Governments."*

Being the location hosts to small and medium enterprises, municipalities play a significant role in encouraging business start-ups and providing a conducive environment for their growth so that they can generate more economic activities for the benefit of our local communities.

As provided for in Local Government Code of 1991, the devolution of powers and authority from the national government agencies to local government units (LGUs) allows the latter to have *enhanced governmental and corporate powers*. Thus, from our point of view, this toolkit contributes to the capacity building of LGUs to become more responsive to the needs of the business sector.

On behalf of the 1,492 member-municipalities of the Philippines, I would like to extend our gratitude to all the organizations behind the conceptualization, development, and production of this toolkit.

Maraming salamat po!

RAMON N. GUICO JR.
Mayor, Binalonan, Pangasinan
National President, League of Municipalities of the Philippines

Message

The Philippine Chamber of Commerce and Industry (PCCI) welcomes the publication of the toolkit on *Simplifying Business Permit and Licensing Process of Local Governments.*

This publication of the Bureau of Micro, Small and Medium Enterprise Development (BMSMED), supported by the German Technical Cooperation (GTZ), The Asia Foundation (TAF) and International Finance Corporation (IFC)-World Bank is in line with our thrust of promoting globally competitive enterprises. This will significantly complement our efforts to encourage more local governments to put in place policies and systems that will promote trade and investments through innovative and efficient business licensing procedures.

Through this toolkit, our national chamber network can vigorously partner with their respective local government units (LGUs) to streamline business permit and licensing processes and help reduce the cost of doing business in the country. We believe that these reforms will facilitate the growth of our micro, small, and medium enterprises (MSMEs) countrywide.

On behalf of the officers and members of PCCI, I extend my sincere congratulations to everyone who has taken part in putting together this important publication.

Again, congratulations and Mabuhay!

EDGARDO G. LACSON
President, Philippine Chamber of Commerce and Industry

Acronyms

BAYS	Bacolod Arts, Youth and Sports
BFP	Bureau of Fire Protection
BIN	Business Identification Number
BIR	Bureau of Internal Revenue
BLFD	Business Licenses and Fees Division
BLGD	Bureau of Local Government Development
BOSS	Business One-Stop Shop
BPL	Business Permit and Licensing
BPLO	Business Permit and Licensing Office
BPLS	Business Permit and Licensing System
CCI	Chamber of Commerce and Industry
CDA	Cooperative Development Authority
CEO	City Engineer's Office
CESO	Canadian Executive Service Organization
CPDO	City Planning and Development Office
CSO	Customer Service Office
CTC	Community Tax Certificate
CTO	City Treasurer's Office
CVO	City Veterinarian's Office
DILG	Department of the Interior and Local Government
DOLE	Department of Labor and Employment
DTI	Department of Trade and Industry
eBPLS	Electronic Business Permit and Licensing System
eLGU	Electronic Governance in Local Government Units
EO	Executive Order
GTZ	German Technical Cooperation
ICT	Information and Communications Technology
IEC	Information, Education and Communication
ILOG	Improve Local Operations through e-governance
IRA	Internal Revenue Allotment
IT	Information Technology

iTAX	Integrated Taxation Management System
LAN	Local Area Network
LCE	Local Chief Executive
LCP	League of Cities of the Philippines
LGU	Local Government Unit
LMP	League of Municipalities of the Philippines
LOGOFIND	Local Government Finance and Development
MHO	Municipal Health Office
MOA	Memorandum of Agreement
MOU	Memorandum of Understanding
MPDO	Municipal Planning and Development Office
MTO	Municipal Treasurer's Office
NCC	National Computer Center
NGA	National Government Agency
OSC	Oversight Sub-Committee
OSS	One-Stop Shop
PagIBIG	Home Development Mutual Fund
PC	Personal Computer
PCCI	Philippine Chamber of Commerce and Industry
PhilHealth	Philippine Health Insurance Corporation
PIN	Property Index Number
PSEP	Public Service Excellence Program
QCCCI	Quezon City Chamber of Commerce and Industry
QMT	Quality Management Team
RO	Regional Office
SEC	Securities and Exchange Commission
SSS	Social Security System
TAF	The Asia Foundation
TIN	Tax Identification Number
TO	Treasurer's Office
TWG	Technical Working Group

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Contents

Introduction

Simplified Business Registration in Local Governments

The business of business registration is a process that involves both national and local governments. Making it simpler and easier for applicants is a challenge that confronts both.

There are recent efforts by the national government to spur productivity and improve competitiveness, and a focus of attention is how to simplify the business registration requirements of national agencies.

This toolkit focuses on the challenge of simplifying business registration at the level of local governments. It draws from information and knowledge that had been documented on successful efforts by local governments to simplify business registration. It uses the experience of a growing number of local governments to show that simplifying business registration can be done with positive results for both local government and small businesses.

Local governments register businesses as part of their regulatory functions. The common aim is to ensure that businesses meet certain standards for public safety and public health and perform in a way consistent with the legal and policy guidelines of the locality. But beyond regulation, business registration also provides local governments with an added source of revenue and can be a strategic tool to create an enabling environment for businesses and investments.

As a form of administrative reform, the benefits of simpler procedures can be observed easily and the cost of simplification is relatively low. Streamlined business registration procedures at the local level can save both local governments and businesses time, money, and other resources. Thus, reduced costs and time saved by businesses in securing the business permit can be used instead to promote their economic activities.

Simplified business registration procedures in local governments can encourage small business enterprises and those within the so-called informal economy to register and be covered by legal and institutional protection that comes with registration. Registration can also help small businesses to access resources available only to those duly registered.

On their part, local governments will thus have a better idea and information on what businesses operate in their areas. This knowledge can assist local officials in determining how to support and promote business activities. Better access to information will also help local governments design policies and regulations for economic promotion.

Streamlining business registration procedures must start with awareness on the part of local government officials and what they must do. If you are one of those officials who believe that local government processes such as business registration can still be improved, then this toolkit is right for you. It will help you move from awareness to action, by showing you how to go through the process and the experiences of local governments that have succeeded.

In the succeeding page you will see a picture of how business registration is carried out (Figure 1). You will see that there are requirements at the national level such as business name registration, BIR registration, and clearances from other national government agencies (see Table 1 for a complete list of government agencies involved). All these will eat time on the part of your business registration applicant as well as your time and resources.

You will also see the typical requirements in a local government such as yours. You might be having more or less requirements, as procedures can vary from one local government to another. There might be differences as well in the procedures to be followed when you register a new business (Figure 2) or simply renewing an old one (Figure 3). However, there is a common challenge-how to make business registration procedures simpler and easier to comply with.

If you would like to be one of those local governments known for efficient and effective business registration, read on. This toolkit is yours for breaking and testing.

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Business Registration Process in the Philippines

Business Name Registration

DTI, SEC or CDA

Mandatory NGA Requirements

BIR registration

SSS Clearance

PhilHealth Clearance

PagIBIG registration

Others (depends on nature and size of business)

Business Permit and Licensing (LGU Level)

Community Tax Certificate

Barangay Clearance

Local taxes and clearances

Fire Clearance

Building Clearance

Sanitary Permit

Zoning Clearance

+ specific LGU requirements

Business Permit

Figure 1

Note:
Some LGUs allow applicants to submit mandatory NGA requirements after the release of business permit which is also referred to as Mayor's Permit.

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Table 1

Agencies Involved in Business Registration, Permits and Licensing

Government Agency	Registration Requirement for a Business Firm		
	Processing Time	Number of Steps	Number of Documents Required
Department of Trade and Industry	30 minutes	5	2
Securities and Exchange Commission	1 week	7	7
Cooperative Development Authority	2 hours	3	4
Social Security System	1 day	2	2
Bureau of Internal Revenue	1 day	3	7
Department of Labor and Employment	1 day	5	2
Board of Investments	20 days	3	6
Philippine Economic Zone Authority		26	23
Philippine Health Insurance Corporation			
Home Development Mutual Fund			
	Licensing Requirement for a Specific Type of Business		
Bureau of Food and Drugs	1 month	10	13
Bureau of Fisheries and Aquatic Resources	4.42 hours	5	5
Bureau of Plant Industry	3-5 days	10	7
Bangko Sentral ng Pilipinas	3 months	8	8
Department of Environment and Natural Resources	3.5 months	3	8
Environmental Compliance Certificate	1 month	6	3
Fiber Development Authority	1.5 days	5	8
Intellectual Property Office of the Philippines	2 years and 8 months	9	4
National Food Authority	1 hour	4	5
National Tobacco Administration	30 minutes	4	5
Bureau of Animal Industry			
Garments and Textile Import Services			
Philippine Coconut Authority			
Land Transportation Office			
Land Transport Franchise & Regulatory Board			
Fertilizer and Pesticide Authority			
Movie & Television Review and Classification Board			
National Meat Inspection Commission			
Department of Education			
Commission on Higher Education			
Technical Education and Skills Development Authority			
Philippine National Police			
Bureau of Trade Regulation and Consumer Protection			

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Sugar Regulatory Administration
National Telecommunication Commission
Department of Tourism
Maritime Industry Authority
Optical Media Board
   (formerly Videogram Regulatory Board)

	Business Permit Process at LGU		
LGU	5 minutes – 12 hours	4-10	3-8

Source: Various DTI files
See **ANNEX 1**, **ANNEX 2,** and **ANNEX 3** for details

Typical Flow of Business Permit Process
New Application

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Application
+
Submission of

⮞ Application form
⮞ DTI / SEC
⮞ *Barangay* Clearance
⮞ CTC
⮞ Other LGU-specific
requirements
(insurance, police
clearance, photo of
establishment, etc)

Assessment of
Fees and Taxes

Payment of Fees
and Taxes

Inspection* by
⮞ BPLO
⮞ Fire Department
⮞ Health Office
⮞ Engineering Office
⮞ Planning and Development Office

*   Some LGUs conduct inspection BEFORE the
release of business permit while others conduct
inspection AFTER the release of business permit,
as indicated by the broken lines

Release of
Business Permit

Figure 2

Typical Flow of Business Permit Process Renewal

Application + Submission of

- Application form
- DTI / SEC
- Barangay Clearance
- CTC
- Previous year's permit and official receipt
- Previous year's audited gross sales report and income tax return
- Others

→

Assessment of Fees and Taxes

→

Payment of Fees and Taxes

↓

Release of Business Permit

←

Inspection by

- Fire Department
- Health Office

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Figure 3

Simplification at a Glance

Step 1 *obtain commitment*
Step 2 *get organized*

Step 3 *identify issues and problems*
Step 4 *identify priorities*

Step 5 *benchmark with other LGUs*
Step 6 *prepare an action plan*
- *simplify BPL process*
- *establish one-stop shop*
- *computerize*
- *inform, educate and communicate*

Step 9 *sustain improvements*

Step 7 *implement plan*

Step 8 *monitor and evaluate*

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Figure 4

This toolkit expands the four-phase approach used by the Small and Medium Enterprise Department of the World Bank in its reform implementation advocacy program to simplify business registration at the local government level. The German Technical Cooperation (GTZ) applied the same approach in pilot cities in the Visayas. The four-phase approach covers (1) diagnosis, (2) design, (3) implementation, and (4) evaluation.

The expanded approach adds the pre-diagnosis and sustainability phases before and after the four phases earlier mentioned.

The pre-diagnosis or preparation phase involves **(1)** getting commitment from key officials, particularly the local chief executive and (**2**) forming an *ad hoc* committee for the simplification reform agenda.

There are two steps covered in the diagnosis phase: **(3)** identifying issues and problems and **(4)** making priorities.
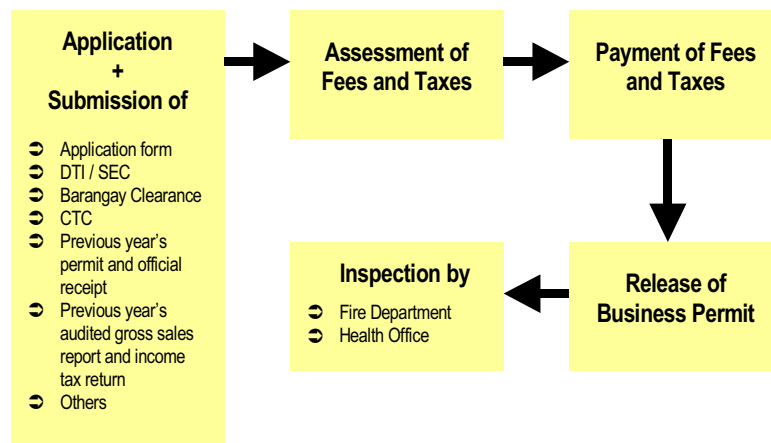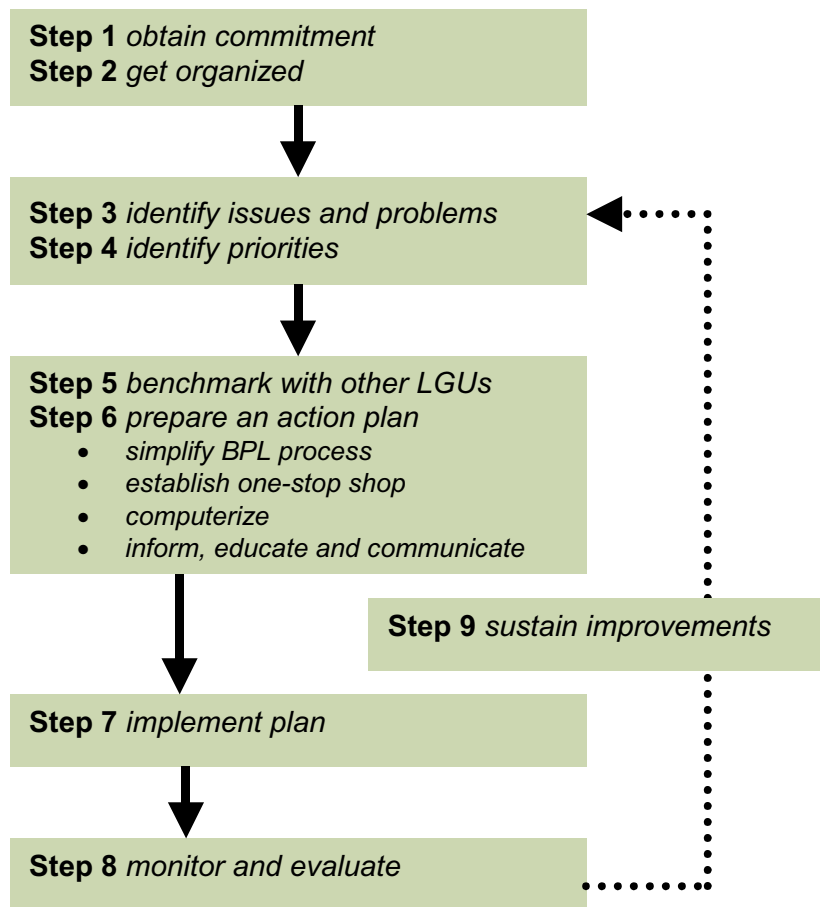
Design phase requires: **(5)** benchmarking with innovative local governments; and **(6)** crafting the process improvement agenda or action plan. The major reform strategies in the agenda include the simplification of the business registration process through the reduction in the procedural steps and processing time; establishment of one-stop shop; computerization; improvement of the information, education, and communication (IEC) campaign; and other strategies, such as partnership and participation of the business sector, and the enhancement of customer service.

The **(7)** implementation phase sets the action plan/agenda in motion. Several guidelines are presented for a smooth implementation.

The evaluation phase includes **(8)** both monitoring and evaluation, while the **(9)** sustainability phase focuses on actions to deepen the simplification efforts. These include strengthening the monitoring system, continuous conduct of consultation, use of incentive system, and lobbying for continuous financial support, among many others.

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Preparation Phase

Step 1 *obtain commitment*
Step 2 *get organized*

YOU
ARE
HERE

Step 3 *identify issues and problems*
Step 4 *identify priorities*

Step 5 *benchmark with other LGUs*
Step 6 *prepare an action plan*
- *simplify BPL process*
- *establish one-stop shop*
- *computerize*
- *inform, educate and communicate*

Step 9 *sustain improvements*

Step 7 *implement plan*

Step 8 *monitor and evaluate*

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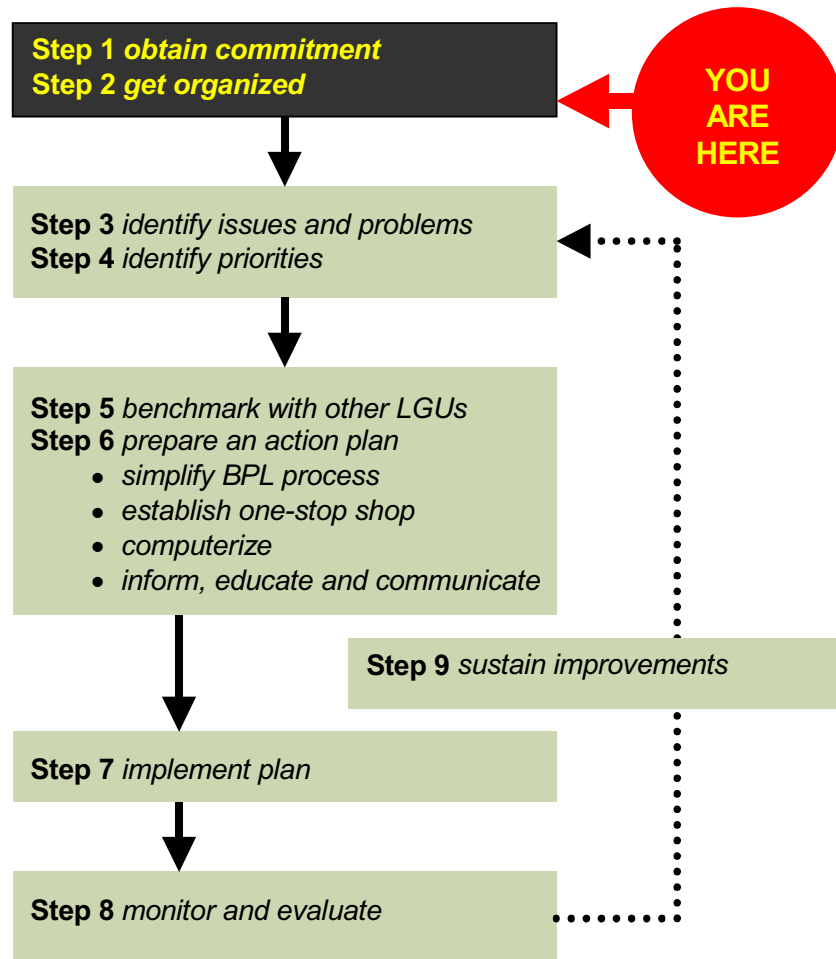
Figure 5

Prepare

A decision to introduce change in your business registration process would need the support of key figures in your local government (mayor, sanggunian, and staff). Their commitment will ensure that the simplification initiative could start, be implemented, and sustained.

It is strongly recommended that you secure the political and financial commitments of the Mayor or the Sanggunian and the administrative support of the staff.

The other but equally important action is to create an ad hoc committee to oversee this initiative.

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Step 1

obtain commitment!

OBJECTIVE
- to ensure support of top political leadership, key staff involved in the business registration, and other stakeholders

EXPECTED OUTPUT
- Executive Order mandating the simplification of process

MEANS TO ACHIEVE
- advocacy work on the part of the Mayor to convince the *Sanggunia*n/other key staff
- advocacy work on the part of the BPLO to convince the mayor of the need to pursue reforms in business registration

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The success of any reform initiative requires the support of the local governments' top leadership. A simplified business permit and licensing process will be realized only if the top leadership is convinced that making the process simpler and easier can enhance the image of the administration, increase its revenues in the short term, and encourage more businesses to set up. It is therefore necessary to obtain their commitment to this reform initiative.

To help you present the need for improving business registration in your locality, you can take the self-assessment checklist presented in Table 2.

Table 2
BPL Self-Assessment Test

Common Problems in the BPL Process	Yes	No
1 Does it take more than one day to process business permit application and renewal?		
2 Do you require submission of multiple copies of supporting documents from your clients?		
3 Do you receive complaints from your clients regarding the business registration process?		
4 Do you have unaccommodating and unfriendly frontliners in the registration process?		
5 Do you constantly experience queues of applicants?		
6 Do you have a cramped BPLO or Treasurer's Office?		
7 Are the offices involved in business permit and licensing process found in multiple locations or not adjacent to one another?		
8 Do you lack information postings on the business registration process and schedule of fees?		
9 Are receipts manually issued?		
10 Do fixers proliferate in the area?		

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If you answered **yes** to any of the above questions, your LGU can still improve its business registration process.

It is also suggested that you validate the results of the above test by way of a follow-up quick assessment. This could be in the form of repeat observation on the process and interviews or consultations with sample clients and staff.

Findings from your quick assessment should be presented to various stakeholders to raise their level of awareness on the need to simplify the process and consequently secure their support. This could be done through:

- ➲ radio, local print media announcements, or information campaign;
- ➲ announcement during flag raising programs;
- ➲ Executive Committee or Management Committee meetings; and
- ➲ meeting with the Association of *Barangay* Captains.

With political commitment and support secured, you can now focus your attention to organizing to make the reform happen.

Step 2

get organized!

OBJECTIVES
- ➲ to identify the right people to push the simplification initiative
- ➲ to assign responsibilities
- ➲ to create a mechanism or tool for the implementation of the simplification initiative

EXPECTED OUTPUT
- ➲ a focal team committed to the cause of reforming the BPL process

MEANS TO ACHIEVE
- ➲ issuance of an Executive Order creating the Focal Team
- ➲ enactment by the *Sanggunian* of a municipal or a city resolution supporting the simplification reform agenda and assigning an adequate budget

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The political commitment of your top leadership must be harnessed to get the simplification program started and running. It is highly suggested that a committee be formed to take care of the requirements and finer details of the program.

COMPOSITION

The members of the Simplification Committee should include a combination of persons with the authority and influence to push through with the program. This Committee could be divided into two groups:

- ➲ Oversight Subcommittee (OSC)
- ➲ Technical Working Group (TWG)

The members of the existing Executive Committee or Management Committee of the LGU should form the core of the Oversight Subcommittee. In addition, the following should be represented:

➲ Vice-Mayor or his or her representative, preferably the Chairperson of the Business and Industry Committee of the local *Sanggunian*
➲ Bureau of Fire Protection Head
➲ Legal Officer (if none, a staff with a legal background)
➲ a representative from the local chamber of commerce and industry.

On the other hand, the TWG should include the following, among others:

➲ Administrator (if none, an Executive Assistant from the Mayor's Office)
➲ Head of the BPLO (if none, a Senior Licensing Officer of the Treasurer's Office)
➲ a Senior Revenue Collection Officer of the Treasurer's Office
➲ IT Specialist
➲ Records Officer of the BPLO or Treasurer's Office
➲ Information Officer

Your local government may hire a Business Process Reengineering Specialist as a consultant if your resources can support such hiring.

GROUP ACTIVITIES

As the Simplification Committee consists of different sectors and actors, it would be advisable to hold at least two organizational meetings and, perhaps, teambuilding activities. These are meant to define the roles and responsibilities of the members, fire up their interest to pursue the simplification program, and develop in them a sense of ownership of the undertaking.

The role of the Mayor in these activities is crucial, as he/she can utilize these activities to advocate for the needed simplification initiative. (See **ANNEX 4** for suggested duties and responsibilities of each member.)

Once you have successfully organized a committee with an appropriate policy support, you are now geared up for the diagnosis phase.

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Diagnosis Phase

Step 1 *obtain commitment*
Step 2 *get organized*

Step 3 *identify issues and problems*
Step 4 *identify priorities*

YOU ARE HERE

Step 5 *benchmark with other LGUs*
Step 6 *prepare an action plan*
- *simplify BPL process*
- *establish one-stop shop*
- *computerize*
- *inform, educate and communicate*

Step 9 *sustain improvements*

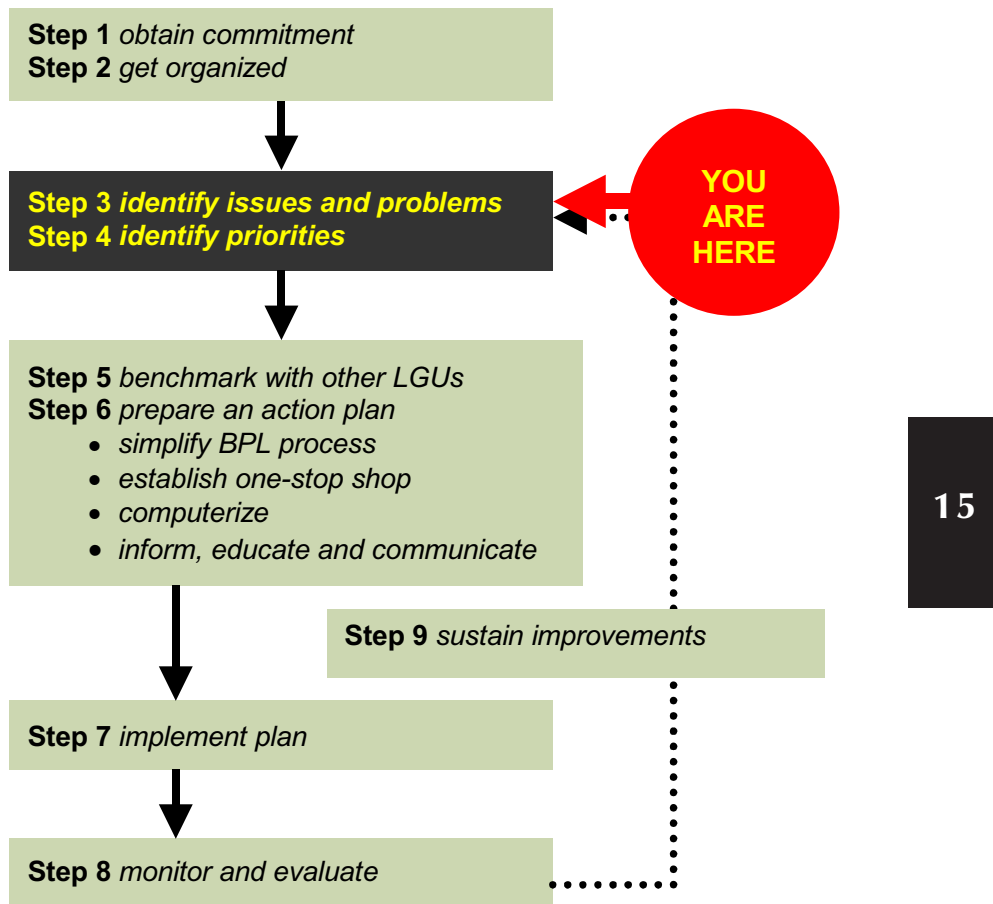**Step 7** *implement plan*

Step 8 *monitor and evaluate*

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Figure 6

Diagnose

After securing the commitment of key officials and staff, as well as having organized a committee or a team to be responsible for this initiative, you may now diagnose your LGU by understanding your current business registration process and by consulting and validating the result of your initial study with key stakeholders.

In this phase, you will also identify the priority issues and problems.

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Step 3

identify issues and problems!

OBJECTIVES
- ➲ to know the current situation of your BPL process
- ➲ to identify issues and challenges in the current process

EXPECTED OUTPUT
- ➲ report of current situation and the issues and challenges for reform

MEANS TO ACHIEVE
- ➲ simple process map
- ➲ simple process table
- ➲ simple time and motion study
- ➲ consultation with frontliners and clients

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understand your process

In a simplification initiative, designing a process requires an understanding of the existing process. Conducting a baseline study is obligatory. It will serve as a compelling basis to identify specific targets and will later aid you in concluding (by comparing pre-reform and post-reform conditions) whether the reform initiative is a failure, a budding, or an absolute success.

There are various means to understand your process. You may execute one or a combination or all, depending on your available resources or capacities.

create a simple process map of the BPL from the perspective of the taxpayer

The diagram will provide you a snapshot of the complexity of your process and must identify the number of steps and the particular offices or buildings involved, as shown in the illustration below.

Sample Process Map

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Barangay Hall 1

Source: Muntinlupa City

Figure 7

Alternatively, you may create a more detailed and more complex process map (sample maps are provided in **ANNEX 5**), which will focus on the persons involved and not just the offices and buildings the clients go to. This map will give you an exact number of frontline servicing personnel involved in the process.

But this exercise will only give you a quick picture of your BPL process (whether it is quite simple or a bit complicated). Therefore, to get a detailed picture, creating a process table is highly recommended.

create an illustrative process table

Aside from the benefit of proper documentation of your BPL process, this exercise will validate the accuracy and usefulness of your current flowchart (if you have one).

The following items are the major factors to be considered in accomplishing the process table:

- ➲ number of steps
- ➲ description and purpose of each step
- ➲ person involved (including the client)
- ➲ processing time (may also include waiting and walking time)
- ➲ costs (both taxes and fees)
- ➲ other costs incurred by the applicant
- ➲ documents required
- ➲ number of signatures required
- ➲ number of forms required
- ➲ location of office

A suggested format is provided in **ANNEX 6**, while a sample process table (does not indicate number of steps) used in Iloilo City is provided in **ANNEX 7**.

To accomplish this process table, you may need to carry out the following activities:

- ➲ consultation with frontline servicing personnel for the detailed process flowchart through a roundtable discussion, interview or survey, and
- ➲ simple time and motion study

conduct a simple time and motion study

In this optional exercise, it is important to observe all steps being undertaken by clients, the actions of the service staff, and the time elapsed (walking, waiting, and processing).

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The following items are some suggestions to complete this task:
- ➲ the study must include both renewal and new application of business permit.
- ➲ hire full-time researchers or you may also appoint staff to conduct the study. (However, impartiality of staff may be compromised.)
- ➲ assign researchers to track applicants who completed the cycle of the BPL process.
- ➲ identify your sample applicants.
- ➲ request profile of businesses in your locality.
- ➲ consider adequate representation of business type and business size, as well as application type (new or renewal).
- ➲ identify appropriate sample size.
- ➲ select sample applicants randomly.
- ➲ consider schedule of renewal of business permit (January) to maximize observation and documentation of renewal process.

For sample time and motion instrument, refer to **ANNEX 8.**

conduct survey or consultation

Alongside the understanding of your BPL process, conduct a simple survey of common problems encountered in the BPL system. The survey results will support the findings of your time and motion study. Strategies for this particular step include the following:

- ➲ administering a customer satisfaction survey to applicants who completed the cycle (for sample survey form, see **ANNEX 9**);
- ➲ conducting interviews or a roundtable discussion with the frontline servicing personnel to validate the documented observations; and
- ➲ conducting a roundtable discussion or a quick survey with the major stakeholders, particularly the business sector.

If you delegate this task to service staff, be wary of the potential bias in the study. Hence, an external researcher may be the best candidate to administer surveys and interviews to eliminate partiality. The following table presents a number of common problems among LGUs:

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Table 3
Table of Common Problems and Issues

Common Problems and Issues in Business Registration			
Physical	*Human*	*Financial*	*Process/Technology*
cramped office	inadequate frontliners	insufficient budget for skills enhancement training and for acquisition of technology and equipment	slow process/ long processing time (hence, more opportunity for corruption through fixers)
offices to transact with are not contiguous, they are far from each other.	unskilled frontliners		too manysignatories and clearances required
poor office design	unfriendly, unaccommodating frontliners		lack of information postings on the processes and schedule of fees
inaccessible forms	insufficient coordination among offices		manual issuance of receipts
Lack of facilities (no restrooms with in the office)	exercise of discretionary powers of individual officials (disagreements in computation of annual gross sales)		submission of numerous forms
			duplication of required information
			lack of standards; repetitious steps; separate assessment of fees

2 1

analyze issues and problems

How do you then understand the findings from your process map or table or perhaps from your time and motion study? Recall that you have come up with indicators in understanding how well you perform your BPL service.

What do the figures here mean?

Outlined are some of the guide questions for the indicators you may have used.

Table 4
Table of Guide Questions Per Indicator

Indicator	Guide Question
Number of steps (including description and purpose of each step)	⮑ Are all these steps necessary? ⮑ Is it clear to you or to the client why these steps are being undertaken? ⮑ Can the applicant do away with at least one of the steps? ⮑ Is it possible to lump any of the steps together? Are there repetitive steps (separate assessment of fees or multiple transactions with the same office at different phases of the registration process)?
Processing time	⮑ Does it take more than one day to process the application or renewal? ⮑ How much of the applicant's time is spent waiting in transacting with LGU personnel? ⮑ At which steps do applicants fall in long queues?
Costs	⮑ When have you last updated your revenue code? ⮑ Have you codified your tax ordinances? ⮑ Do the taxes and fees paid by the applicants return to them in the form of quality service? ⮑ How competitive is your tax rate from your neighboring towns?
Documentary requirements	⮑ Do you require the submission of multiple copies of supporting documents? ⮑ Are all these clearances or additional documents really necessary? ⮑ What kind of information do the application forms usually require? ⮑ Is information sharing between and among offices possible to lessen the number of forms to fill out?
Number of signatures required	⮑ Are all these signatures really important? ⮑ Which can you do away with? ⮑ At whose signature do the papers pile up (while waiting for the signatory)? ⮑ Is it possible to designate alternate signatories?

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Location of offices involved in the registration	➲ How spacious or cramped are your offices involved in business registration? ➲ Are they found in multiple locations or even at least adjacent to one another? ➲ What other facilities can be installed to make the place more convenient (lounge, restrooms and snack bars)?
Level of customer satisfaction	➲ Do you receive complaints from your clients regarding the business registration process? ➲ Do you have complaints about unaccommodating and unfriendly staff? ➲ Are there even mechanisms for them to convey their issues and problems with the BPL process?
Access to information	➲ Do you have information postings on the business registration process? On the schedule of fees? ➲ Aside from the municipal or city hall, where else are the application forms accessible?
Others	➲ Are receipts manually issued? ➲ Do fixers proliferate in the area?

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prepare a report

After gathering the necessary information, you are now ready to analyze and transform them into a useful and easy-to-understand report.

The following items are some of the suggested contents in the report:

➲ short introduction about your BPLO, the staff, and its processes (You may include methodology, particularly if you conducted surveys and/or time and motion study.)
➲ listing of issues and problems
➲ initial recommendations

After you have understood your process, as well as the emerging issues, you are now set to validate these with the stakeholders and prioritize them.

Step 4

identify priorities!

OBJECTIVE
- ➲ to identify pressing issues and problems in BPL process that the LGU must give special attention to

EXPECTED OUTPUTS
- ➲ validated BPL process, issues, and problems
- ➲ list of priorities

MEANS TO ACHIEVE
- ➲ validation with stakeholders
- ➲ ranking using three criteria: urgency, impact, and feasibility

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The following discussions can help you identify priority issues and problems in your BPL process.

validate with stakeholders

Partnership has always been advocated, not just by donor agencies but even by governments themselves. Consultation is not a futile process. It aims to inform, ask, involve, collaborate, or empower.

Consultation is a process that aids to resolve issues, assess proposed options, and even identify alternatives. It makes any management and decision-making endeavor a more honest

and responsive process. Inputs from the other sectors or partners are as important as your inputs. In addition, the consultation process gives various community sectors sense of ownership.

Some guidelines in validating report with stakeholders

➲ identify pertinent stakeholders. You may invite representatives of the national government agencies involved in business registration (DTI, SSS, BIR, PhilHealth, PagIBIG), the local chamber of commerce and industry, as well as the *barangay* officials and some local businessmen.

➲ present your findings and initial recommendations to these stakeholders through a consultative meeting, focus group discussion, or roundtable discussion.

➲ get their comments on the presented findings and recommendations.

➲ also, involve these stakeholders in prioritizing identified issues and problems.

make priorities

By now, you have identified all the issues and problems in your BPL process and have validated these with your stakeholders.

Since your LGU's resources are limited and you also have other services to provide to your constituents, it is important for you to prioritize the problems that you want to address. The following table will help you complete this activity.

Table 5
Table of Priorities*

Identified Issue or Problem	Is this a Problem?	Urgency	Impact	Feasibility	Average	Final Rank
Process/Technology Resource Gap slow process/long processing time (Hence, more opportunity for corruption through the use of fixers.) too many signatories and clearances required manual issuance of receipts submission of numerous forms with duplication of required information lack of standards repetitious steps separate assessment of fees (others)						
Physical Resource Gap cramped office offices to transact with are not contiguous they are far from each other. poor office design lack of facilities (e.g., no restrooms in the office) lack of information postings on process and schedule of fees inaccessible forms (others)						
Human Resource Gap inadequate frontliners unskilled frontliners unfriendly, unaccommodating frontliners insufficient coordination among offices exercise of discretionary powers of individual officials						
Financial Resource Gap insufficient budget for skills enhancement training and for acquisition of technology and equipment (others)						

* For a sample accomplished table, see **ANNEX 10**

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Some of the most common problems faced by other LGUs are already provided in the first column. Note that these are lumped according to the nature of the resource gap (process or technology, physical, human and financial) that causes them to exist.

➲ Put a check mark (✓) in the second column if these are present in your BPL process.

➲ You may add other problems that your LGU might have encountered but are not yet included in the list. You may also include them among the four different groups. Also mark these problems with ✓.

➲ Rank all the problems existing in your LGU (those with ✓) from 1 to *n* according to the criteria found in Column 3 to Column 5. Urgency, impact, and feasibility with the problem ranked 1 being the most urgent, having the biggest positive impact or the most feasible to address and *n* being the least urgent, having the least positive impact and the least feasible to solve. If you are going to rank 12 problems, then *n* = 12.

To guide you in your ranking, three criteria are described below:

o *Urgency.* Does the problem need to be solved urgently as perceived by the TWG and the other stakeholders? Is the problem causing a great deal of losses or damage on the part of the LGU and its clients? Where do the clients encounter the most difficulty in applying for or renewing their business permits?

o *Impact.* What problem or issue when solved will give the biggest improvement in the BPL process? What dramatic change or improvement can be seen and felt by the LGU's clients?

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o *Feasibility.* How feasible is the solution to the problem or issue? Given your existing resources or capacities (physical, human, financial, technology), what particular problems can you possibly address?

➲ When you are finished with your ranking, add the rating of each problem among the three criteria and divide the total by 3 to get the average rating.

➲ The next step is to put the average in Column 6. What problem got the lowest average rating? This should be ranked as the No. 1 priority in your final ranking which should be reflected in Column 7. The second lowest average rating should be ranked No. 2 or the second priority and so on. What problems ranked among the Top 5? How about the Top 10? You should be able to decide how many problems you are going to prioritize and to address. If you decide to prioritize the Top 5 problems, note in a piece of paper what these problems are.

Below is an example of a priority list which you may follow. You may identify where these problems fall among the four areas.

**List of Priority Problems in the
BPL Process of Municipality XYZ**

1   too many signatories and clearances required – **process and technology**
2   manual issuance of receipts – **process or technology**
3   lack of facilities (e.g., no restrooms in the office) - **physical**
4   exercise of discretionary powers of individual officials (disagreements in computation of annual gross sales) - **human**
5   insufficient budget for skills enhancement training and for acquisition of technology and equipment - **financial**

In the sample list above, the Top 2 problems are under process and technology. The third falls under the physical category, the fourth under the human and the fifth under financial. What does this tell you?

This only means that if you were to solve your problems, you have to focus on filling up the resource gap that causes these problems.

But how can you do this? The following table shows five good practices that are popular among the innovative LGUs that were able to improve their BPL processes. These approaches are tested to provide solutions to common problems encountered by LGUs in their business registration process. You only have to choose the right approach to solve a particular problem.

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Table 6
Table of Problems and Possible Solutions

This Good Practice…	… usually solves the following problems
Process Simplification	Problems caused by process and technology gaps such as: ➲ long processing time ➲ too many signatories and clearances required ➲ submission of numerous forms with duplication of required information ➲ lack of standards ➲ repetitious steps ➲ separate assessment of fees
One-Stop Shops	Problems caused by physical resource gaps such as: ➲ cramped office ➲ offices to transact with are not contiguous and far from each other ➲ poor office design
Computerization and Technology Modernization	Problems caused by process and technology resource gaps such as: ➲ long processing time ➲ too many signatories and clearances required ➲ submission of numerous forms with duplication of required information ➲ lack of standards ➲ repetitious steps ➲ separate assessment of fees
Improve IEC Campaign	Other problems caused by physical resource gaps such as: ➲ inaccessible forms ➲ lack of information postings on process and schedule of fees
Partnership and Customer Service	Problems caused by financial and physical resource gaps such as: ➲ insufficient budget for skills enhancement training and for acquisition of technology and equipment

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What good practice or approach do you think can help solve your problem? Looking at Table 6, you may notice that most of the common problems of LGUs are caused by process and technology gaps that are usually addressed by the following good practices: process simplification and computerization and technology modernization. Therefore, it is strongly suggested that you focus on these two practices. However, of the two, process simplification is much easier and less expensive to undertake. Thus, you may want to focus on simplifying your BPL process for a start.

The next three steps will help you benchmark, plan, and implement the approach that you want to take in addressing the issues and problems of your BPL process. Several good practices will be presented. Tips for successful implementation of reforms will also be provided.

Design Phase

Step 1 *obtain commitment*
Step 2 *get organized*

Step 3 *identify issues and problems*
Step 4 *identify priorities*

Step 5 *benchmark with other LGUs*
Step 6 *prepare an action plan*
- *simplify BPL process*
- *establish one-stop shop*
- *computerize*
- *inform, educate and communicate*

YOU ARE HERE

Step 9 *sustain improvements*

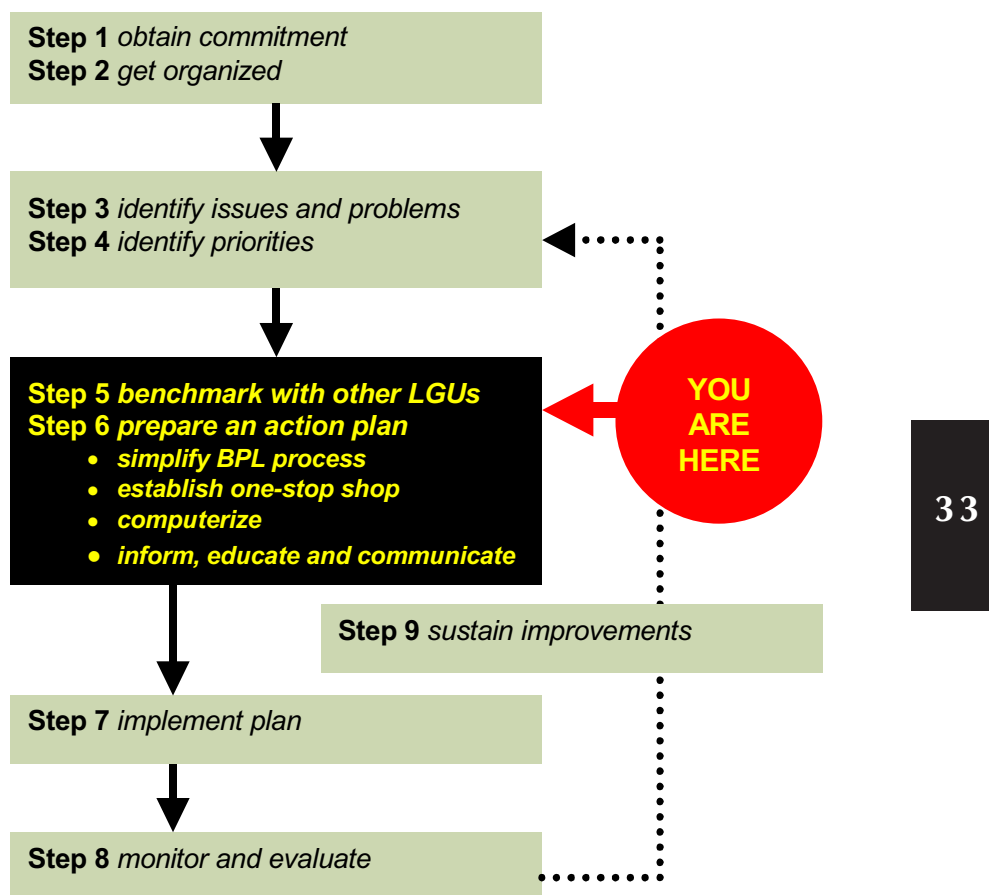**Step 7** *implement plan*

Step 8 *monitor and evaluate*

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Figure 8

Design

By this time, you have understood your current BPL process and have prioritized the issues and problems that you want to address. You can now start planning your process improvement intervention. In this section, two key steps are necessary to help you go through this exercise smoothly: benchmarking and planning.

To help you beef up your plan, a discussion of the good practices is provided, as well as some of the business registration realities commonly faced by LGUs.

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Step 5

benchmark with other LGUs!

OBJECTIVES
- ➲ to draw from the experience of other LGUs the successful strategies and approaches, as well as implementation mistakes in improving BPL process
- ➲ to compare your LGU's current BPL service with possible benchmark partners

EXPECTED OUTPUTS
- ➲ listing of other LGUs' good practices in BPL
- ➲ comparative measure on how well or how poor you provide your BPL service
- ➲ tentative list of possible learning visit areas you might want to contact

MEANS TO ACHIEVE
- ➲ review of good practices
- ➲ *Lakbay Aral* (peer-to-peer learning visit)

3 5

Benchmarking is a popular technique where institutions improve their services and programs by comparing it with other service providers that are recognized as leaders in the field. In this case, LGUs learn from the initiatives and best practice experiences of other LGUs through documentary review or *Lakbay Aral*. Your primary concern in undertaking this step is to look at what is applicable and adoptable in your own LGU.

know what to benchmark

Provided below is a rundown of five common good practices implemented by innovative LGUs in improving their BPL processes. These practices are discussed in detail in **STEP 6**.

➲ **process simplification**
Process simplification involves reducing the number of steps and adopting alternative inspection approaches to eventually trim down the time to finish the whole BPL procedure. Different approaches may be taken to achieve this which include, among others, reducing the number of signatures, cutting the number of documentary requirements or clearances, simplifying application and other forms, merging the assessment of various fees, delegating the Mayor's signature, and strategizing inspection schedules.

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➲ **technology modernization**
Utilizing advances in information and communications technology (ICT) could also enhance the simplification of a local government's BPL process.

More than the acquisition of computers to be used as glorified typewriters, however, this involves investing in advanced computer systems specifically designed to facilitate the BPL process by automating the assessment and payment transactions, as well as the generation of reports.

Electronic linkup among the various offices in the city or municipal hall concerned in BPL is also possible. Although this strategy has accompanying costs in the acquisition of equipment, software development and training of personnel, the reward is usually a more productive, efficient, transparent, and accountable BPL process that also leaves your clients well satisfied.

⮑ establishment of one-stop shop
One-stop shops, as an innovation in customer service delivery, originated in the private sector. They have been adopted by the government sector as well because of the convenience and efficient service they afford to clients.

In LGUs, establishing a one-stop shop involves assigning a particular space within (onsite) or outside (offsite) the premises of the city or municipal hall where all transactions pertaining to business permits are entertained. In this setup, the applicant need not go to several offices like the BPLO, local health or engineering or planning offices, BIR, SSS, and the like. The applicant only needs to visit the one-stop shop and should be able to get all the BPL requirements.

⮑ improvement of information, education and communication campaign
Equally important to the simplification of a local government's BPL process is the information and education of clients on the procedures and requirements in processing their BPL applications, without which, not even a good business registration system could be totally effective. A well-informed clientele could be expected to understand and follow the process correctly, not entertain fixers, submit complete requirements, ask less and cooperate with the service staff towards a fast, smooth and mutually satisfying transaction. This could be achieved through the use of different media such as brochures, billboards, posters, streamers, the Internet, trimedia (print, radio, and television), as well as various modes of personal communication such as information desks and dialogues with local business groups.

⮑ collaboration with business sector and enhancement of customer service
Involving the non-government sectors in local government affairs could help foster a more participatory and democratic governance while providing a conduit for pooling available knowledge

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and resources to achieve a common development goal. Likewise, regarding your taxpayers as customers, or more than that, as partners, will enable you to provide them with the best possible service you can give. Given this, it is strongly recommended that you involve the business community in every phase of the BPL process simplification you are about to undertake.

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research possible benchmark partners

To start you off, here is a list of possible benchmark partners. Some of these LGUs' contact information are provided in **ANNEX 11**.

Table 7
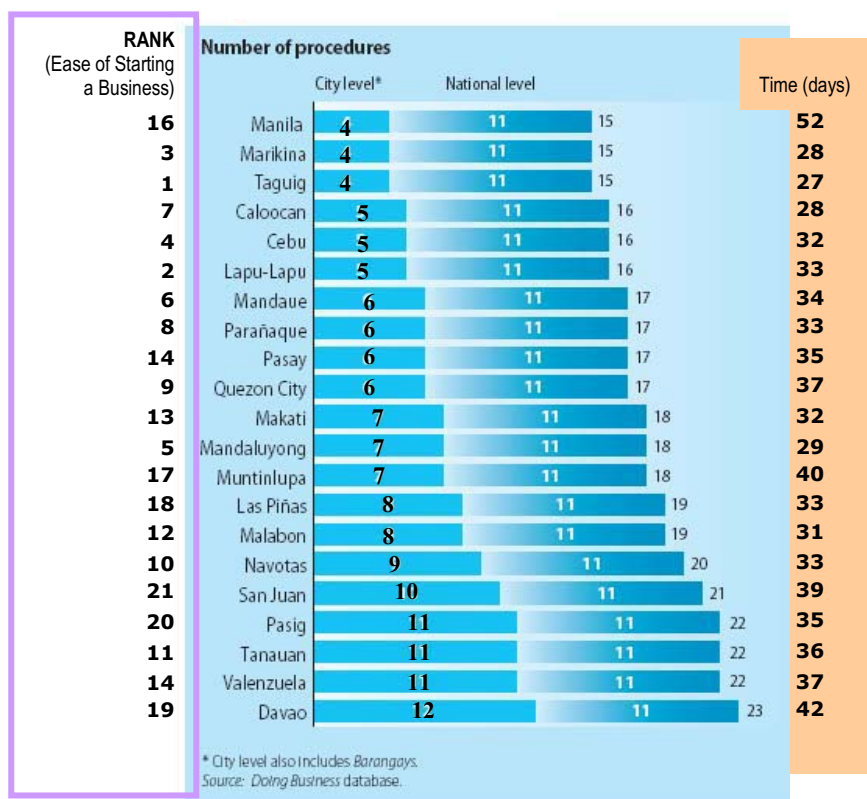## List of Possible Benchmark LGUs

Area	LGU
Process Simplification	Muntinlupa City; Ormoc City; Iligan City; Zamboanga City; Surigao City; Taguig City; Caloocan City
Computerization	Quezon City; Naga City; Mandaluyong City; Aliaga, Nueva Ecija
One-stop Shop	Cabuyao, Laguna; Malaybalay City; Bacolod City; Surigao City; La Trinidad, Benguet
IEC	Ozamiz City; General Santos City; Kalibo, Aklan; Marikina City

If you want to focus your attention on process simplification, get a copy of *Doing Business in the Philippines 2008* by IBRD/WB.

In that document, 21 Philippine cities were ranked in terms of the *ease in starting business*. Figure 9 comes from the same document and details the number of procedures it takes to register business in these cities. Procedures are defined as *any interaction of the company founder with external parties*.

Data on the processing time and the resulting ranking are also shown below. Note that in counting the processing time, the assumption is that *each procedure starts on a separate day*.

Ease of Starting a Business

RANK (Ease of Starting a Business)	Number of procedures — City level*	National level		Time (days)
16	Manila — 4	11	15	52
3	Marikina — 4	11	15	28
1	Taguig — 4	11	15	27
7	Caloocan — 5	11	16	28
4	Cebu — 5	11	16	32
2	Lapu-Lapu — 5	11	16	33
6	Mandaue — 6	11	17	34
8	Parañaque — 6	11	17	33
14	Pasay — 6	11	17	35
9	Quezon City — 6	11	17	37
13	Makati — 7	11	18	32
5	Mandaluyong — 7	11	18	29
17	Muntinlupa — 7	11	18	40
18	Las Piñas — 8	11	19	33
12	Malabon — 8	11	19	31
10	Navotas — 9	11	20	33
21	San Juan — 10	11	21	39
20	Pasig — 11	11	22	35
11	Tanauan — 11	11	22	36
14	Valenzuela — 11	11	22	37
19	Davao — 12	11	23	42

* City level also includes *Barangays*.
Source: *Doing Business* database.

Source: Figure 2.1 from page 9 of Doing Business in the Philippines 2008,

Source: Figure 2.1 from page 9 of Doing Business in the Philippines 2008, IBRD/WB; the complete contents for which are available in their website at **http://www.doingbusiness.org/.**

Figures for the 1st column (RANK) and last column (TIME) were taken from page 30 of the same document.

Figure 9

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establish performance indicators and compare your performance with select benchmark partners

Without actually visiting your target benchmark partner, you will be able to compare your BPL service by reading available materials in the Internet, getting additional information from the DILG and DTI, and formally requesting documents and reports from these LGUs. From documentary review alone, you will be able to see the areas you performed *at par* or even better than these LGUs and the areas you obviously need improvement.

But for you to compare, you have to establish first what it is that you are comparing. Indicators for comparison will largely depend on the activities you undertook in the **Diagnosis Phase**.

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With process simplification as the focus of our example, would you like to compare your business renewal processing time with another LGU?

Example: In Cabuyao, processing takes less than an hour, but in Iligan City it can take as long as five days.

Or do you wish to use the number of renewal steps as an indicator?

Example: Muntinlupa has about six steps, while Cauayan City has ten.

Perhaps, the number of documentary requirements may be useful.

Example: Makati City requires about ten documents.

Or would you also like to use the number of BPL staff as an indicator or the number of complaints or perhaps the size of the business registrants?

You may use Table 6 to complete this particular activity.

Table 8
Table of Performance Indicators

Indicator	Benchmark LGUs	Your LGU
Total processing time (in hours)		
Number of steps		
Number of signatories required		
Number of new documentary requirements		
Number of forms required		
Costs incurred by applicant		
Business revenues in the first quarter		
Others		

visit and learn (optional)

How do you properly conduct a *Lakbay Aral*?

Conducting a learning visit entails serious preparation. After all, this is not supposed to be a junket. It is rather an educational experience. Here are some tips on making your *Lakbay Aral* more effectively:

➲ visit an LGU that has successfully undertaken your chosen BPL Improvement Strategy (Process Simplification, Computerization, One-stop Shop, IEC Campaign, etc). In choosing, also consider similarities in condition with your own LGU (such as problems encountered, income classification, culture, etc), as well as its proximity and the estimated cost of visit.

➲ identify who among the Simplification Team or TWG should conduct the visit. Ensure that key personnel who will be involved in planning and implementing your new BPL process are included in the learning visit party.

➲ coordinate with the LGU you intend to visit so that they would be prepared to accommodate you. Ensure that the LGU is willing to share their experience to your team.

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➲ prepare a questionnaire or a list that shall guide you on what information to gather during the visit. You may send this to your benchmark LGU before your actual visit so that they can prepare the data in advance. Some of the questions you may want to include in your interview guide are provided in **ANNEX 12.**

After you have successfully completed the suggested tasks in this step, you are now all set to prepare an action plan.

Step 6

prepare an Action Plan !

OBJECTIVES
- ➲ to help you outline concrete steps in simplifying and improving your BPL process
- ➲ to come up with a formal document that will serve as your reference material in implementing your simplification program and in generating support from your internal and external stakeholders.

EXPECTED OUTPUT
- ➲ BPL Process Improvement Agenda or Action Plan

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MEANS TO ACHIEVE
- ➲ focus group discussion

Set one or two days to craft your plan with all the members of the TWG available as much as possible. This is your blueprint, so it has to be good.

The plan shall cover the following:

- ➲ objectives of your proposed BPL Process Improvement Program
- ➲ strategies that would be employed in addressing priority issues and problems in your BPL process
- ➲ resources needed in implementing the program
- ➲ timeframe for the initiative
- ➲ responsible office or personnel
- ➲ expected outputs or deliverables
- ➲ other matters that may concern your undertaking

A detailed outline for the contents of your BPL Action Plan can be found in **ANNEX 13** (See also **ANNEX 14** for sample action plan).

The major items in your agenda may be categorized in the following strategies:
- ➲ simplify BPL process.
- ➲ establish one-stop shop.
- ➲ modernize technology.
- ➲ improve IEC campaign.
- ➲ partner with other sectors.
- ➲ improve customer service.

Those are the different strategies and approaches to improve your BPL process. The discussions here will focus on the experiences of select LGUs that may help you in preparing your action plan.

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Good Practice 1
simplify BPL process

Process simplification pertains to the initiatives that result in the reduction of registration steps and alternative inspection approaches to eventually trim down the processing time of business registration. To this end, approaches have been introduced to reduce the number of signatures, lower the number of documentary requirements and clearances, simplify forms, merge assessment of fees, delegate the Mayor's signature, and modify inspection schedule.

GENERAL PRACTICES AND COMMON ISSUES ON BPL

It might be useful to first lay down the common issues and general practices on BPL to see whether your LGU has any of these.

- ➲ Sad Reality: Many LGUs have only a few transaction requirements. It is the **national government** that actually has an **array of requirements** from business entities.

  In fact, to start a business, there are nine business registration agencies from the national level, four of which you can not miss like DTI, SSS, PhilHealth, and BIR. Aside from these, there is a list of about 15 NGAs, from which clearances have to be acquired depending on the business sector and product or service. Generally, these clearances are for businesses involved in the food- and water-related industries, tourism, transport services, and investment.

- ➲ Some LGUs require the **notarization of the application form**, while others do not. Interviews from BPLO staff did not shed light on the necessity of this requirement. Indeed notarization *converts a private document into a public document … making it admissible in evidence without further proof of its authenticity*[1] but the *purpose of notarization is merely to attach full faith and credit to the document and vest upon it the presumption of regularity in its execution.*[2] *Absent a notarization, the document still remains valid between parties.*[3]

  So the question remains, should it be a requirement or not?

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[1] Ramos vs. Supreme Court, AC No. 5645, 2 July 2002 available at www.lawphil.net.
[2] Ruben Loyola, et al vs. Court of Appeals, et al. G.R. No. 115734, 23 February 2000 [326 SCRA 285].

➲ There is an emerging trend among cities where **insurance** (third-party liability or comprehensive general liability) **is required**.

➲ For LGUs with BPL offices separate from the Treasury, there is wisdom in lumping their services during the registration period. Oftentimes, the **assessment and payment services are not integrated**. People have to separately line up to get assessed and then queue in another line or another place to pay their fees.

➲ Some LGUs require the applicants to go to different offices and pay different fees in these units, while others combine all fees into a single payment (through **one assessment**) in one office (**one-stop shop**) before requiring the applicants to get their clearances or certificates from these offices.

➲ The types of **fee imposition vary across localities**. Some charge an array of building-related fees like the ones for electrical inspection, mechanical inspection, plumbing inspection and building inspection. Others require the payment of garbage fee, refuse fee, and police clearance fee, among others. It is usually a combination of these fees but the question is, **does the LGU really provide quality service for the service fees collected**?

➲ Relatively **few LGUs offer the option of advance inspection** that effectively decongests the required transactions in January. Inspections are usually undertaken after the permits have been released or right after receipt of applications.

ADD-ON SERVICES

To balance the reform-challenged services presented in the previous page, outlined below are some of the add-on services that business people are pleasantly surprised to observe in their respective LGUs.

- ➲ Taguig City: Establishment of a Customer Service Office where applicants only have to submit all the documents and wait for their bill of assessment instead of going from counter to counter, from assessment to payment, to process their application. After payment, they can immediately obtain their permit.
- ➲ Iligan City: During the renewal period, the city offers *barangay* councils their own tables at the city hall corridor so that applicants can easily get their *barangay* clearance.
- ➲ Muntinlupa City: Previously, the city government offers online business name registration through partnership with the DTI and SSS, which hastened permit processing.
- ➲ Quezon City, Manila City, and Mandaluyong City: Quezon City practices a **no-lunch-break** policy during the renewal period and even offers registration services on Saturdays. In Manila, the offices involved in permit processing and fee payment are required to rotate their personnel so that they are able to practice the **no-lunch-break** policy as well as open the office until 8PM (even until midnight) during weekdays and 8AM to 5PM on weekends (Saturday to Sunday). In Mandaluyong, the BPLO maintained a skeletal force on the registration peak period (18 to 20 January) and the team members stay up to midnight.
- ➲ Mandaluyong City: Given the volume of registration applicants from the marketplace, the city government passed an ordinance providing a separate schedule for the renewal of permits of market place vendors or businesspeople last 20 to 28 February.
- ➲ Marikina City and Mandaue City: Business plates or permits in Marikina City are delivered to the business owners by the BPLO inspectors by March, while in Mandaue City, the permits are mailed.

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➔ Cebu City, Tacloban City, and Mandaue City: A joint team of inspectors (consisting of the offices that require regulatory clearances and permits) visits the businesses after the receipt of the business permit.

➔ Downloadable forms and business registration-related information can be found in the websites of the following cities:

 o Surigao City: building permit application, electrical permit, sanitary or plumbing permit, business application form, business tax rates, zoning fees, and charges schedule (www.surigaocity.gov.ph)

 o Caloocan City: application form for locational clearance (www.caloocancity.gov.ph)

 o Cebu City: zoning clearance and business permit renewal forms (www.cebucity.gov.ph)

 o Mandaue City: application and renewal forms, company profile form, tax and *barangay* clearance form, and information on steps and requirements for new and renewal application of permit (www.mandauecity.gov.ph)

➔ Mandaue City: according to their website, inquiries on the approval of business permits can be coursed through text message [MANDAUE (space)BIZTAK (space) and send to 2333].

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APPROACHES TO SIMPLIFY BPL PROCESS

The discussion above may have inspired you to know more about the different approaches in process simplification.

There are various approaches to simplify the BPL process:

➔ reduce waiting and processing time
➔ reduce number of signatures
➔ reduce number of requirements
➔ modify inspection process
➔ reduce number of forms
➔ merge assessment of fees
➔ simplify application form
➔ institutionalize reforms through appropriate policy

Presented below are some guidelines and considerations to simplify the BPL process.

reduce waiting and processing time

➲ trim down the number of steps to be undertaken by the applicant by reducing signatories and documentary requirements, simplifying forms, merging the assessment of fees, and modifying the inspection process and schedule. (See succeeding approaches for more information.)

➲ create a skeletal force to operate after office hours and on weekends during the last week of January.

➲ if possible, schedule processing of applications lodged by accounting firms (usually in bulk) on weekends or after office hours during renewal period.

➲ adopt a **no-lunch-break** policy.

➲ improve office layout and queuing system.

➲ train frontliners (particularly BPL officers and cashiers) to become more competent and inculcate in them the principle of *mamamayan muna, hindi mamaya na.*

➲ establish a one-stop shop. (See **Good Practice 2** for more information.)

➲ use computers and appropriate system to easily encode, store, share, and print data. (See **Good Practice 3** for more information.)

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reduce number of signatures

➲ identify all signatories including recommending approval and initials.

➲ assess importance of each signature.

➲ remove unnecessary signatures.

➲ delegate Mayor's signature during renewal period, if necessary.

➲ consider using a computer-generated signature of Mayor to be countersigned by the BPLO chief or administrator.

reduce number of requirements

➲ identify all documentary requirements.
➲ separate those that are local and national.
➲ assess significance and legality of local requirements.
➲ remove unnecessary requirements.
➲ assess significance of national requirements or clearances.
➲ allow conditional permit, if national requirements (such as SSS clearance) are still being acquired.
➲ consider the use of waivers or affidavits.

modify inspection process

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➲ separate regulatory from revenue functions and offer pre-inspection and post-inspection services (regulatory permits).
➲ if possible, create an inspection team that includes officers from the BPLO, Fire Department, Health Office, Engineering Office and Planning, and Development Office.
➲ identify low-risk and high-risk establishments.
➲ for renewal, allow pre-inspection and post-inspection of low-risk establishments.
➲ require photos of establishment for very low-risk establishments (*sari-sari* store) for automatic clearance from the BPLO.
➲ for new application, require high-risk establishments to complete all clearances before the release of business permit.
➲ review existing legislations and amend such, if necessary.

reduce number of forms

- ➲ identify all forms issued for the application and renewal of business permit.
- ➲ determine important items in each form.
- ➲ simplify forms by incorporating relevant items to the application form. (See **ANNEX 15** for sample simplified application form.)

merge assessment of fees

- ➲ identify all local fees.
- ➲ create a table of various local fees and incorporate such in your database, if you have one.
- ➲ merge assessment of fees (especially fees for local clearances).

institutionalize specific reforms through appropriate policy support mechanisms

- ➲ see **ANNEX 16** and **ANNEX 17** for sample Executive and Administrative Orders.
- ➲ see **Step 7** and **Step 9** for more information.

PRACTICAL LGU EXPERIENCES

Would it not be great if you could know more about what others really did and decide for yourself if you can adopt this in your LGU? It might be useful for you to have a rundown of some of the concrete actions of LGUs on process improvement and see what simple decisions can achieve.

While you are at it, check **ANNEX 18** for a comparative presentation of the requirements, fees, and steps in new applications compiled by IBRD/WB (2008).

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Box 1
LGU Experiences in Process Improvement

BACOLOD CITY

Background: Efforts to streamline business registration started in 2004 with an assistance from GTZ.

Key Decisions
a. installation of a Business One-Stop Shop (BOSS)
b. provision of the necessary hardware for the BOSS facility
c. reduction of steps, forms, and signatures

Result: received the Philippine Chamber of Commerce and Industry's 2007 Most Business-Friendly LGU award and was previously awarded for two consecutive years before this as the Most Business-Friendly City in the Visayas

BARILI, CEBU

Background: Business streamlining efforts started in 2007 and was assisted by GTZ through practitioners from another LGU.

Key Decisions
a. executive order to implement BPLS improvement in 2008
b. use of a very practical no-nonsense approach without lengthy studies
c. training of treasurer, assessors, and BPLO staff on the new process
d. introduction of BOSS
e. advocacy on the new system through media and banners

Result: increase in business tax revenue collection in January alone from PHP0.806 million (2007) to PHP1.184 million (2008)

ILIGAN CITY

Background: Initiatives to simplify the process started in October 1998 and was continued up to now even with change in administration

Key Decisions
a allowed the submission of NGA requirements up to 60 days after permit release

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      b.   convinced the *barangay* councils to set up desks at the City Hall for easy access to *barangay* clearance

      c.   instituted the 'Forum for Business Renewal' with representatives from the LGU, NGAs, business owners, bookkeepers, and individual taxpayers to discuss changes and possible improvements in the registration process

Results: one day permit processing time; signing of a Memoranda of Understanding and Agreement with parties engaged in the Forum

KORONADAL CITY

Background: Streamlining efforts of the city government started in February 2005 in partnership with The Asia Foundation, the League of Cities, and the local business community.

Key Decisions
      a.   installation of BOSS
      b.   transfer to one venue of the Bureau of Fire Protection, City Health Office, and City Cooperative Office
      c.   partial computerization at the City Treasurer's Office
      d.   whole-year inspection and issuance of clearances by the City Planning and Development Office and the City Engineer's Office

Results: decreased the number of processing days from 7 to 3 by removing 2 of the 4 forms required for submission and reducing the number of signatories from 13 to 7; There was also a recorded increase in the number of processed permits in January from 954 (2005) to 1505 (2006); The City was awarded by the PCCI as the Most Business- Friendly City in Mindanao in 2005 and 2006; In 2005, it was also among Asian Institute of Management's Top 10 Most Competitive Cities in the Philippines

ILOILO CITY

Background: Streamlining initiative started in 2007.

Key Decisions
      a.   installation of BOSS
      b.   reduction of steps, forms, and signatures

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Results: Renewal processing time was brought down from 7 to 4 days due to the trimmed steps (from 18 to 4), lesser forms to be submitted (from 12 to 8), and fewer signatures (from 30 to 12); customer satisfaction level from very low in 2007 to average in 2008; There was a recorded increase in business renewals in January from 2970 to 4550, which therefore raised the revenues from PHP67.758 million to PHP95.754 million.

The resulting new and renewal registration steps are as follows:

New application	Renewal
1. evaluation of application documents	1. evaluation of declared sales report
2. inspection of applicant's establishment	2. assessment of fees and taxes due
3. assessment of fees due	3. payment of assessed fees and taxes
4. payment of assessed fees	4. issuance of Mayor's Permit
5. issuance of Mayor's Permit	

MALAYBALAY CITY

Background: Streamlining efforts started in 2005 in partnership with The Asia Foundation, the League of Cities, and the local business community

Key Decisions

a. setting up of BOSS at the city hall, scheduling a separate processing date for bookkeepers carrying five or more applications

b. granting of conditional approval to applicants with incomplete requirements and conduct of a mobile BOSS in the *barangays*

Results: reduced processing time from two hours and ten minutes to one and a half hours, and increased the number of new business registered from 200 to 300

MARIKINA CITY

Background: The discussions here are about their latest service enhancements (January 2008).

Key Decisions

a. applied a unique system of receiving applications by *barangay* with the inspectors receiving the applications from their designated *barangay*s to capitalize on their familiarity with the location of the establishments

b. some requirements (like the membership to the local business chamber or accredited business organizations) can be submitted after 10 working days upon release of permit.

c. provision of a Senior Citizen lane where senior citizen applicants are only asked to wait while a BPLO employee processes the application

d. installed a new renewal process where applicants are asked to return after three days upon submission of the application (because of computer system failure and, therefore, manual assessment) to get their order of payment and finalize the process by paying and getting their permits

e. there are no more pre-inspections (engineering, fire, sanitary) required during the renewal period except for big establishments (with two to three days allotted inspection time).

f. permits not collected by the end of February are delivered to the business addresses by the inspectors beginning March.

Results: PCCI's 2005 Most Business-Friendly City in the National Capital Region; New applications are processed in a day while permit renewals can be obtained in four to five days; increase in business tax collection during the first quarter from PHP159 million in 2007 to PHP204.4 million in 2008; increase in number of renewal applications from 11063 in 2007 to 11491 in 2008; processed and delivered 9449 permits in 2008, compared to 3288 in 2007 during its first quarter

MUNTINLUPA CITY   *Background*: Started its process improvement initiative in 2001.

Key Decisions

a. removed required clearances from offices or agencies that simply ask for the submission of basic business data like Zoning, Health, Fire, Land

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Management and SSS. In return, the BPLO gives these agencies the updated data after the renewal period.

b. use of a simple application form (one page with the process flowchart provided at the back)

Results: reduced its 14-step renewal process to 12 steps in 2002 to six steps in 2003; processing time was therefore reduced from one day to 15 minutes; in terms of revenues from permits and licenses, the collection of P 250,663 in 2001 grew to P 272,981 (2002) and further to P 290,000 (2003); the City was also awarded by PCCI as the Most Business-Friendly Local Government in 2001 and 2002.

For the details on the step reduction, the six-step renewal process is as follows:

1. document examination
2. Budget Office endorsement with tax order of payment
3. billing
4. treasury issuance of Community Tax Certificate and official receipt
5. affix the signatures of the BPLO Chief and the Mayor
6. BPLO Permit releasing

ORMOC CITY

Background: The city conducted time and motion study in 2005 and implemented its reform by 2006.

Key Decisions

a. removed land tax and waterworks clearances
b. included fire assessment at BPLO's billing
c. coordinated with DTI, SSS, PhilHealth, and PagIBIG for the pre-registration period processing of certification
d. early inspection and clearance processing offered by the following offices – zoning, engineering, fire, and health
e. removed *barangay* clearance as a requirement for permit renewal

Results: reduced its renewal steps from 14 to 5 and new application steps from 17 to 10; documentary requirements were likewise reduced from 12 to 6;

the changes translated to lower renewal processing time (17 to 2 days) and increase in business renewals from 2475 (2005) to 2779 (2006); in terms of business fees, there was a big revenue jump for the first quarter from P 23.067 M (2005) to P 42.667 M (2006); the resulting renewal and new application steps are as follows:

New application
1. Submission of documents
2. Obtaining *barangay* clearance
3. Obtaining DTI registration
4. BPLO assessment or billing
5. Payment of fees at CTO
6. Subscription of application at legal office
7. Permit issuance
8. Affix signature of BPLO Chief
9. Affix signature of Mayor
10. Permit release

Renewal
1. Submission of documents
2. BPLO assessment
3. Payment of fees at CTO
4. Subscription of application at legal office
5. Permit issuance
6. Affix signature of BPLO Chief
7. Affix signature of Mayor
8. Permit release

SANTA ROSA CITY

Background: Aside from its computerization efforts, the City has instituted several reforms since 2007.

Key Decisions

a. further simplified its already simple, one-page application form by putting a section for clearances with the signature of designated personnel for sanitary, fire, engineering, and City Secretary to be affixed at this section

b. All required signatories have authorized representatives to sign on their behalf except the Mayor.

c. processing of applications even in the absence of requirements but permit is only released upon submission of these requirements

d. During the renewal period, BPLO is open on weekends.

Results: from its P350 M business income in 2007, the BPLO is confident in targeting P450 M this year, 2008

SURIGAO CITY

Background: Tracking of the improvements in the business permit and licensing system of the city started in 2003 under the Transparent Accountable Governance project of The Asia Foundation.

Key Decisions

a. simplification of application form (2003)
b. creation of a fast lane for *sari-sari* stores (2004)
c. computerization of receipt issuance (2005)

Results: Increased business tax collection averaging 9.5% since 2003, reduced number of steps, and shortened processing time

TACLOBAN CITY

Background: In 2003, the Mayor learned that the city government is able to issue permits only a year after they were applied for. Other complaints on the registration process are the constant queuing and anomalies. On the same year, a sequence of reforms was therefore instituted. A time and motion study kicked off the initiative.

The study looked into the following:

- number of times an applicant goes to BPLO or Treasury
- length of time an applicant spends in a certain office
- length of time other regulatory offices conduct inspections and submit reports
- factors that exasperated the applicants
- process of generating reports
- how computers worked and coped with the system
- specific points or areas where irregularities happen

Key Decisions

a. creation of a task force that studied the city's BPLS and was responsible for coming up with recommendations for simplification, pilot changes, and sustaining reforms
b. practice of one-window, one-transaction policy
c. improvement of BOSS during the registration period
d. improvement of software and hardware components of the computer system

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e. simplification of forms

f. removal of three clearances as a requirement for permit renewal (police clearance, evaluation assessment, and zoning clearance). Clearance for health, fire, and engineering are also waived during the renewal period but only for select establishments. Inspection and compliance on the submission of clearances are expected within a month.

g. creation of a team that would conduct advance and simultaneous inspections. The team is composed of members of the following offices– BPLO, CEO, CHO, BFP, and CPDO. Inspection schedules were likewise modified. Sanitary and fire inspections were conducted after January. Inspections for low-risk businesses like *sari-sari* stores, groceries and *carinderias* were substituted with interviews of the applicants.

Results: reduced the number of steps for both new applications (from 16 to 6) and permit renewals (from 14 to 4) and trimmed down the number of forms (from 4 to 1); The efforts likewise enabled the city government to lessen the number of signatories for renewals from 16 to 3 (Mayor, Treasurer, and BPLO Head). As a result of these changes, the city was able to slash the average renewal time from 3 days to 30 minutes and inspection reports were religiously submitted within 24 hours. There was also an increase in the number of registrants by 22% and a significant boost in the city's annual average income (before the reform, P 152 M from business taxes, which rose to P28 M in 2007). The resulting new and renewal application steps are as follows:

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New application	Renewal
1. Secure application form	1. Submit application form with all requirements
2. Submit filled out application form with clearances	2. Printout of assessment
3. Conduct of inspections	3. Payment of assessed fees and issuance of official receipt
4. Assessment of fees	4. Release of permit and sticker
5. Payment of assessed fees and issuance of official receipt	
6. Surrender and release of Mayor's Permit	

TACURONG CITY

Background: Simplification initiative started in 2005 under the Making Cities Work Project of The Asia Foundation and the League of Cities.

Key Decisions

a. launching of a year-round information drive on city government's obligation to deliver service and the people's obligation to pay their taxes
b. one-time payment of fees and taxes instead of four
c. strict enforcement of the 20 January deadline

Result: reduced the number of forms from 2 to 1 and signatories from 11 to 4, which led to the reduction in processing time from 3 days to about 2 hours; There was, therefore, an increase in the number of business permits issued by 81% (311 in 2005 to 565 in 2006) and an increase in collection from P3.4 M to P5.5 M for the same period.

TAGUIG CITY

Background: Learned from the good practices of Quezon City, the City started its simplification initiative around 2006.

Key Decisions

a. creation of a Customer Service Office that shall be responsible for processing the application within the office
b. ensure convenience on assessment and payment of taxes and fees during renewal period so applicants only transact with the CSO upon submission of application and to pay fees
c. inspections are conducted after the release of permit

Result: one-day permit processing as long as applications are submitted around 8AM to 9AM and all documentary requirements are attached. In an IBRD/WB study, the City ranked 1st among 21 Philippine cities in terms of *ease in doing business*.

ZAMBOANGA CITY

Background: Diagnosis of the existing permit system of the city government using tools like time and motion study was done in 2005. Other activities to enhance the system followed with the city government partnership with The Asia Foundation, the League of Cities, and the local business community in the streamlining efforts

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Key Decisions
a. conduct of advance inspections release of clearances from the BFP, CHO, CEO, etc
b. implementation of an advance-assessment- and- payment scheme that allows payment of business taxes and fees even before applicants comply with the requirements,
c. use of Geographic Information System to map and inventory business establishments

Result: lower processing time and increase in business revenues; The P44M collection in 2005 jumped to P52.1M in 2006 and P61.6M in 2007

Sources: Various files (see References)

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You have been exposed to the good practices and approaches. At this point, you should have at least a LIST of key decisions and perhaps add-on services you are very much inclined to introduce to your BPL process. Complement this with the approaches you are planning to work on. Voila! Your plan is already hatching, waiting to be executed. It might be worthwhile though to review your action plan and see how you can incorporate the new things you have learned here.

One-stop shops, having a service delivery system, originated in the private sector. They have been adopted in the public sector through the years and have since become common place among government agencies because of the convenience and efficient service they afford to customers. Various requirements are met in a single office or place called the one-stop shop.

In line with the Anti-Red Tape Program for Local Governments, LGUs are mandated by the DILG to establish one-stop shops to complement the simplification of their internal regulatory systems.

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There are three types of one-stop shop: onsite, offsite, and third party logistics.

ONSITE ONE-STOP SHOP

This is the most common type among one-stop shops. A particular space within the premises of the LGU is designated as a one-stop shop where all transactions pertaining to business permits are entertained. Instead of going to several offices like the BPLO, local health, engineering, planning offices, BIR, SSS, and the like, the applicant only needs to visit this one-stop shop and get the requirements from here. It must be noted that representatives of NGAs are also found in the one-stop shop. Their participation is an indication of improved LGU-NGA interface.

The box below presents the experience of the municipality of Cabuyao, Laguna in establishing a one-stop shop. You may want to follow what this LGU did.

In brief, the following steps can be seen from the experience of Cabuyao:

- ➲ designation of a particular building facility (old Session Hall) as the one-stop shop
- ➲ assigning staff from offices involved in the business registration (BPLO, Treasury, Fire, Engineering, Health, Mayor's Offices) to operate the one-stop shop
- ➲ putting up an information section right at the Session Hall entrance to distribute application forms, brief applicants on requirements, and give out priority numbers for the queuing system
- ➲ posting of process flowchart on strategic places
- ➲ submission of applicants' forms together with the required documents for processing
- ➲ provision of free snacks for applicants while waiting for their applications

6 3

Box 2
Cabuyao, Laguna

A trailblazer in the adoption of Business One-Stop Shop (BOSS), Cabuyao proved that this strategy works.

The BOSS was the LGU's timely response to the sudden rise in applications for business permits and licenses in 1995, mainly due to the influx of businesses in the rapidly growing municipality.

The local government's old Session Hall houses the BOSS during the annual business registration period from 02 to 20 January extending up to the end of the month. Dedicated to the operation of the BOSS, it is a 250 sq.m. hexagonal, single detached structure, a few steps away from the municipal building.

*A total of 10 workstations are spread across the hall, as indicated in the office layout (see **ANNEX 19**). Personnel from the BPLO, Treasury, Regulatory Section (fire, engineering, health, etc.), and the Mayor's Office man these stations.*

Personnel assigned at the information section located at the entrance distribute application forms, brief applicants on the requirements, and give out priority numbers.

A process flowchart is illustrated on a bulletin board also located at the entrance.

After filling out the forms and attaching all the requirements, applicants wait for their numbers to be called while enjoying free snacks and refreshments. Once called, they then go through the process of securing the business permit and license, ideally all in one hour flat --- a far cry from what used to take three days.

Such efficiency started to bring more in revenues to the LGU's coffers. From P5.34M in 1995, revenue rose to P190M in 2005. This meteoric increase has made it possible for the LGU to vastly improve basic services and undertake more infrastructure projects.

Source: Streamlining Business Registration in LGUs, DTI 2006

In Malaybalay City, the BOSS can be found within the City Hall itself. Some of the steps it undertook to establish the one-stop shop were the following:

- ➲ improving the physical layout of the designated area for one-stop shop
- ➲ ensuring the participation of NGAs involved in business registration (such as BIR).

To further facilitate the BPL process, the city government also:

- ➲ allowed conditional approval of applicants with no previous violation records
- ➲ made a separate schedule for accountants and bookkeepers with multiple applications.

Box 3
Malaybalay City

The setting up of the BOSS in Malaybalay City was one of the recommendations arising from a time and motion study conducted in 2005.

During the January 2006 BOSS implementation, the LGU improved the physical layout, ensured the presence of NGAs like the BIR at the site, allowed conditional approval for applicants who had no record of violations in the previous year, and arranged the preparation of a separate schedule for accountants or bookkeepers who were processing five or more applications. These measures effectively reduced processing time from two to three days to just two hours.

As a result, there was a 119.1% increase in business taxes collection from P3.3M in 2005 to P7.2M in 2006.

Source: Streamlining Business Registration in LGUs, DTI 2006

Marikina City also has an onsite one-stop shop. A part of the City Hall quadrangle serves as the city's one-stop shop every January of each year. Like the other cities, Marikina assigned office space to each of the participating NGAs (like PagIBIG, BIR, SSS).

Other non-government associations or agencies, which are not found in the one-stop shops of other LGUs, can be found in Marikina. For instance, a Public Liability Insurance (to take care of third party liability) and local internet cafes' association participate in the business registration process. The latter ensures the observance of city ordinance regarding the prohibition on schoolchildren to use the internet cafes for videogames during school days.

OFFSITE ONE-STOP SHOP

This is similar to the onsite one-stop shop concept except that the location of the designated one-stop-shop office is outside the premises of the Municipal or City Hall. This is usually resorted by cities that have no available office space, which can be converted into a one-stop shop within their premises. Likewise, this is the preferred option of LGUs with multinodal business structure or multiple business centers like in Quezon City and Taguig City.

Bacolod City is one LGU where there is an offsite one-stop shop. It utilizes its Arts, Youth and Sports Center every January of each year as its offsite.

Some of the features not mentioned in the case of Cabuyao and Marikina are the following:

- ⮞ presence of representatives of all *barangays* (*barangay* chairpersons or treasurers) to issue clearances
- ⮞ presence of notary publics for documents that need to be notarized
- ⮞ color codes for transaction areas according to type of transaction
- ⮞ authority of the Mayor's Secretary to sign on behalf of the mayor.

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Quezon City, like Bacolod City, uses an offsite one-stop shop. Since it is an extraordinarily big city with multinodal business centers, it has established one-stop shops in its *Satellite City Halls* found in its four districts. On top of this, it also resorts to establishing *ad hoc* one-stop shops in big malls like WalterMart, SM, and the like, during their opening.

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Box 4

Bacolod City

The establishment of a BOSS at the Bacolod Arts, Youth and Sports (BAYS) Center focused on space and convenience factors.

The Bacolod City Hall infrastructure could not accommodate the 12,000 to 13,000 clients annually who either renew or apply for a business permit. Likewise, both time and effort are required in traveling the distances between various offices from which clearances are issued such as the Office of the Building Official, CHO, City Veterinarian's Office (CVO), CTO, and NGAs.

To further improve the services and increase the efficiency and effectiveness of the BOSS, the LGU initiated the following reforms in 2006:

- *authorizing the Secretary of the Mayor to sign business permits on the Mayor's behalf*

- *color coding transaction areas to let clients know which type of transactions are required for their renewal*

- *making city-accredited Notary Publics available within the premises of the BAYS Center (P50 for their services and P20 for documentary stamps)*

- *ensuring the presence of all 61 Barangay Captains or Treasurers to facilitate the issuance of the barangay clearance and Community Tax Certificates to business owners in compliance with DILG Memorandum Circular No. 2001-120, or the Anti-Red Tape Program for Local Government*

These reforms resulted in trimming down the processing time from nine days in 2005 to two days in 2006.

Source: Streamlining Business Registration in LGUs, DTI 2006

The municipality of Panay in the province of Capiz, probably, has one of the most extraordinary ways of conducting a one-stop shop in the country.

On some days during the business permit renewal period, which extends until the end of the first quarter in this municipality, a composite team of officials from the Municipal Planning and Development Office, Municipal Treasurer's Office, Municipal Health Office, Philippine National Police and BFP ride boat to visit the municipality's five island-*barangays*. On other days, they trek to the mainland's isolated communities.

What do they do in these places during the supposedly busy period in the Municipal Hall? They set up BOSS in the *barangays* they visit.

Box 5

Panay, Capiz

Guided by the principle of bringing the municipality's services closer to the people, the previous mayor issued an Executive Order in 2003 that signaled the beginning of this practice. Along with this, a Business Task Force was created whose members were given seminars in local revenue collection conducted by Quezon City Treasurer Dr. Victor Endriga. Subsequent revision in the municipality's Revenue Code institutionalized the task force and the practice of conducting mobile business permit and licensing.

Setting up BOSS in the island barangays and in far-flung communities allowed the businesses located in these areas to apply for or renew their business permits without even going to the Municipal Hall.

The official receipt that serves as temporary permit is even released in no time – a half-day wait is already considered long, since the inspecting or clearing offices such as the MPDO, MHO, PNP, and BFP have their representatives in the composite team who can conduct the inspections and issue the necessary clearances right away. Collection of fees is done by the MTO representative.

It is important to note that the function of issuing business permits is lodged under the MPDO, but only the Mayor can sign the permit. One day after signing, the official permits are given to the barangay captains of the areas where the businesses are located.

On the average, the mobile team stays in small barangays for one day and two days for larger barangays. They do not actually need to stay longer since there are only a few businesses in every barangay. Those with income below P30,000, such as sari-sari stores, are even exempted from registering their businesses. They only have to get a Mayor's Permit, which can be issued in the barangays.

But what happens in the Municipal Hall when the composite team is away? Can businesses still register or renew in the center?

Yes! This is because a counterpart team is left to handle business in the Municipal Hall.

The practice of mobile business permit and licensing may seem expensive to the uninitiated. However, this is not the case. Each travel may cost the municipality around P5,000 for the boat's fuel and per diem of staff, but this, on the average, returns10-15 times more in BPL fees collection.

Each barangay also contributes to the effort by providing food and refreshments for the composite team, since they have a stake in the registration of businesses in their areas – fees collected from the issuance of barangay clearances, which is a BPL requirement are a major revenue source for the barangay. This lessens the cost of the activity to the municipal government.

Preparations for the conduct of mobile BOSS are discussed with the barangay captains during the Liga ng Barangay meetings every first Tuesday of the month and during the Municipal Development Council meetings every first Thursday of the month where the barangay captains are also present.

The municipality's seemingly peculiar practice of conducting mobile BOSS has brought positive benefits to the LGU. From the few thousand pesos that the local government was collecting before the implementation of the practice in 2003, revenue generated from the issuance of business permits has grown to more than a million pesos in the first half of 2008 alone. A big achievement for an LGU, which, until now, is heavily dependent on its Internal Revenue Allotment.

Source: Interview with MPDC, Panay.

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THIRD PARTY LOGISTICS

This is not as common as the other two types of one-stop shops because it is the most complex. Here, the private sector is utilized to operate the one-stop shop. It is like privatizing the delivery of a particular service.

In this setup, the private entity is accredited to receive new and renewal applications for business permits. This entity may also be used to receive payments and eventually release approved business permits.

To date, some NGAs like the BIR and the SSS have been using the third party logistics mode. In Quezon City, accredited banks receive real property tax payments from taxpayers but not necessarily payments for business permits and licenses.

Good Practice 3
modernize technology

Simplifying your BPL process may further be enhanced by incorporating advances in information and communications technology (ICT). This strategy could simply mean acquiring computers for your BPLO which the staff may use in encoding and storing data as well as in printing relevant documents. Recently, more and more LGUs are starting to realize the advantage of investing on customized computer programs designed to facilitate BPL transactions.

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While computerized BPL systems may have varying features, they usually provide the following benefits:

- ➲ assignment of unique and permanent identification or access number to every client registering business
- ➲ organized template for encoding data from clients' application forms and supporting documents
- ➲ automated and accurate computation and assessment of fees and taxes. This feature not only minimizes errors that may result from manual computation, but also ensures rates are uniformly applied among clients
- ➲ a centralized database shared by the BPLO and the Treasurer's Office (TO) wherein data entered by one office could be accessed by the other in real time. For instance, in many LGUs, assessment of fees and taxes is done in the BPLO, while payments are made in the TO. In a computerized system, once a BPLO staff enters in his computer the business data needed for assessment, such as annual gross sales, a staff member in the TO may automatically generate from

the computer (which is linked to the BPLO) the assessed amount to be paid by the client

➲ a foolproof feature wherein the business permit could not be printed unless the client has already paid the assessed fees and taxes

➲ a database wherein information on registered business, such as owner, address, gross sales, etc., can be stored and retrieved for future use. For instance, a BPL Officer may check in the computer the previous year record of a renewing business if the Officer feels the client is trying to get underassessed by declaring lower annual gross sales. In some systems, the database can also be used to generate useful reports such as the top one hundred biggest taxpayers, the list of delinquent businesses, etc.

➲ computerized systems lead to simpler processes and shorter transaction time to the benefit of both the client and the service staff.

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From these, we have seen that modernizing technology may not only lead to more efficient services but also to more transparent transactions. You may set up a similar system in your LGU. There are a number of private ICT companies providing this kind of technology for a fee, but there are also systems developed by NGAs and foreign donor agencies that are made available to LGUs as form of technical assistance. Examples of the latter are the following:

computerized Business Permit and Licensing System[*]

What is the computerized BPLS?

The computerized BPLS is one of the two components of the Improve Local Operations through e-Governance (ILOG) project (the other being the Real Property Tax Assessment

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[*] Source: www.dilg.gov.ph/blgd/clas_ elrgp.htm

and Collection System) of the Bureau of Local Government Development (BLGD) under the DILG. It is based on the 1991 Local Government Code but can also be customized in accordance to the respective Local Tax Ordinances of the LGUs.

Designed to improve the systems and procedures in tax administration of LGUs, it processes application for business permit and provides monitoring on the conduct of operation of businesses within the LGU.

What are its features?

The computer-based BPLS provides a consistent and accurate facility for recording a taxpayer's dues and payments. It helps the LGU provide better delivery of services through fast and efficient information on billing and processing of payment of taxes and fees. It can also provide automatic computation of Mayor's Permit fees, business taxes and other fees. Various reports such as master list of business establishments, business tax collections, collectibles and delinquency, among others, can be generated by the system as well. This feature may lead to better planning and delivery of services through accurate, timely and relevant business information.

How to avail?

Interested LGUs may send their Letter of Intent, signed by the Mayor, to their DILG-Regional Office (DILG-RO) through the ILOG project coordinator. The letter should be supported by a *Sanggunian* Resolution authorizing the Mayor to enter into an agreement with BLGD and DILG-RO. Should the request be approved, the LGU must be willing to enter into a MOA with the BLGD and the DILG-RO.

Before implementation, the LGU should come up with an Administrative Order creating a Project Steering Committee and Project Technical Committee that will lead in setting up the system.

At least two to three permanent staff with knowledge on computer operation should be assigned by the LGU to assist in the project implementation.

The LGU should also provide logistic support for the effective and successful installation and implementation of the BPLS.

Hardware Requirements

The BPLS can be installed either through a stand alone personal computer or through a local area network (LAN) setup. The LGU's computer, however, must have the following minimum configurations:

- ⊃ at least 1.0 GHz Pentium IV Processor or higher
- ⊃ Windows XP Service Pack 2 – OS
- ⊃ at least 256 MB RAM or higher
- ⊃ 40 GB Hard Disk Drive or greater
- ⊃ one 3.5-inch Floppy Disk Drive
- ⊃ at least 48X CD-ROM Drive
- ⊃ CD-Writer Drive for back up files

The LGU should also have a printer (preferably Desk or Laser Jet) for printing bills and receipts.

electronic Business Permit and Licensing System (eBPLS)[*]

What is eBPLS?

The eBPLS is part of the computer application systems package offered under the Jumpstarting Electronic Governance in Local Government Units (eLGU) project implemented by the National Computer Center (NCC) in partnership with the League of Municipalities of the Philippines (LMP), Canadian Executive Service Organization (CESO), and DTI.

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[*] Source: eBPLS brochure and www.ncc.gov.ph

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The eBPLS introduces a systematic approach to the registration and renewal of business permits and licenses. It provides a more efficient alternative to the tedious manual processes that required much applicant follow ups. This system even provides responses to common applicant queries such as approval status and remaining tax dues.

What are its features?

The eBPLS is a computerized system that facilitates the administration of business licensing in five key areas: application, assessment, payment, releasing and reports generation. It can provide various reports and responses to queries for the benefit of the BPLO staff or the client such as the LGU's collection performance, unrenewed, unpaid, and pending permits, tax order of payment, comparative statements (quarterly and annual), notice of delinquency, reports required by Bureal of Local Government Finance, DILG, etc.

The eBPLS also offers client accessibility features such as downloadable application forms, online submission, and status query. Registered users with cellular phones may also communicate with the eBPLS via short messaging system if they wish to ask basic queries on current balances, assessment, etc.

How to avail?

LGUs interested in eBPLS may course their inquiries to:

⊃ **National Computer Center-Field Operations Office**
Director Maria Teresa M. Camba
SRT Loong Building, Veterans Avenue Extension
Tumaga, Zamboanga City
T/ (062) 993.2878
F/ (062) 991.2742
E-mail: ebpls@foo.ncc.gov.ph

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➲ **National Computer Center**
Director General Angelo Timoteo M. Diaz de Rivera
NCC Building, C P Garcia Avenue
U P Campus, Diliman, Quezon City
T/ (632) 920.0101 loc. 100
F/ (+632) 920.7411
E-mail: TDR@ncc.gov.ph

Hardware Requirements

A LAN-based system, the eBPLS requires at least two computers (one will be used as the server while the other will be the workstation computer).

The server should have the following minimum configuration:
➲ Pentium III-650 Mhz, Celeron (at least 1 Ghz) or AMD Duron Processor
➲ 128 MB RAM
➲ 40 GB Ultra-ATA IDE Hard Disk Drive
➲ 16 MB video, preferably integrated
➲ Fast Ethernet, preferably integrated
➲ CD Writer
➲ PCI slots
➲ Serial ports
➲ USB ports
➲ 500W UPS

At the minimum, the workstation computer should have the following configuration:
➲ Pentium II, Celeron or Duron Processor
➲ 64 MB RAM
➲ 2 MB video, preferably integrated
➲ Fast Ethernet, preferably integrated
➲ CD-ROM Drive
➲ 500W AVR

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[*] Source: Local Government Financing: iTAX – A Milestone for Local Government Finance (Proceedings of the 1st International Conference on Local Government Financing), GTZ 2007.

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Integrated Taxation Management System (iTAX)[*]

What is iTAX?

The Philippine version of the iTAX – yes, foreign versions of this software exist such as the one used by the Tanzania Revenue Authority among others – was developed through the collaboration of GTZ and the Province of Negros Oriental.

Primarily designed to help in improving revenue collection performance of Negros Oriental, iTAX is a multifunction system that can be configured to assist LGUs in administering various types of local taxes such as the real property, business, and community taxes.

It can also facilitate the processing of non-tax revenues such as Mayor's Permits, motorcycle operator's permit and stickers, civil registration fees, zonal or location clearance fees, and slaughter permit fees.

Aside from these, iTAX can also process receipts from economic enterprises such as the market, slaughterhouse, cemeteries, etc.

What are its features?

Designed to facilitate the administration of local tax and non-tax revenues, iTAX is capable of doing the following:

- ➲ providing digitized maps with information on land classification, payment status, market values, and other useful data
- ➲ linking with other computers in the City or Municipal Hall, which can also be linked with computers in the provincial capitol
- ➲ sending billing statements to taxpayers residing outside of the local government area in portable document format file

➲ assigning unique tax identification number (TIN) for each taxpayer. Through this feature, a City or Municipal Hall official may see all the transactions made by a taxpayer by just entering the client's TIN

➲ generating reports such as Real Property Tax Account Register, Collections, Notice of Delinquencies, Statement of Accounts, and receipts of payments.

How to avail?

Copyright of iTAX is shared by the GTZ and the Philippine government. Thus, this software can be acquired free of charge.

The GTZ iTAX Team and the Province of Negros Oriental are willing to assist other LGUs interested in setting up their own iTAX. You may reach them through the following contact information:

➲ **Province of Negros Oriental**
Governor Emilio C. Macias II, MD
Office of the Governor, Provincial Capitol
Dumaguete City, Negros Oriental
T/ (035) 225.1691
F/ (035) 225.4835
E-mail: ec.macias@negor.gov.ph

Hardware Requirements

The iTAX team recommends cities to use four computers – two in the BPLO and two in the TO with one of the computers functioning as server.

For the municipalities, it is advisable to have at least two computers – one in the BPLO and another in the TO with one of the computers used as the server.

Box 6
Aliaga, Nueva Ecija

The municipality of Aliaga in Nueva Ecija is a 3rd class municipality with a population of around 75,000 people residing in its 26 barangays.

Its share in the IRA constitutes 90% of its income with the balance being sourced from taxes on real property, business taxes, permits and licenses, and other local service fees.

Before implementing reforms, the municipality has had problems in tax administration such as 1) incomplete data on ownership, address, and name of administrators, 2) duplication of records, 3) absence of maps to delineate the properties, 4) unrealistic taxable assessed valuation, 5) manual record keeping without uniformity, 6) time-consuming preparation and issuance of Mayor's Permit and licenses, 7) report generation difficulties.

Determined to improve its local revenue collection performance, the LGU decided to adopt the eBPLS in 2007.

With the help of the NCC, LMP, and CESO through the Canadian International Development Agency-funded eGovernance for Municipal Development Project, the system became operational effective January 2008.

The service staff said adoption of the eBPLS reduced the processing time of Mayor's Permit by at least 70%. Also, during the first quarter of 2008, the collection from Mayor's Permit and Licenses increased by 12 % compared with the collection during the same period of the preceding year. LGU officials attribute this rapid rise to the use of the eBPLS.

Source: www.ncc.gov.ph

Box 7
Quezon City

Quezon City was one of the first LGUs to modernize its revenue collection operations with the computerization of its assessment and treasury departments in 2001. This move resulted in faster and more accurate computation of fees and taxes. Opportunities for fraud and corruption were also minimized with the adoption of the new system.

What is special with Quezon City's computerized system, however, is that local enterprises are able to make transactions at the city's off-site collection branches located in five strategic places: Cubao, Galas, La Loma, Novaliches, and Talipapa. The computers in these off-site branches are linked, through the Internet, to the main server of the city government, which guarantees real-time updating of its payments database.

Source: Streamlining Business Registration in LGUs, DTI 2006

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Box 8

Santa Rosa City

The City of Sta. Rosa in the Province of Laguna recently embarked on a project upgrading the computer system used by its revenue collecting offices: the BPLO, Assessor's Office and TO.

A private contractor was tapped to implement the project, but a partnership with the Department of Finance - Municipal Development Fund Office through the Local Government Finance and Development (LOGOFIND)* project allowed for cost sharing between the city government and the said institution of the expenses incurred in setting up the new system, which covers the hardware and software components as well as the subsequent training of the service staff.

Full installation of the system was expected to conclude by the end of June 2008, but the BPLO has already begun its integration to their operations. Currently, the office is already benefiting from the services the system provides such as automatic assessment and computation of fees, connectivity between the BPLO and the TO, and report generation.

Data sharing between the BPLO and the TO is particularly helpful since the staff are no longer constrained to manually transfer documents (e.g., tax order of payment) between the two offices. This feature was absent from the old system.

Report generation is also done easily as the system is capable of providing useful information such as daily collection reports, list of biggest taxpayers, list of new businesses, etc. These reports could help the BPLO chief in tasks such as decision-making and target-setting.

Eventually, when the LGU has fully migrated its data to the new system, mapping of delinquent and unregistered businesses would also be possible. This feature can show the location and even a picture of a particular business establishment simply by giving a command to the computer program. The system also offers a multilevel security access coding feature and keeps a log of the transactions performed by users to ensure transparency and accountability.

For a graphic presentation of the computerized BPL System used by Sta. Rosa, see ***ANNEX 20****.*

* funded by the World Bank

Source: Interview with BPLO Chief, Sta. Rosa Laguna

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Box 9

Muntinlupa City

The BPLO of Muntinlupa City has an online connection with the DTI and the SSS. This electronic linkup was born out of the partnership between the LGU and the two NGAs. The Online Business Name Registration with the DTI hastened business permit processing to 15 minutes.

Source: Muntinlupa City: Business with a Heart

Box 10

Naga City

Naga City's BPL Tax Information System allows the LGU's Business License and Fees Division (BLFD) to make a quick assessment of a renewing business by simply typing its company name. The computer will automatically show the assessment of tax and fees and any delinquency with the BFP, CEO, CHO, and the CPDO.

Interconnectivity enables the various concerned offices such as the BFP, CEO, CHO and CPDO to update the system's database at any time during the year and provides the BLFD real time access to information. This eliminates the need to constantly encode or upload the data from another source.

Owners of registered businesses are provided with Business Identification Number (BIN) and Property Index Number (PIN) code, which give them online access to their business license records such as business data, assessment and payments and whether they have to secure clearances from the concerned offices the next time they renew their licenses. Application forms may also be downloaded from the city government's website (www.naga.gov.ph).

Source: Streamlining Business Registration in LGUs, DTI 2006

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Box 11

Dumaguete City

iTAX is used in Dumaguete City to improve the real property tax administration and collection. The use of ITAX for BPL is planned for 2009. It will form part of the computerized tax administration system of Dumaguete City.

iTAX module for BPL has already been finalized and will also be used in Barili (Cebu) in 2009 as a stand alone application.

Minor adjustments are necessary to iTAX (such as tax rates and assessment principles) to cater to the specific circumstances in the different municipalities and cities. The software is for free. However, investment in training of the users and in hardware are required by the LGU.

With its modular nature and taxpayer centrism, it can be used also to build up a modern tax administration starting with BPL.

Source: GTZ

Did this section convince you to modernize your BPL process? If yes, you might be interested to know more about the basic hardwares and softwares involved in a computerization program. **ANNEX 21** gives you some useful information on this.

Good Practice 4

improve IEC campaign

The process of applying for and renewing business permit and licenses, like tango, involves two parties: the applicant or taxpayer and the BPLO. Like in paired dance, it is crucial that both parties in the BPL application and renewal process know the steps. While it is important for the LGU to simplify its BPL process, it is equally important that the taxpayers are well-informed of the steps and requirements in processing their applications.

A clear understanding of the application and renewal process could minimize confusion and queries in the part of the taxpayers, and as a result, they would have a more pleasant experience in applying for and renewing their business permits. On the other hand, the service staff would have less concerns and queries to attend to, allowing them to focus more on their work.

Aside from this, the clients should be informed of the programs and innovations that the BPLO is implementing for their convenience, so that more clients may benefit from these initiatives. For instance, if the BPLO decides that it would accommodate applications on Saturdays and holidays during the renewal period, the clients should know about this, otherwise only a few will avail of the service on these days. In this way, the clients would also be able to appreciate the efforts that the LGU is exerting to give them excellent customer service.

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approaches to improve information, education, and communication (IEC) campaign

If you agree with the statements on page 81, but you think your BPLO is not doing enough in informing the taxpayers of its procedures, you may consider doing the following strategies:

- ➲ display of process flowchart or step-by-step procedure near the BPLO entrance or other conspicuous places
- ➲ inclusion of BPL application and renewal process and requirements in your city or municipality's Citizens' Guidebook or Charter
- ➲ addition of a section in your LGU's website where the taxpayers can get information on BPL application and renewal procedures and requirements and can download application forms
- ➲ setting up of an information desk in the BPLO (or the one- stop shop) during the renewal period (01 to 20 January) operated by trained personnel who can answer queries of clients
- ➲ use of trimedia (television, print, and radio) in the dissemination of BPL-related announcements
- ➲ printing and dissemination of flyers or leaflets containing information on BPL application and renewal procedures and requirements
- ➲ setting up of billboards or hanging of streamers in conspicuous or strategic places within the LGU to inform the public of BPL-related announcements
- ➲ use of roving public address system
- ➲ coordination with the officials of the different *barangays* under your jurisdiction in disseminating BPL-related announcements. As collections from the issuance of clearances is a major revenue item for *barangays*, they have an added motivation in helping your city or municipal government remind businesses in their communities to apply for and renew their business permits.

The boxes on pages 83-85 show how some of the good IEC practices mentioned above were adopted by several LGUs all over the country.

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Box 12
Display of Process Flowcharts

In the municipality of La Trinidad, Benguet, process flowcharts are displayed just above the transaction windows of the BPLO to guide those applying for and renewing their business permits. On the other hand, detailed step-by-step procedures in applying for and renewing a business permit are prominently displayed before the entrance of the Mandaluyong City BPLO. Flowcharts and signages can also be found in strategic places inside the BPLO of Caloocan City and Kalibo, Aklan.

Sources: Streamlining Business Registration in LGUs Volume, DTI 2006, and interviews with BPLO Chiefs of Mandaluyong City and Caloocan City

Box 13
Inclusion of BPL Information in the Citizens' Guidebook or Service Manual

Putting emphasis on the delivery of prompt and efficient service to its constituents, the municipal government of Kalibo produced a Service Handbook, which contains detailed information on all frontline services of the LGU including the issuance of business permit and licenses. Such information includes the corresponding fees, processing time per step or station, contact persons, flowchart of service, requirements and procedures. With clients having a clear picture of how, to whom, the cost, and the length of time their transaction will require, fixers and under-the-table transactions eventually vanished.

In Marikina City, the Citizen's Fact Book provides the constituents useful information on essential city services, offices and processes. It contains details on the procedure and requirements in applying for and renewing business permits. The Fact Book also provides guidelines in the retirement of businesses, a procedure that is usually overlooked by owners closing their establishments.

Meanwhile, the city government of General Santos partnered with the LGU's local chamber of commerce and industry (CCI) to publish and disseminate the service manual called 'Procedural Guidelines', which informs the public on the processes involved in transacting business with the city government like registering businesses and other services offered by different offices in the City Hall.

Source: Streamlining Business Registration in LGUs, DTI 2006

Box 14
LGU Website as Source of BPL information

Investors and business owners in General Santos City can log on to the city government website, www.gensantos.gov.ph, to access information such as BOSS schedule, process flow and requirements for applying for and renewing business permits.

On the other hand, business owners in Naga City are given BIN and PIN codes, which they can use to access important information on their business license records online.

Source: Streamlining Business Registration in LGUs, DTI 2006

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Box 15
Use of Tri-media

In the Municipality of Panay, Capiz reaching businesses in every barangay is a challenge because the LGU is composed of several islands and far-flung communities. There is no local newspaper of wide circulation that can be tapped to inform the public of municipal government services. Thus, the local radio station is used as a conduit for public announcements on local government affairs such as the start of business renewal period among others.

In Metro Manila, although geographic condition is not a problem, the city government of Marikina updates its residents of its various programs and services through the different radio programs aired in its own radio station.

Sources: Streamlining Business Registration in LGUs, DTI 2006, and interviews with MPDO Chief of Panay, Capiz

Box 16
Dissemination of Leaflets, Brochures, and Flyers

Another mode of local government services information dissemination in Marikina City is the use of brochures, flyers and pamphlets. One of the brochures issued by the city government is about BPL procedures and requirements.

Meanwhile, when someone is applying for and renewing a business permit in the Municipality of Cabuyao, Laguna, the applicant is given a brochure along with the application form containing a process flowchart and lists of requirements for both new and renewal applications.

Sources: Streamlining Business Registration in LGUs, DTI 2006, and interview with BPLO Chief of Cabuyao, Laguna

Box 17

Coordination with *Barangays*

At least a month before the operation of BOSS, Ozamiz City convenes the barangay captains for an orientation on what will happen during the renewal period. This practice is proven to help reduce the difficulties that registrants encounter when getting the barangay clearance from their chairpersons.

In General Santos City, it has been a practice of the Mayor and the heads of offices to conduct the 'City Hall sa Barangay'. Every Friday, local government officials bring the services of the City Hall to the people in the barangays.

Source: Streamlining Business Registration in LGUs, DTI 2006

Box 18

Other Good IEC Practices

To inform the public, the city governments of Mandaluyong and Manila set up billboards and streamers just before and during the business permit renewal period. These billboards, installed in major thoroughfares and other strategic places, provide information, on deadline of renewal applications, and announcements such as the availability of BPL services on Saturdays, Sundays and holidays, deadline extensions, etc.

Manila also has a roving public address system during the start of the renewal period to inform the business owners of its initiatives such as accommodation of applicants on Saturdays and holidays, extension of renewal period, among others.

Moreover, the city government has satellite offices in each of the LGU's six districts. Residents may come to these satellite offices to get information on any service provided by the LGU including BPL services, instead of going to the City Hall to make inquiries. Application forms for the registration and renewal of businesses are also available in these satellite offices.

In Ozamiz City, a 'rekorida' or information drive is conducted as early as December or a month before the start of the business permit renewal period. Public announcements on the BPL process and deadline for application are done.

Sources: Streamlining Business Registration in LGUs, DTI 2006 and interviews with BPLO Chiefs of Mandaluyong and Manila

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Ready to improve your IEC campaign? You might want to know more about the different types of media used in information dissemination. **ANNEX 22** could be of some help to you on this matter.

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As a holistic approach to reforming your BPL process, you should consider building a strong partnership with other community stakeholders, particularly the business sector, and enhancing your BPL's customer service.

Involving the non-government sectors in the local government affairs has always been advocated towards the achievement of a more participatory and democratic governance. Local government collaboration with other sectors of society is a commendable approach to pool available knowledge and resources to achieve a common goal.

Likewise, the foremost step to enhance customer service is to regard your constituents as customers. All other approaches are anchored in this principle of an LGU thinking and acting like an entrepreneur or corporation.

In short, customer service is about the best service that an LGU can viably provide to its clients, the citizens.

Guidelines in involving the business community

- ➲ coordinate with your local CCI.
- ➲ inform them about BPL reform of your LGU.
- ➲ involve them in the reform process through representation in the Simplification Committee.

➲ identify projects or activities where the local CCI could participate (like databank of local business establishments, monitoring and evaluation, capacity building).

➲ conduct customer satisfaction survey.

Involvement of the business community, therefore, is possible in every phase of the BPL simplification process: representation in preparation phase, consultation in diagnosis and design phases, monitoring in implementation phase, consultation in evaluation phase, and contribution in sustainability phase.

Approaches to improve customer service

➲ improve office layout.

➲ improve lighting.

➲ improve queuing system (electronic or manual).

➲ install a special counter for senior citizens and persons with disability.

➲ install ample comfortable seats.

➲ install an appropriate airconditioning unit.

➲ install television.

➲ install an accessible lavatory in the area.

➲ install feedback mechanisms (such as customer satisfaction survey, complaints desk or center).

➲ give clients incentives (like discount in taxes or fees, pen, key chain, etc.) to participate in satisfaction surveys.

➲ train frontliners (particularly BPL officers and cashiers) to become skilled, friendly and accommodating. (See **ANNEX 23** for sample basic customer service skills seminar or workshop design)

➲ install a refreshment counter or snack bar.

➲ offer free coffee, tea, juice, biscuits and candies.

➲ adopt a no-lunch-break policy.

➲ create a skeletal force to operate after office hours and on weekends during the last week of January.

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Box 19
Quezon City

The City government forged a strong tie-up with the Quezon City CCI and its foundation (QCCCIF) in its quest to be a more business-friendly city. This led to the establishment of a databank, which serves as a source of information on all business enterprises in the city. The information is accessible through electronic networking.

The system allows those registering their business or renewing their permits to download the application forms.

To sustain the databank, the BPLO collects an additional P100 from every business establishment and remits this to the QCCCIF for the databank maintenance.

In 2004, the LGU, Liga ng mga Barangay, and the QCCCIF jointly initiated the Barangay ICT Program, through which each of the city's 142 barangays acquired its own computer system with online connection to the City Hall. This facilitated payments by enabling taxpayers to inquire about their liabilities through their respective barangays.

Source: Streamlining Business Registration in LGUs, DTI 2006

Box 20
Iligan City

Every fourth quarter of the year, the city government holds a forum with representatives from the LGU, NGAs, business owners, bookkeepers and interested individual taxpayers, who discuss changes and possible improvements in the BPL process.

Called 'Forum for Business Renewal,' this event began in October 1998 when a group of accountants and bookkeepers clamored for faster processing of business permit issuances and recommended that the BPL process be streamlined. The practice has been supported by every mayor who assumed office in Iligan City.

The city government also taps different organizations like the Philippine Institute of Certified Public Accountants and the local CCI for inputs.

It is important to note that the LGU believes in maintaining a good relationship with the other agencies involved in the process in order to promote consultation and dialogue towards continuous improvement. It took some time before it got the cooperation of these agencies. Through the years, these offices agreed that there is a need to come together and this has led to MOU and MOA for a better process and system.

Moreover, Iligan City invests heavily in customer-oriented personnel. It has adopted the Public Service Excellence Program (PSEP) under which the LGU conducts customer satisfaction surveys twice a year.

Based on the results of the surveys, the LGU recommends interventions to address performance gaps. In 2003, for example, frontliners directly dealing with taxpayers were trained under the PSEP. Negative feedback from customers on frontliners leads to either training for the concerned staff or outright replacement.

The LGU also makes it a point to conduct orientation seminars and dryruns before the actual business renewal period.

Like the other LGUs in this study, Iligan City invests in a customer-friendly environment. Its waiting lounge is equipped with a TV, comfortable seating, tables, and a refreshment counter where free coffee and candies are served. It ensures that its frontliners are friendly and accommodating.

Source: Streamlining Business Registration in LGUs, DTI 2006

Box 21

Ozamiz City

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Here, the BPL application form has a built-in signature schedule feature wherein all the signatories needed are indicated in a box on the form itself. This allows the applicant to easily check the status of his or her compliance with the requirements.

Source: Streamlining Business Registration in LGUs, DTI 2006

Box 22

Kalibo, Aklan

The Kalibo LGU maintains good relationships with NGAs involved in the BPL process. It coordinates with the Civil Service Commission for skills improvement of its BPLS staff. It promptly submits requirements to Commission on Audit and works closely with the DTI for business requirements.

Source: Streamlining Business Registration in LGUs, DTI 2006

Box 23
General Santos City

Here, the taxpayer's lounge at the CTO was renovated to demonstrate transparency in their operations and to provide more comfort to the paying public. The staff at the payment counters and those behind them are seen through glass windows. The waiting area, which can seat about 50 clients, is equipped with an airconditioning unit and a television set. It also has an electronic numbering system where clients are entertained on a first-come, first-served basis.

The city government has increased access to its BPL services through the City Economic Management and Cooperative Development Office, which is mandated to assist new businesses, invite investors, and promote tourism in the country. It is also tasked to accept and process business applications.

Source: Streamlining Business Registration in LGUs, DTI 2006

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Box 24
Marikina City

Businesspersons in Marikina City are pleased with the convenience and the speed at which new permits are issued or are renewed at the BOSS. One factor is the delivery of the permit to the applicant's home or place of business. An applicant who has been assessed and has paid his or her fees is issued a temporary license, which already allows it to operate while completing registration requirements.

Another customer-oriented measure is the no-lunch-break policy. Also, there is the queuing system wherein customers are issued numbers and can then view an electronic display that shows the current number being served. A 100-inch flat screen TV keeps waiting customers entertained.

Source: Streamlining Business Registration in LGUs, DTI 2006

After a thorough review of good practices (or a conduct of a Lakbay Aral) that helped you prepare a detailed action plan, your plan is now ready to take shape. Read the subsequent phase for some implementation guidelines.

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Implementation Phase

Step 1 *obtain commitment*
Step 2 *get organized*

Step 3 *identify issues and problems*
Step 4 *identify priorities*

Step 5 *benchmark with other LGUs*
Step 6 *prepare an action plan*
- *simplify BPL process*
- *establish one-stop shop*
- *computerize*
- *inform, educate and communicate*

Step 9 *sustain improvements*

Step 7 *implement plan*

YOU ARE HERE

Step 8 *monitor and evaluate*

Figure 10

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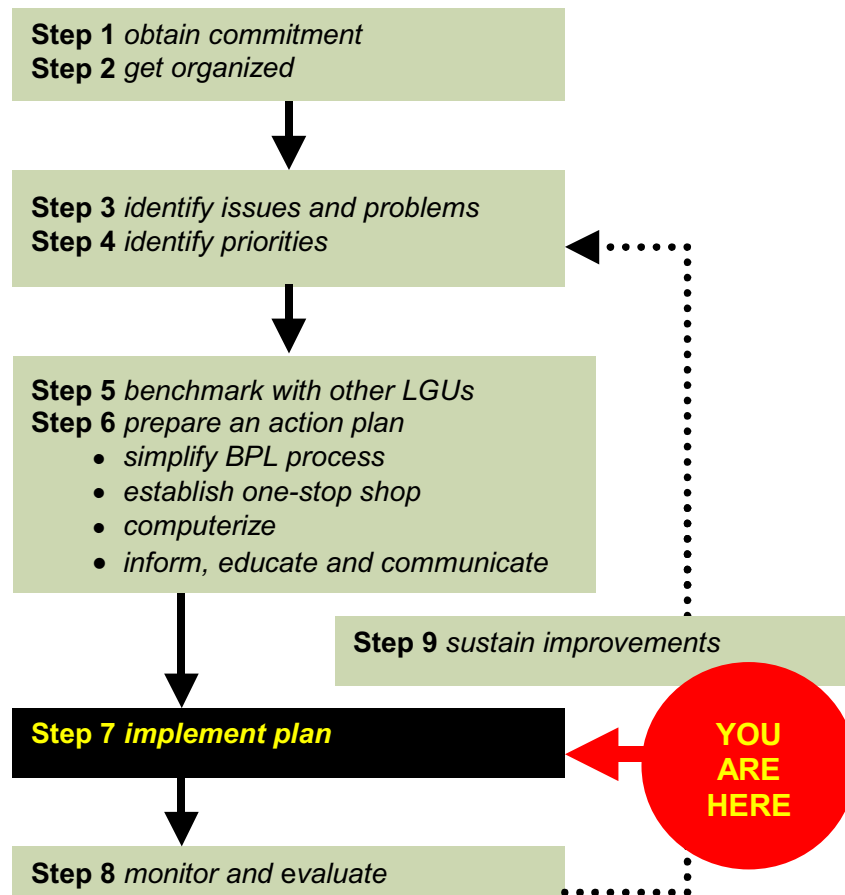
Implement

After you have successfully crafted your action plan and effectively advocated the necessary financial support for such reform, you are now ready to implement the reform strategies in your agenda.

Presented in this phase are the different strategies and approaches in business process simplification.

These are the four major good practices already presented at the design phase: process simplification, one-stop shop, modernizing technology and computerization, and IEC improvements.

The discussions here will focus on the experiences of select LGUs, which may help you execute your improvement agenda or action plan.

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Step 7

implement plan!

OBJECTIVE
- ➲ to test the adaptability and suitability of your simplification action plan (adopted good practices)

EXPECTED OUTPUTS
- ➲ a simplified business permit and licensing procedure
- ➲ a more convenient, cost-efficient and customer-friendly business registration process

MEANS TO ACHIEVE
- ➲ resources for plan implementation (OSC, TWG, other relevant staff, budget)
- ➲ local ordinance or resolution
- ➲ capacity building of frontline servicing personnel
- ➲ operations manual

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In executing your action plan to improve your BPL, you must take into consideration the following guidelines:

check the readiness and availability of your implementation tools and resources

On page 92 is a checklist of what you need in implementing your simplification reform initiative. You can determine your level of readiness by filling it up.

Table 9
Implementation Checklist

Do you have the following tools and resources?	Yes	No
Executive Order Mandating the Simplification of Business Registration Process		
Simplification Committee (or Simplification Task Force or TWG)		
Ordinance Declaring the Adoption of the Business Registration Simplification Project and Allocating Funds thereof (see ANNEX 24 for sample ordinance)		
Business Registration Simplification Implementation Schedule		
Allocation of Functions and Responsibilities among the Members of the Simplification Committee, Task Force or TWG		
IEC Strategy for the Simplification Project		

reinforce initial commitment

Step 1 of this toolkit states *obtain commitment*. At this point in your simplification initiative, you may be able to go forward with only an Executive Order but you will always be haunted with sustainability issues. The best way to ensure implementation success is to get the necessary commitment:

- ⮑ Mayor's endorsement of your BPL Action Plan to the *Sanggunian*
- ⮑ Ordinance or *Sanggunian* Resolution providing for the implementation of the program
- ⮑ Service pledge from the personnel that shall implement your program
- ⮑ Declaration of support to the program from your external stakeholders for submission to Mayor and the *Sangguniang Panlungsod* or *Bayan*
- ⮑ MOU with prospective program partners

You should therefore convince your Mayor and the other key stakeholders that you are on the right track by showing initial findings and accomplishments so that they will be confident enough to endorse your proposed BPL Action Agenda or Plan to the *Sanggunian*.

You must then lobby your Plan to the members of the *Sanggunian* with the end goal of convincing them to make

appropriate ordinance providing for the implementation of your proposed program.

Another critical support group is the service staff. You must promote your proposed program to the concerned local government personnel and deal with possible resistance about how and who may be adversely affected in the future if a change in the process and system is made. The service staff's commitment can surely make or break the program.

Lastly, it is useful to promote your plan to your clients or to the officers of their respective local CCI. Support may come in the form of pushing concerned local government officials for its implementation and partnership for joint implementation of your program.

ensure financial support

To get the project going, make sure that the required funding is available. If the simplification initiative is not included in your annual appropriation ordinance, since it could have been conceptualized after the budget preparation and enactment, then your *Sanggunian* can enact a supplemental budget. The supplemental budget is possible if your LGU has savings (unexpended appropriations) from last year's operation or if funds are available as certified by the Treasurer.

In the preparation of your next year's budget, ensure that the simplification initiative or program is integrated into your Annual Investment Plan.

Also, fund requirements for the simplification could be integrated in the regular budgets of all offices involved. Part of the budget should be set aside for capacity-building programs for your frontliners and other key staff involved in the simplification program.

As to the amount of the budget, your TWG could provide the estimate based on the simplification work plan and this should be discussed with your Local Finance Committee.

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involve stakeholders

Whether to inform, ask, involve, collaborate or empower, dialogue or consultation with partners in the community is vital to decision- making and implementation of reforms.

build capacities of service personnel

For a successful implementation of action plan, the plan must also include the creation of a positive office culture toward the promotion of excellence. One specific strategy is to build capacities of staff.

A budget for capacity-building programs should always be included in the LGU's appropriation ordinance (annual budget) to back up the incentive system of the LGU. It would be good if a training schedule for the frontliners and other local functionaries is prepared every year or every six months so that they could prepare themselves for such training programs. (See **ANNEX 23** for sample basic customer service skills seminar or workshop design).

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assemble an operations manual (optional)

Producing an operations manual will help ensure successful implementation of reformed services, hence, high-quality services. This manual will serve as the bible of all service staff, and a useful guide in elaborating a manual or guidebook for clients or citizens.

A manual normally includes the following items:

- ➲ profile of department or division (including mission or vision, organizational chart)
- ➲ authority and responsibilities
- ➲ BPL process
- ➲ working instructions for BPL operations
- ➲ updated operational policies
- ➲ linkage with other agencies
- ➲ essential forms and documents

➲ management review and internal audit
➲ records, training and servicing (maintenance), etc.

When you implement a plan, you must also monitor its execution and evaluate your performance. The succeeding pages will give you guidelines on how to successfully monitor and evaluate.

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Evaluation Phase

STEP 1 *obtain commitment*
STEP 2 *get organized*

STEP 3 *identify issues and problems*
STEP 4 *identify priorities*

STEP 5 *benchmark with other LGUs*
STEP 6 *prepare an action plan*
- *simplify BPL process*
- *establish one-stop shop*
- *computerize*
- *inform, educate and communicate*

STEP 9 *sustain improvements*

STEP 7 *implement plan*

STEP 8 *monitor and evaluate*

YOU ARE HERE

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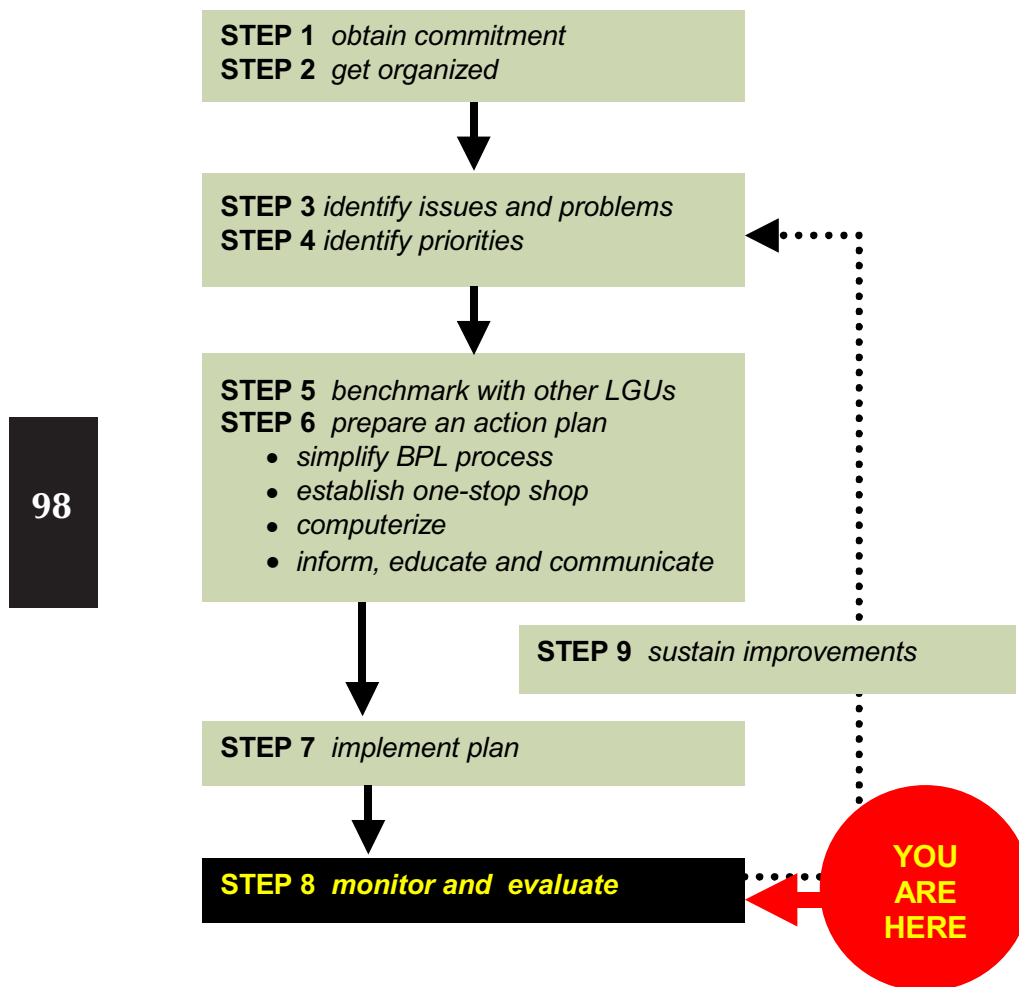
Figure 11

Evaluate

Congratulations!

By now, you have already implemented your BPL Action Plan. Members of your local business community may already be talking about the better service your BPLO extended to them during the last renewal period.

However, this should not mark the end of your work in improving your BPL process. Good planning and implementation should always be complemented with effective monitoring and evaluation. Otherwise, you would have no objective basis to assess if your new BPL process is operating as planned and yielding the results it is meant to achieve.

A good monitoring and evaluation scheme should be able to inform you of the problems your new system is experiencing. Moreover, it should also be able to help you find the best way to address these concerns. These will be critical inputs to the next and last phase of the simplification cycle: sustaining improvements.

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Step 8

monitor and evaluate!

OBJECTIVES
- ➲ to see where the implementation drawbacks are and identify other possible areas for improvement
- ➲ to get your clients' suggestions and feedback as early as possible
- ➲ to assess the performance of your reform program
- ➲ to review the Action Plan and deviations from it during the implementation stage
- ➲ to determine probable areas for improvement (or next steps) based on the evaluation report

EXPECTED OUTPUTS
- ➲ generated customer feedback
- ➲ outline of implementation mistakes and gaps
- ➲ monitoring and Evaluation Report

MEANS TO ACHIEVE
- ➲ feedback mechanisms
- ➲ internal and external assessment
- ➲ focus group discussion for the synthesis of findings

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To successfully undertake this step, the following activities are highly recommended:

monitor

When you monitor, you think of two things:
- ➲ smooth implementation, and
- ➲ customer feedback.

The first depends on how detailed and how well you have planned your initiative.

You might want to go through the following guide questions for your implementation check:
- ➲ What implementation problems and unforeseen events have you encountered? Were you able to resolve them?
- ➲ Were there any financial, human, and material (physical and equipment) resource gaps you have not anticipated? Or were the gaps simply the results of poor planning?
- ➲ Did you allot enough time for each activity? At which activities were backlogs observed?
- ➲ Did you have problems with the service personnel? What were the reasons for these?
- ➲ Were you able to deliver the outputs as planned?

Oftentimes, we miss the chance to document or even just take note of the responses to these questions. It might be practical to designate one member of the OSC to collate all implementation issues taken from meetings and actual observation of the implementation process and ask this person to relay to authorities the issues that need to be resolved early on.

The second monitoring component is the generation of customer feedback. The trick in getting feedback is to know the specific appropriate mechanism at an appropriate stage of the BPL process.

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Should it be at the end of registration or while people are queuing or waiting at the designated lounge area? Remember, the most critical period in getting feedback is during the renewal period (January). The different feedback mechanisms you can employ are as follows (see **ANNEX 25** for details):

- ➲ suggestion boxes
- ➲ action desk
- ➲ random exit interviews
- ➲ feedback forms
- ➲ third party surveys

- ➲ text messaging
- ➲ focus group discussions
- ➲ email
- ➲ chatroom
- ➲ online forum

The lingering question then is, aside from raising these in the evaluation report, *What are you going to do with the feedback, specifically with the complaints*?

Depending on the mechanism you use, always address the complaints you received and never fail to undertake damage-control activities.

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When you see irate customers, make them feel better by briefly interviewing them and clarifying their concerns. You should note down their concerns and respond by saying what the office can do about it.

assess performance

What is important in assessing your performance is to treat separately your assessment of your BPL process as the service provider and the assessment of your clients.

For the former, use the same indicators you used in the diagnosis phase (**Step 3** *identify issues and problems*) and in the design phase (**Step 5** *benchmark*) in determining whether there are significant changes from your previous performance levels to your *simplified* service.

For example, were you able to reduce the processing time? Or was there a significant increase in the number of business registrants? See Table 10 and Table 11 to guide your internal assessment.

Table 10
Internal Assessment Table (A)

Indicator	Bench-mark LGU	Your LGU's OLD State	Your LGU's NEW State	Performance Evaluation	Remarks
Total processing time (in hours)					
Number of steps					
Number of signatories					
Number of documentary requirements (new)					
Number of forms required					
Costs incurred by applicant					
Business revenues during the first quarter					
Others					

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Table 11
Internal Assessment Table (B)

Key Area	Issue or Problem	How have the issues or problems been resolved?
Technology		
Human		
Physical		
Process		
Financial		

As for the external assessment, you have to put together the feedback you generated in the previous activity. This will help you identify whether your clients appreciated or complained about your service.

- ➲ What were the suggestions from the suggestion boxes and action desk?
- ➲ What were the text messages and e-mails about?
- ➲ What insights can you get from the random exit interviews and the customer satisfaction surveys?

Of course the amount of inputs here depends on the type of feedback mechanisms you have installed.

How do you then make sense of these information?

- ➲ establish whether there is a discrepancy between your external and internal assessment findings.
- ➲ highlight your major performance evaluation findings and note possible reasons for such findings.

review plan

It might be impossible for you to implement your BPL Action Plan to the letter. So in this suggested activity, we have provided a rundown of questions that can guide you in determining whether you have indeed successfully executed your plan.

- ➲ Have the reform objectives been met?
- ➲ How effective are the strategies?
- ➲ What parts of your original plan were (or were not) properly implemented? What are the causes and its effects to the achievement of the project's objectives?
- ➲ How big is the gap between planned requirements, schedule, and budget versus actual results, if any?
- ➲ How well did you utilize human, technological and physical resources? Did you overestimate or underestimate your resource needs? Were you able to identify at the start of the project all kinds of resources that you may need in its implementation?
- ➲ What resulting issues and other issues have been or need to be addressed?

➲ Are there any unforeseen occurrences that cropped up during project implementation, which you were not able to foresee at the start of the project? An example of this is the unexpected influx, despite a demand analysis, of a large number of applicants that is way beyond the capacity of your office or system.

outline your next steps

You should combine your findings from the preceding activities and come up with a concise but insightful Evaluation Report that ends with your Team's recommendations.

The suggested outline of your report, thus, looks like this:
➲ short description of the before and after scenarios of the BPL process or service

Quantitative data is ideal to reinforce your assessment such as the results of a time and motion study on the new system that could be compared to the results of a similar study on the previous process. Be specific in your findings and identify correspondingly the results of your internal and external assessment.

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Table 12

Actual Findings of Pre-evaluation and Post-evaluation

Indicator	Bacolod		Ormoc	
	2005	*2006*	*2005*	*2006*
Number of steps to get a permit (renewal /new)	19/21	15/15	14/17	5/10
Number of days to get a permit	9	2	17	2
Number of documents and forms required	19	10	12	6
Number of permits approved during the registration period	12681	14010 (+9.5%)	2013	2681 (+24.9%)

Source: Keppel, Binh and Spatz 2006

➲ mention your original objectives for improving your BPL process. You shall base your evaluation primarily on the attainment of these objectives.

➲ present in bullet points the results of your plan review activity.

➲ zoom in on the emerging issues and concerns that have not been addressed and resolved as well as its reasons.

➲ detail the major lessons you have learned and your recommendations and succeeding steps.

➲ ideally, the steps will deal with the issues and concerns that have emerged and have not been resolved. Try to answer questions like: What steps can bridge the gap between expected results and actual results? What recurring problems and unidentified circumstances should you prepare for next time? What other problems do you need to address that might be linked with concerns that were not yet fully resolved? Can the service standards be raised or are you already contented with your current service level? How else can you level up your service delivery?

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You can choose to distribute the results in a shorter and simplified format to your stakeholders aside from submitting your report to the Mayor and furnishing a copy to the Sanggunian. If findings are encouraging, that is all the more reason to disseminate good news and celebrate!

The next logical step is to sustain your improvements.

Sustainability Phase

STEP 1 *obtain commitment*
STEP 2 *get organized*

STEP 3 *identify issues and problems*
STEP 4 *identify priorities*

STEP 5 *benchmark with other LGUs*
STEP 6 *prepare an action plan*
- *simplify BPL process*
- *establish one-stop shop*
- *computerize*
- *inform, educate and communicate*

YOU
ARE
HERE

STEP 9 *sustain improvements*

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STEP 7 *implement plan*

STEP 8 *monitor and evaluate*
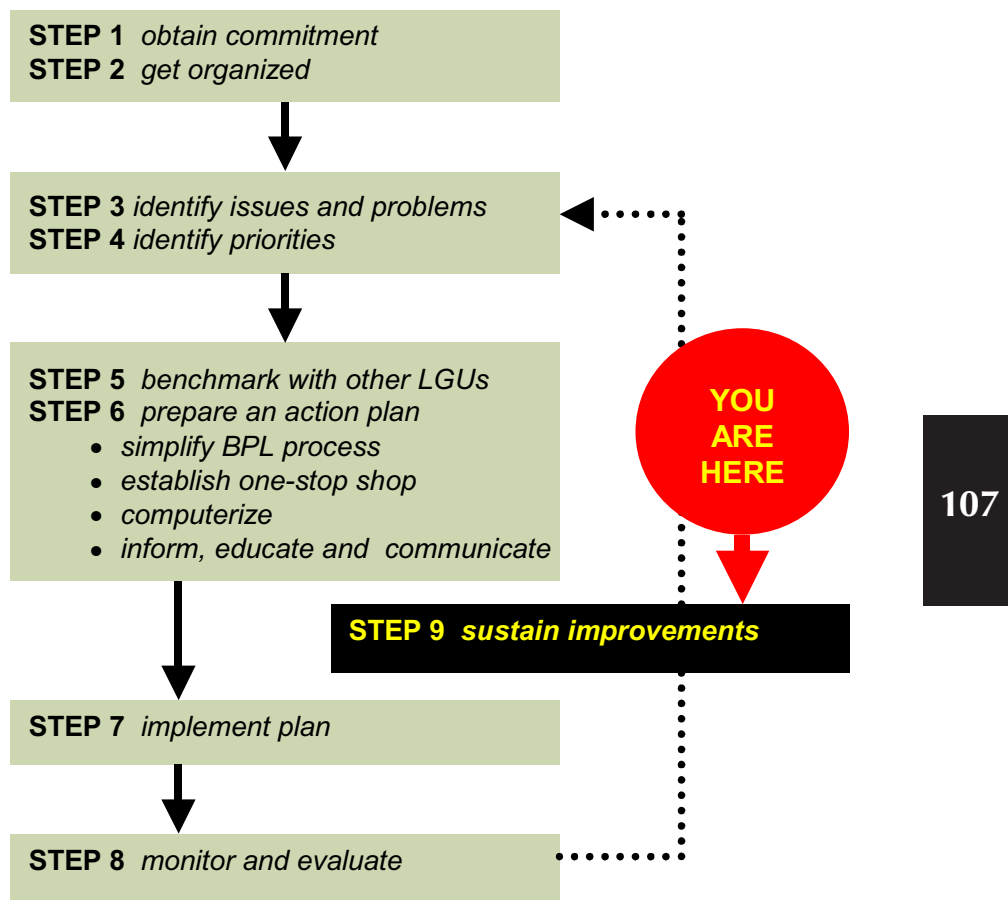
Figure 12

Sustain

Once you have successfully diagnosed your BPL process, designed, implemented, monitored, and conducted a quick evaluation of the new process, it is now time to think of to keep it going.

How can you sustain the changes you have introduced and keep the fire of innovation burning? This part shares with you some of the possible approaches toward sustainability of your reforms.

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Step 9

sustain improvements!

OBJECTIVE
- ➲ to keep both clients and service providers satisfied with the improved BPL service of the LGU

EXPECTED OUTPUT
- ➲ sustained good service

MEANS TO ACHIEVE
- ➲ continued financial support
- ➲ culture of excellence
- ➲ stronger monitoring system
- ➲ ISO Certification
- ➲ Quality Management Team
- ➲ Quality and Operations Manual
- ➲ Citizens' Guidebook
- ➲ consultation
- ➲ advocacy

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Presented on page 108 are some activities or strategies that you may consider to ensure sustainability of your BPL improvements.

ensure continuous financial support

Any endeavor is doomed to fail if key resources are not provided, which in this case is budget. To sustain reforms in BPLS, adequate financial support is necessary not just to implement reforms but to sustain them as well. In the event of leadership change, the department or advocates may lobby for continuous financial support.

build a culture of excellence

Changes are inevitable. To keep up with changes in the office environment and work attitude, create a positive office culture towards the promotion of excellence.

Specific strategies may include, among other things:

- ➲ incentive system for excellent performance (monetary or non-monetary rewards)

  You can set aside a certain percentage of the increases from the annual collection of business permits and licenses and other business taxes to finance your reward system. Rank-and-file frontliners would be motivated to keep up the good work when given financial rewards.

- ➲ regular capacity building

  A budget for capacity-building programs should always be included in the LGU's appropriation ordinance (annual budget) to back up the incentive system of the LGU. It would be good if a training schedule for the frontliners and other local functionaries is prepared every year or every six months so that they could prepare themselves for such training programs.

- ➲ pledge of quality service provision in a Citizens' Guidebook or in a Quality or Operations Manual, reinforced by an ISO certification

promote a two-way monitoring system

Monitoring should be done by both internal staff and external partners. For internal monitoring, continue soliciting feedbacks from clients and frontline servicing personnel and incorporate such

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in redesigning strategies to better deliver services. For external partners' monitoring, come up with a written agreement (preferably a MOA) with an external partner (such as the local CCI) for them to conduct their own monitoring on the BPL service of the LGU and to provide the LGU on a regular basis the results of their monitoring activities.

aim for an ISO Certification for the BPL Procedure

*This is a high-level strategy. It may require the help of an exper*t. You may opt to subject the improved BPL process to ISO 9001:2000 (Quality Management System) certification to ensure that the system will continuously monitor areas for improvement to serve the changing needs of the clients.

create a Quality Management Team

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A separate QMT may be created to continuously monitor and evaluate the progress of the reform implementation. It is suggested that some members of the OSC namely, the Treasurer, Administrator (if any), the Planning and Development Coordinator, and the representative from the local CCI form part of it. One of them may be designated to head the QMT to ensure that quality management system is established and maintained compliant with the ISO 9001:2000 framework even if the LGU will not pursue such certification.

For LGUs pursuing an ISO certification: To ensure compliance with planned arrangements and requirements of ISO standards, an Internal Quality Audit Team may be created. This team may be composed of five to eight frontline servicing personnel involved in the process as long as they will not audit their own work or processes. Identify or assign functions and responsibilities accordingly.

The results of the internal quality audit will be reviewed and monitored by the OSC.

prepare a Quality Manual or an Operations Manual

This is a high-level strategy. It may require the help of an expert. With or without ISO certification, producing a Manual will help ensure high-quality services. This manual will serve as the bible of all service staff, and a useful guide in assembling a manual or guidebook for clients or citizens.

A manual normally includes the following items:

- ➲ profile of department or division (including mission or vision, organizational chart)
- ➲ authority and responsibilities
- ➲ BPL Process
- ➲ working instructions for BPL operations
- ➲ updated operational policies
- ➲ linkage with other agencies
- ➲ essential forms and documents
- ➲ management review and internal audit
- ➲ records, training, and servicing (maintenance), etc.

assemble a Citizens' Guidebook or Manual

This is a high-level strategy. It may require the help of an expert. You may opt to assemble a manual or guidebook intended only for customers of the BPLO or one that is comprehensive (includes all services offered by a local government).

If you are keen on implementing this strategy, have a look at the award-winning Naga Citizens' Charter, detailing all services provided by different offices in Naga City. Other LGUs with charter or guidebook include Marikina City and Makati City.

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A service guidebook normally includes the following items:

- ➲ description of service
- ➲ recipients of service
- ➲ address (and map) of office(s) providing the service
- ➲ contact persons and contact coordinates
- ➲ office hours
- ➲ requirements to avail of service
- ➲ step-by-step procedure
- ➲ enumeration of fees and charges
- ➲ estimated time to complete service
- ➲ other pertinent items

continue dialogue with partners

Whether to inform, ask, involve, collaborate or empower, dialogue or consultation with partners in the community is vital to decision making and management of reforms.

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advocate reform of other services

The ultimate step to sustain improvements is to advocate reform to other service departments or divisions in the LGU. This way, client satisfaction is achieved not just in BPL but in all LGU services.

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Annexes

Annex 1
Government Agencies Involved in Business Registration

Agency	What
Department of Trade and Industry (DTI)	This is where **single proprietorship** enterprise should register. The agency will issue a certificate of registration of business name.
Securities and Exchange Commission (SEC)	A **partnership** or a **corporation** will register with this NGA. It will issue a certificate of registration.
Cooperative Development Authority (CDA)	**Cooperatives** register with this body. The agency will issue the certificate of registration.
Local Government Unit (LGU)	New enterprises register with the municipality or city where they will set up business. This office will issue the business permit.
Barangay Hall	Enterprises register with the specific *barangay* in the municipality or city where they will operate their business. This office will issue the *barangay* clearance.
Bureau of Internal Revenue (BIR)	Businesses are registered with this office and apply for business taxpayer identification number (TIN), registration of books of accounts and official receipts, authority to print invoices.
Social Security System (SSS)	Businesses register as employers, the owners as self-employed or as employee, and the workers as employees with this agency. This office will issue an SSS number for the business, for the owner, and for the employees.
Department of Labor and Employment (DOLE)	If the business would employ five workers or more, they are required to register with this agency. The DOLE is asked to promote gainful employment opportunities, protect workers and promote their welfare, develop human resources and maintain industrial peace.
Home Development Mutual Fund (HDMF)	RA 7742 requires all SSS members earning at least PHP4000 a month to register with this agency. HDMF administers the Pag-IBIG Fund.
Philippine Health Insurance Corporation (PhilHealth)	The New National Health Insurance Act (RA 7875) as amended by RA 9241 requires all employers of the government and private sectors and their employees to register with this agency. PhilHealth manages and administers the government healthcare system.

Source: Business Registration Guide at www.business.gov.ph

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Annex 2

Businesses that Require Special Certificate or Permit

Type of Business	What	Where
animals and animal products, registration of veterinary drugs and animal facilities	registration certificate	Bureau of Animal Industry
aquatic animals, importation, fishpond lease agreement	permit	Bureau of Fisheries and Aquatic Resources (BFAR)
fertilizer products and registration of pesticide products	registration certificate	Fertilizer and Pesticide Authority (FPA)
fiber and fiber products processing and trading	registration certificate; commodity clearance	Fiber Development Authority (FIDA)
film and television production, export and import, booking, etc.	registration certificate	Movie and Television Review and Classification Board (MTRCB)
food, chemicals, health related business	registration certificate	Bureau of Food and Drugs (BFAD)
flour processing, grains wholesaling and retailing, milling, warehousing, exporting, importing, indenting, packaging, threshing, corn shelling, mechanical drying	license	National Food Authority (NFA)
meat plant accreditation for meat and meat products, slaughterhouse operations	accreditation certificate; registration certificate	National Meat Inspection Commission (NMIC)
pawnshop and lending investor	registration certificate	Bangko Sentral ng Pilipinas (BSP)
plants and plant products: nursery accreditation seed certification and phytosanitary certificate	permit; registration certificate	Bureau of Plant Industry (BPI)
recruitment or placement agency for foreign employment	registration certificate	Philippine Overseas Employment Administration (POEA)

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Type of Business	What	Where
recruitment or placement agency for local employment	registration certificate	Bureau of Local Employment (BLE)
schools and educational institutions: educational institution (nursery, primary, elementary, secondary levels); tertiary level; technical-vocational education, training program registration and accreditation	permit; registration and accreditation certificate	Department of Education (DepEd); Commission on Higher Education (CHEd) Technical Education Skills Development Authority (TESDA)
security agency business	permit	Philippine National Police (PNP)
service and repair shops for: motor vehicles; automotive and heavy equipment; engine and engineering works, and machine shops; electronics, electrical, air conditioning and refrigeration; office and data processing equipment; medical and industrial equipment; appliances or devices; and private emission centers	accreditation license	Bureau of Trade Regulation and Consumer Protection (BTRCP); Department of Trade and Industry Regional Offices
sugar trading, muscovado converting and trading, processing or manufacturing sugar-based products for export	registration certificate	Sugar Regulatory Administration (SRA)
telecom business	license	National Telecommunication Commission (NTC)
tourism-related projects	registration and accreditation certificate	Department of Tourism (DOT)
transportation: land transport service; sea transport service	certificate of public conveyance	Land Transportation Franchise and Regulatory Board (LTFRB); Maritime Industry Authority (MARINA)
video production, sales and rental		Optical Media Board (OMB) (formerly Videogram Regulatory Board), Office of the President

Source: Business Registration Guide at www.business.gov.ph

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Annex 3
Laws and Regulations on Business Registration, Permits, and Licensing

1 Magna Carta for Small Enterprises

Law / Regulation	Key Provisions
RA 6977 – approved on 22 January 1991 RA 8289 – approved on 6 May 1997	The law sets the pace for small and medium enterprise development by upholding the following principles under Sec. 5. 1 Minimal set of rules and simplification of procedures and requirements All government agencies having to do with small enterprises shall pursue the principles of minimum regulation to ensure stability of rules and to encourage entrepreneurial spirit among the citizenry. The agencies shall see to it that procedure, rules and requirements within their respective offices and in coordination with other agencies are minimized in the act of registration, availment of financing and accessing other government services and assistance. 2 Role of the private sector In order to hasten growth and expansion of small and medium enterprises, the private sector throughout the country shall be encouraged to assist in the effective implementation of this Act by participating in government programs for small and medium enterprises strictly in accordance with the law, and consistent with the attainment of the purposes hereof. To encourage private sector participation, the Council, in consultation with the concerned sector, may recommend simplified procedure and localized incentives to small enterprises. The Government shall encourage the organization and establishment of small and medium enterprise industry associations at the local and regional levels preferably unified a national federation / association. 3 Coordination of government efforts Government efforts shall be coordinated to achieve coherence in objectives. All appropriate offices, particularly those under the Department of Trade and Industry, Finance, Budget and Management, Agriculture, Agrarian Reform, Environment and Natural Resources, Labor and Employment, Transportation and Communications, Public Works and Highways, Science and Technology, Local Government and Tourism, as well as the National Economic and Development Authority and the Bangko Sentral ng Pilipinas, through their national, regional and provincial offices, shall to the best of their effort and in coordination with local government units, provide the necessary support and assistance to small and medium enterprises.
	4 Decentralization The State shall accelerated the decentralization process by establishing regional and provincial offices in order to enhance and attain greater efficiency in the provision of services to the countryside and the implementation of this Act, in coordination with local government units. To this end, the government agencies shall effect a substantial delegation of authority to their regional and provincial offices to make decisions, particularly in the registration of beneficiaries of this law, qualification for availment of benefits, accreditation of private voluntary organizations, industry associations and cooperatives and to resolve complaints for violation of applicable laws."

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2 Cooperative Code

Law / Regulation	Key Provisions
RA 6938 – The Cooperative Code of the Philippines	• foster the creation and growth of cooperatives as a practical vehicle for promoting self reliance and harnessing peoples power towards the attainment of economic development and social justice • encourage the private sector to undertake the actual formation and organization of cooperatives • create an atmosphere that is conducive to the growth and development of cooperatives

Memorandum Circular 2004-03 9 February 2004	Guidelines For Express Lane Registration for a better, more efficient and effective method of the registration of cooperatives
	
	Documents Required
	1 one (1) copy of the Name of Verification slip
	2 four (4) copies of each of the following Express Lane Registration Forms (proforma)
	   a Form 1 – Articles of Cooperation
	   b Form 2 – Bylaws
	   c Form 3 – Treasurer's Affidavit
	   d Form 4 – Undertaking to Change Name
	   e Form 5 – Undertaking to Submit Reportorial Requirements
	   f Form 6 – Notes to the Articles of Cooperation and
	   g Form 7 – Economic Survey
	
	People Involved
	1 Officer In Charge of Registration in the Extension Office (to check if documents are complete and in order)
	2 Registration Unit (to issue the corresponding Certificate of Registration)

	Processing time 2 hours upon receipt of complete documentation and payment Fees 1 Name Verification - Thirty Pesos (PHP30.00) per Reservation Fee allowed name with validity of thirty (30) days 2 Registration Fee one-tenth (1/10) of one percent (1%) of the authorized share capital but not lower than one thousand pesos (PHP1000.00)
Memorandum Circular 2004 – 08 10 August 2004	Amendments to Board Resolution 41 dated 19 January 2004 Additional requirement: Bonds of Accountable Officers par value share must be fixed at PHP100.00 in the Articles of Incorporation processor examiner's guide: pink – provincial file yellow – central office
Memorandum Circular 2004 – 09 8 September 2004	Additional Guidelines for the Registration of Cooperatives for the Regular Lane Additional documents required • Bonds of Accountable Officers • Certificate of PreEducation Membership Training Seminar

3 Business Name Registration (BNR)

Law / Regulation	Key Provisions
RA 3883	requires an enterprise to register its business name to guarantee exclusive use of it and the goodwill and patronage that it represents
RA 7042 – Foreign Investments Act of 1991	promote foreign investments, prescribe the procedures for registering enterprises doing business in the Philippines and for other purposes
RA 8179	act to further liberalize foreign investment, amending for the purpose Republic Act 7042 and for other purposes

4 Securities Exchange Commission (SEC)

Law / Regulation	Key Provisions
The Philippine Constitution	Under the Constitution, the State is mandated to regulate or prohibit monopolies, combinations in restraint of trade and other unfair competition practices for the sake of public interest. The Constitution does not prohibit monopolies per se. Monopolies are not illegal in themselves as opposed to combinations in restraint of trade and other unfair competition practices. The latter are to be prohibited without exception. Since the Constitution does not define what would constitute unlawful monopolies or combinations in restraint of trade or unfair competition practices, separate legislation and case laws are the bases for making such definitions
Batas Pambansa Blg. 68	The Corporation Code of the Philippines provides for the rules regarding mergers and consolidations and the acquisition of all or substantially all the assets or shares of stock of corporations
Batas Pambansa Blg. 178	Revised Securities Act complements the Corporation Code. It prohibits and penalizes the manipulation of security prices and insider trading
RA 3815	Civil Code as amended, otherwise known as the Revised Penal Code, punishes anti-competitive behavior that is criminal in nature. Article 186 penalizes monopolies and combinations in restraint of trade while Article 187 provides penalties
RA 8799	SEC Registration Code establish a socially conscious, free market that regulates itself, encourage the widest participation of ownership in enterprises, enhance the democratization of wealth, promote the development of the capital market, protect investors, ensure full and fair disclosure about securities, minimize if not totally eliminate insider trading and other fraudulent or manipulative devices and practices which create distortions in the free market
PD 902-A	RA 386 (1949) as amended, otherwise known as the Civil Code of the Philippines and which was in effect August 1950, allows the collection of damages arising from unfair competition in agricultural, commercial or industrial enterprises or in labor. It also allows the collection of damages arising from abuse in the exercise of rights and in the performance of duties such as abuse of dominant market position by a monopolist Peculiarity enough, the Civil Code does not define unfair competition and merely lists the means by which unfair competition can be committed: force, intimidation, deceit, machination or any other unjust, oppressive or high-handed method Treble damages for civil liability arising from anti-competitive behavior is allowed under RA 165, otherwise known as An Act to Prohibit Monopolies and Combinations in Restraint of Trade

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5 Philippine Export Processing Zone (PEZA) PD 66 as amended and RA 7916

Law / Regulation	Key Provisions
PD 66 – Export Processing Zone Authority	encourage and promote foreign commerce as a means of making the Philippines a center of international trade, of strengthening our export trade and foreign exchange position, of hastening industrialization, of reducing domestic unemployment and of accelerating the development of the country, by establishing export processing zones in strategic locations in the Philippines

6 Board of Investment (BOI)

Law / Regulation	Key Provisions
EO 226 – Omnibus Investment Code of 1987	• encourage private Filipino and foreign investments in industry, agriculture, forestry, mining, tourism and other sectors of the economy which shall provide significant employment opportunities relative to the amount of the capital being invested, increase productivity of the land, minerals, forestry, aquatic and other resources of the country and improve utilization of the products thereof improve technical skills of the people employed in the enterprise, provide a foundation for the future development of the economy, meet the tests of international competitiveness; accelerate development of less developed regions of the country and result in increased volume and value of exports for the economy
	• ensure holistic development by safeguarding the well being of the social, cultural and ecological life of the people. For this purpose, consultation with affected communities will be conducted whenever necessary • extend to projects which will significantly contribute to the attainment of these objectives, fiscal incentives without which said projects may not be established in the locales, number and / or pace required for optimum national economic development. Fiscal incentive systems shall be devised to compensate for market imperfections, to reward performance contributing to economic development, be cost efficient and be simple to administer • considers the private sector as the prime mover for economic growth. In this regard, private initiative is to be encouraged with deregulation and regulation of business activities to be generally adopted where dictated by urgent social concerns • principally play a supportive role rather than a competitive one, providing the framework, the climate and the incentives within which business activity is to take place • recognizes that there are appropriate roles for local and foreign capital to play in the development of the Philippine economy and that it is the responsibility of Government to define these roles and provide the climate for their entry and growth • recognizes that industrial peace is an essential element of economic growth • fiscal incentives shall be extended to stimulate the establishment and assist initial operations of the enterprise

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7   Bureau of Internal Revenue (BIR)

Law / Regulation	Key Provisions
RA 8424 Tax Reform Act of 1997	• promote sustainable economic growth through the rationalization of the Philippine internal revenue tax system, including tax administration • to provide, as much as possible, an equitable relief to a greater number of taxpayers in order to improve levels of disposable income and increase economic activity • create a robust environment for business to enable firms to compete better in the regional as well as the global market

8   Department of Labor and Employment (DOLE)

Law / Regulation	Key Provisions
DO 75 – 07 Series of 2006	revises rules on the issuance of employment permits to foreign nationals

9   Local Government

Law / Regulation	Key Provisions
RA 7160 – Local Government Code	provides LGUs with more power and authority to accelerate local economic development and improve the quality of life in their respective localities

10 Social Security System (SSS)

Law / Regulation	Key Provisions
RA 8282 – Social Security System	• SEC. 4. Powers and Duties of the Commission and SSS. (5) To authorize cooperatives registered with the cooperative development authority or associations registered with the appropriate government agency to act as collecting agents of the SSS with respect to their members: Provided, That the SSS shall accredit the cooperative or association: Provided, further, That the persons authorized to collect are bonded • SEC. 24 – A. Report and Registration of the Self Employed Member. - Each covered self employed member shall, within thirty (30) days from the first day he or she started the practice of his or her profession or business operations register and report to the SSS his or her name, age, civil status, occupation, average monthly net income and his or her dependents
SSS Circular 9 - V	Procedure on Registration and Correction of Member Data

11 Department of Agriculture (DA)

Law / Regulation	Key Provisions
Republic Act 8550 – The Philippine Fisheries Code of 1998	provides for the development, management and conservation of the fisheries and aquatic resources, integrating all laws pertinent thereto, and for other purposes
Fisheries Administrative Order 197 Series of 2000	rules and regulations governing the lease of public lands for fishpond development

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12   Department of Environment and Natural Resources (DENR)

Law / Regulation	Key Provisions
Republic Act 1239, series of 1955 and FAO 26, series of 1956	rules on issuance of certificate / to a dealer of lumber, logs, poles or piles upon registration with the DENR
FAO 8 – 3, as amended	requirements on issuance of Special Land Use Permit / Agreement that is a privilege granted by the State to a person to occupy, possess and manage in consideration of specified return, any public forest lands for a specific use or purpose
DENR Administrative Order 2000-29	rules and regulation on issuance of resource use permit which is issued to holders of tenure instruments under CBFM program of DENR who intend to harvest/utilize naturally grown and/ or planted forest resources within the production forest for commercial use, provided that they have affirmed CRMF, AWP and RUP by the concerned CENRO and the Environmental Certificate Compliance from RED through the EMB
DENR Administrative Order 2000-21	rules and regulations on issuance of private land timber permit that is issued to a landowner for the cutting, gathering and utilization of naturally grown trees in private lands
DENR Administrative Order 96-24	rules and regulations on issuance of Socialized Industrial Forest Management Agreement entered into by and between a natural or juridical person and the DENR wherein the latter grants to the former the right to develop, utilize and manage a small tract of forestland consistent with the principle of sustainable development
MAO 50, series of 1986 as amended by DENR Administrative Order No. 2003 - 41	rules on wood processing plant permit to operate sawmill, mini sawmill, resaw permit, plywood / veneer plants, blackboards / fiberboard / particle board and other wood based panel plants and wood treating plants. It is issued to the holders of existing timber license agreements or permits and for those nontimber holders but with approved Equity Participation Agreement maybe granted a permit not exceeding two years. Permits that maybe issued to operators other than the above shall have a duration of not more than one year

13   Department of Health (DOH)

Law / Regulation	Key Provisions
Republic Act 3720 Food, Drug	Food Drug and Cosmetic Act – to ensure the safety and purity of foods, drugs, and cosmetics being made available to the public by creating the Food and Drug Administration (FDA) which shall administer and enforce the laws pertaining thereto

Source: Lijauco, D. and A. Manlangit, 2006. *Analysis of Business Registration and Licensing in the Philippines*. Makati City: SMEDSEP

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Annex 4

Sample Executive Order with Terms of Reference

Republic of the Philippines
Office of the City/Municipal Mayor
City/Municipality of_____

EXECUTIVE ORDER NO. _____
Series of 2008

AN ORDER MANDATING THE SIMPLIFICATION OF INTERNAL REGULATORY SYSTEM FOCUSING ON THE BUSINESS PERMIT AND LICENSING PROCESS, AND CREATING THE SIMPLIFICATION COMMITTEE

WHEREAS, the Department of the Interior and Local Government Memorandum Circular No. 2001-120 mandates the implementation of the Anti-Red Tape Program for Local Governments,

WHEREAS, there is a compelling need to create an environment conducive to local economic promotion,

WHEREAS, it is the goal of the municipality/city to attract more business investments to boost the local economy and local employment, and to enhance local revenue generation without necessarily sacrificing the lgu's regulatory function,

WHEREAS, the local government units that have embarked on the business permit and licensing process simplification have already reaped the benefits of such undertaking,

WHEREAS, the leadership is aware of the fact that there is room for improvement in the business permit and licensing process of the city/municipality; and also aware of the fact that a lot of benefits can be derived from simplifying our existing business permit and licensing process;

NOW THEREFORE, by virtue and powers vested upon me as the local chief executive of the municipality/city of _____, I hereby order the compulsory simplification of our business permit and licensing process and corollarily, create the **Simplification Committee** to spearhead this reform initiative.

Section 1   Composition of the Simplification Committee

The Simplification Committee shall be made up of two teams, namely: (1) Oversight Subcommittee (OSC) and (2) The Technical Working Group (TWG).

(1) The members of the OSC are the following
   - *Mayor*
   - *Vice Mayor and/or his or her representative preferably the Chairperson of the Business and Industry Committee of the Local Sanggunian*
   - *Members of the existing Management Committee or Executive Committee*
   - *Head, Bureau of Fire*
   - *Legal Officer*
   - *Representative of the Local Chamber of Commerce and Industry*

(2) The members of the TWG are as follows
   - *Administrator* (if none, Executive Assistant from the Mayor's Office)
   - *Head of the BPLO, if none, a Senior Licensing Officer of the Treasurer's Office*
   - *A Senior Revenue Collection Officer of the Treasurer's Office*

- *Information Technology Specialist*
- *Records Officer of the BPLO or Treasurer's Office*
- *Information Officer*

Section 2   Roles and Responsibilitiee of the Simplification Committee. The functions of the OSC and TWG are enumerated in the Terms of Reference that follows

TERMS OF REFERENCE

I THE OVERSIGHT SUBCOMMITTEE

The Mayor chairs the OSC, and the Vice Mayor or his or her representative serves as the vice chair.

As the term suggests, the OSC oversees the implementation of the Business Permit and Licensing Process Simplification Project, also referred to as the Project. Its oversight functions include the following

- reviews and approves the work plan including the schedule of the TWG
- drafts an Ordinance on the Simplification Project
- meets with the TWG or members thereof at least twice a month
  during the first two months of the Project
- approves the budget for the Project including the TWG's
- provides advice and technical inputs to the work of TWG
- draws up an incentive system for the TWG and other frontliners involved in the business permit and licensing work
- monitors the progress of the TWG in the implementation of the Project
- comes up with a realistic staff capacity building plan and appropriate funds thereof

II THE TECHNICAL WORKING GROUP

The Administrator (if any) or BPLO Head acts as the team leader. He or she may designate an assistant from among the team members. The functions of the TWG are the following

- conducts consultations or dialogues with relevant stakeholders and the service providers or frontliners
- reviews good practices in the field and draw lessons from these
- drafts the work plan and budget for the Project
- maps out the existing business permit and licensing workflow to produce a process map
- provides the OSC a bi-monthly progress report of its activities during the first two months of Project implementation, and a monthly report thereafter
- attend meetings or dialogues called by the OSC
- recommends reform areas in the business permit and licensing process
- pilot tests simplified procedures
- designs and installs a feedback mechanism
- documents the simplification initiative
- conducts information dissemination on the same
- performs other functions as may be directed by the Mayor and or the OSC

Section 3 Effectivity. This Executive Order shall take effect upon signing.

Annex 5
Sample Process Map (Ormoc City)

Actual Observed Flow of the Renewal of Mayor's Permit
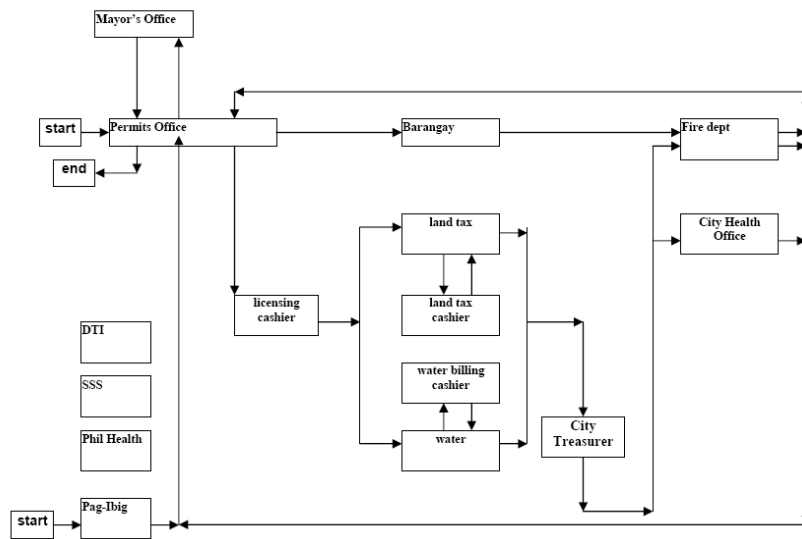
Actual Observed Flow for the Acquisition of Mayor's Permit for New Businesses
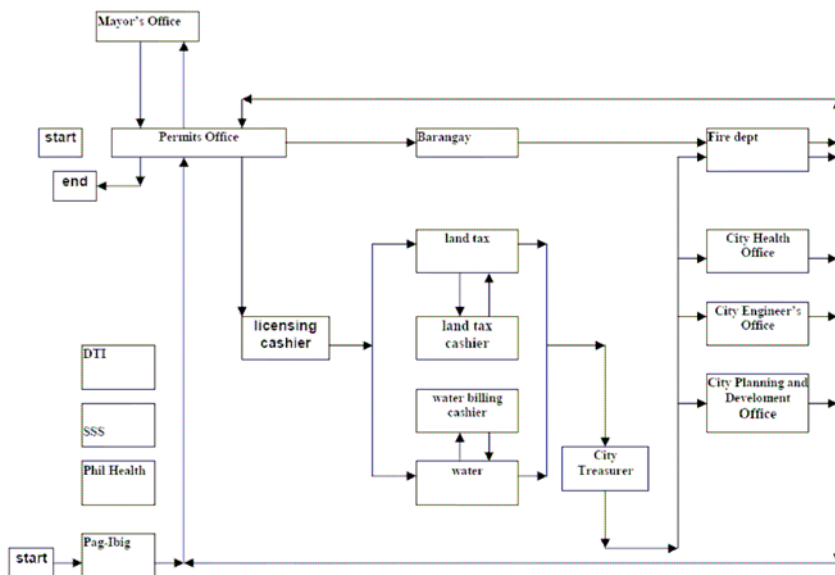
Annex 6
Suggested Illustrative Process Table

Step No.	Descrip-tion/ Purpose of Step	Performed by (client, clerk, inspector, etc.)	Office Location (identify office, floor and building)	No. of Forms	No. of Signatures	Processing Time (in hours)	Costs (taxes and fees)	Other Costs Incurred by Applicant	Documents Required (enumerate requirements for each step)
1									
2									
3									
4									
5									
6									
7									
8									
9									
10									
11									
12									
13									
14									
15									
16									
17									
18									
19									
20									
21									
22									
23									
24									
25									

Annex 7
Sample Process Table (Iloilo City: Renewal)

	Forms Input/Output	No. of Forms	No. of Signatures	Processing Time (in hours	Taxes and Fees	Other Costs	Total Costs
1	Tax Inspection and Evaluation Division						
a	*Barangay* Business Clearance	1	2	12.30	1,835.0	2,524.0	4,359.0
b	Community Tax Certificate	1	1				
c	Contract of Lease	1	1				
d	Official Receipt of prior year's Business Tax	1	1				
e	Statement of AGS/R	1	2		50.0	24.0	74.0
f	Application form	1	2		50.0		50.0
g	Computation of Taxes and Fees	1	2	0.05	2,671.3		2,671.3
	Total	7	11	12.35	4,606.3	2,548.0	7,154.3
2	Local Tax Division						
a	Clearance for Business Tax/Posting of records		2	0.05			
3	Real Property Tax Division						
a	Real Property Tax Clearance		2	0.05			
4	Assessor's Office - Assessment and Evaluation Unit						
a	Verification of Property Ownership	1	1	0.30		40.0	
b	No Real Property Tax Clearance	1	2	0.05			
	Total	2	3	0.35		40.0	
5	Assessor's Office - Records Division						
a	Advice of Property Ownership	(1)	(2)	1.05		10.0	
6	Business Permit and Licensing Office						
a	Verification/Approval of payment		2	0.10		50.0	
b	Checking of documents			(1.5 days)			
c	Business Permit form			0.30			
d	Record documents / release business permit	1	2	0.01			
	Total		4	0.41			

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Forms Input/Output	No. of Forms	No. of Signatures	Processing Time (in hours	Taxes and Fees	Other Costs	Total Costs
7 City Treasurer's Office						
a Approved tax clearance	1	2	0.03			
b Accepts payments/ issue Official Receipt			0.05			
8 City Fire Safety Marshall						
a Fire Safety Inspection Form	1	2	16.00		100.0	
b FSI Certificate	1	2	0.02			
Total	2	4	16.02			
9 City Administrator's Office						
a Recommendation		1	0.01			
10 Mayor's Office						
a Approval of Business Permit		1	24.00			
Total	12	30	55.17	4,606.3	2,748.0	7,354.30
Add: Other Costs (Salary / Fee of person processing the business permit @ PHP265/day)			6.89 days			1,825.85
Total Costs						9,180.15

Source: Penetrante, M. and D. Castigador, 2007 *Quality Manual for the Business Permit and Registration Process of Iloilo City*. Report submitted to the German Technical Cooperation and the Department of Trade and Industry

Annex 8
Sample Time and Motion Instrument

Observation/Process Guide

Date/Time of Observation　　　_____

Conducted by　　　　　　_____

Type of customer　　　[ ] new applicant　　　[ ] old applicant / renewal
　　　　　　　　　　[ ] processed by liaison　[ ] processed by owner
　　　　　　　　　　[ ] others (indicate) _____

Type of business　　　[ ] micro　　　[ ] cottage　　　[ ] small　　　[ ] medium　　　[ ] large

Nature of business　　　_____

Time and Motion Documentation

BPR Steps/ Processes (* - major, ** substep)	Specific Activity/ Action/ Motion	People Involved	Time Spent (processing/ waiting / idle)		Physical Layout Info	Other Observations	Materials
			BEG	END			
Step 1 Go to info booth	Inquire about	Applicant			Booth __m away fr __		
	Respond by __	Frontliner's designation				Greeted the applicant with a smile	Handed Form 101

Source: "Follow-up Activities on the Improvement and Documentation of Business Licensing Procedures in the Cities of Bacolod and Ormoc," German Technical Cooperation, July 2006

Annex 9
Sample Customer Satisfaction Survey Form

Type of business   [ ] micro   [ ] cottage   [ ] small   [ ] medium   [ ] large

Type of customer   [ ] new applicant   [ ] old applicant/renewal

Processed by   [ ] owner   [ ] liaison   [ ] others (indicate)

Kindly rate the service that you got from the LGU BPLS process using the following rating scales.
Put a checkmark on the appropriate box
         1 = very poor
         2 = somewhat unsatisfactory
         3 = about average
         4 = very satisfactory
         5 = superior

Areas	1	2	3	4	5
How spacious and comfortable is the layout of the BPL					
How accessible is the venue					

How was the behavior of the staff providing you the service in terms of the following
  • courtesy
  • service orientation
  • approachability					

Is the application form easy to understand					
Is the process flow easy to follow					
Is the application brief and easy to fill out					
Is the BPL system orderly, systematic and practical					
Is the time fast from processing, assessing to payment					
Were the signatories to the document present and easily accessible					
Was the service provider able to handle the transaction in an accurate manner					
Other observations then rate					

Source: "Follow-up Activities on the Improvement and Documentation of Business Licensing
Procedures in the Cities of Bacolod and Ormoc, "German Technical Cooperation,
July 2006

Annex 10
Sample Accomplished Table of Priorities

Municipality XYZ *BPL Issues and Problems*	Is this a problem	Urgency	Impact	Feasibility	Average	Final Rank
Process / Technology Resource Gap						
slow process / long processing time (hence more opportunity for corruption through the use of fixers)	✓	1	1	2	1.3	1
too many signatories and clearances required	✓	3	3	3	3.0	3
manual issuance of receipts	✓	2	2	1	1.7	2
submission of numerous forms with duplication of required information	✓	11	9	5	8.3	9
lack of standards						
repetitious steps	✓	10	8	6	8.0	8
separate assessment of fees	✓	4	5	8	5.7	5
Physical Resource Gap						
cramped office	✓	5	4	7	5.3	4
offices to transact with are not contiguous ; they are far from each other						
poor office design	✓	12	7	4	7.7	7
lack of facilities (e.g., no restrooms in the office)						
lack of information postings on process and schedule of fees	✓	6	6	9	7.0	6
inaccessible forms						
Human Resource Gap						
inadequate frontliners	✓	7	10	12	9.7	10
unskilled frontliners						
unfriendly, unaccommodating frontliners	✓	8	12	10	10.0	11
insufficient coordination among offices						
exercise of discretionary powers of individual officials (e.g., disagreements in computation of annual gross sales)	✓	9	11	11	10.3	12
Financial Resource Gap						
insufficient budget for skills enhancement training and for acquisition of technology and equipment						

Annex 11
Contact Information of LGUs with Good Practices

Aliaga, Nueva Ecija	Mayor Marcial R. Vargas phone 044 463 1535; 463 0613
Bacolod City	Mayor Evelio R. Leonardia; Ms. Ardis Jaculina (PLD) Dr. Rogelio Balo (Secretary to the Mayor) phone 034 435 1111; fax 034 435 3333
Cabuyao, Laguna	Mayor Isidro L. Hemedes, Jr.; Mr. Ruben Refrea (BPLO) Ms. Marina Silan (Admin. Asst.) phone / fax 049 531 2554
General Santos City	Mayor Pedro B. Acharon, Jr.; Mr. Rodrigo Salangsang (Admin) Mr. Juan Odi (BPLD) phone 083 552 7321; 301 2747; fax 083 554 4212
Iligan City	Mayor Lawrence L. Cruz; Mr. Francisco Almanzor (BTD) Mr. Jaime Paalibo / Ms. Minda Usman (DTI) phone 063 221 6758; fax 063 221 9060
Iloilo City	Mayor Jerry P. Treňas; Mr. Choy Tan (Administrator) Mr. Francis Cruz (Exec. Asst.); Ms. Lerma Espanola (PDC) phone 033 337 3573; fax 033 335 3617
Kalibo, Aklan	Mayor Raymar A. Rebaldo; Ms. Elsa Tabuena (MTO) phone 036 262 3241; fax 036 221 9060
La Trinidad, Benguet	Mayor Artemio A. Galwan; Ms. Joan Costina (BPLS) Ms. Grace Daodao (MTO) phone 074 422 2601; fax 074 309 3248
Makati City	Mayor Jejomar C. Binay; Mr. Pablo Glean (BPO) phone 02 899 9029
Marikina City	Mayor Ma. Lourdes C. Fernando; Mr. Sonny Ramos (BPLO) phone 02 646 2360 - 70 L 218; 646 2354
Muntinlupa City	Mayor Aldrin L. San Pedro; Mr. Edgar Mariňas / Ms. Rochie Soriano (BPLO) phone 02 543 0809 - 0810; fax 02 862 5316
Naga City	Mayor Jessie M. Robredo; Mr. Rodrigo Belleza (CTO) Ms. Gregoria Nilda Abonal (BLFD) phone 054 473 2240; 811 1286
Quezon City	Mayor Feliciano Belmonte, Jr.; Mr. Pacifico F. Maghacot, Jr. (BPLO) phone 02 925 6045 L 229-235; 924 3592; fax 02 921 6750
Santa Rosa City	Mayor Arlene Arcillas-Nazareno phone 049 534 1059; 534 3363
Panay, Capiz	Mayor Dante B. Bermejo; Mr. Ronald Allan F. Cullo (MPDO) phone 036 621 2021; 620 4144; fax 036 621 2022

Annex 12

Interview Guide Questions for the Lakbay Aral

- ➲ What made you decide to pursue a business simplification initiative?

- ➲ How did you plan and design your simplification program?

- ➲ If applicable: What are your considerations in reducing the number of steps/forms/ documentary requirements/signatures in the BPL? Did the one-stop shop really make a difference?

- ➲ How different is implementing a BPL simplification program from managing another LGU program?

- ➲ What activities did you undertake to get the support of the staff and the clientele? Any new advocacy strategies?

- ➲ What are the risks and constraints you have identified and encountered in the course of program implementation?

- ➲ Can you share specific techniques that are really useful in managing and in monitoring staff performance and responsibilities, activity schedules, and the program budget?

- ➲ When and how should the project performance be measured? Are reports necessary?

- ➲ What mechanisms did you put in place to ensure the sustainability of improvement made?

Annex 13

Suggested Outline for the BPL Action Plan or Process Improvement Agenda

I Objective of the Project

What are you trying to achieve through your project? This portion should discuss the present situation that you are trying to address/improve. This should also explain specific purposes of your project and the attainable targets you wish to pursue.

II Strategies in Addressing the Problem

What intervention/s are you going to take in order to attain your objectives? In this section, you should be able to convince your readers that your proposal is indeed the best way to attack the problem that you want to address. You can do this by presenting concrete steps/activities/ strategies in addressing particular problem areas and by clearly explaining your justifications why your intervention could provide the best solution to the issue at hand.

III Resources Needed

What kind of resources do you need in implementing your plan? How much of each do you need? You should be able to answer these questions in section to convince your readers that your proposal is indeed viable. A section of this handbook provides some of the best practices in improving BPL services. Each of these cases provides figures on how much human and financial resource were spent in their implementation. These could give you an idea on how much you would spend in replicating the said practices in your own LGU.

IV Timeframe

What period of time are you looking at in implementing your proposal? As you would need people to put their precious time in contributing to your project, you should be able to strategize on timing when to start its implementation so that you can ensure the availability of everyone.

V Responsible Office/Person

The success of every project lies on the commitment and support of its implementers. In order to gain support, however, you should be able to convey clearly what kind and amount of support are you expecting from each person that would be involved in your undertaking. This section of the agenda is also critical in clearly identifying responsibilities so that there would be no pointing of hands in the end.

VI Expected Deliverables / Outputs

As a means of easily monitoring the initiative's implementation, a section detailing the immediate outputs of the activities can be provided. Tallying this with the timeframe, the Simplification Team can then easily keep track of what is happening (if indeed, they are happening as expected), while the personnel involved will also know how the contributions of their activities contribute to the project targets.

VII Other Matters for Discussion

Since this serves as the agenda/plan, the Team might as well outline possible risks and constraints they foresee and talk about possible communication strategy so that coordination will be smoother. The Team should also clarify hierarchy of decision-making by establishing to whom questions on what matters and decisions will be addressed to.

Annex 14
Sample Process Improvement Agenda
(Bacolod City)

Recommendations	Steps	Persons Responsible	Enabling Mechanisms	Target Date	Revisions/Comments
Setting Up of BOSS	Issuance of EO to create OSS Committee content include space, budget, personnel, schedules	Atty. Elli Aragon to draft EO	EO MOA with NGAs concerned CMOs and supplementary budget	Deadline on or before 15 Nov	• The draft is with the Mayor; problem is no regular people to assign • Mayor wants permanent people; still to identify available plantilla(# of persons?) • OSS committee members Atty. Aragon (Head), Ardis (point person for coordination), Perlette (MITCS), to consider / identify representatives from concerned NGAs and business sector
	Multisectoral planning /consultation	BOSS/Local Investment Board	Budget	July 2005	• LIB regularly meets and consults (include private sector); automated tax collection is already present • This is already accomplished • During LIB meeting emphasis is on the improvement of service
	Orientation of Personnel to handle OSS (orient on the new OSS system/ procedure and customer-orientedness)	HRMO coordinate with Atty. Aragon All people who will be involved in OSS	Memorandum Order by Mayor	3rd week of Nov	• Related to the issuance of EO • Recommendation: train existing personnel in the meantime
	Workshop to determine simplified procedures and physical layout	BPL- Ms Ardis Jaculina	Memorandum Order by Mayor	15 Nov 2005	• Simplified procedures will be improved • Looking at the possibility of wireless connection to the Bay Center for encoding • Bacolod LGU will submit proposal to GTZ for possible funding for wireless connection and additional hardware (Proposal to be submitted Monday, 24 October c/o Mrs. Jaculina) • Wireless is the most convenient way (alternative is more expensive) • Land tax clearance waived except for real estate business

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Recommendations	Steps	Persons Responsible	Enabling Mechanisms	Target Date	Revisions/Comments
	Info dissemination drive-public and Barangay-LGU to partner with private organizations in giving information on guidelines and procedures	PLO and Barangay operations bureau	Memorandum Order by Mayor	November 2005	• Existing memo to be released Nov. to inform about the availability of forms and advance clearances • Materials and documents already printed • There will be presscon for faster information drive • Suggestion: DILG to help in disseminating information regarding new procedure; also ask DILG to convince barangays to be at the OSS • Will have a different orientation for the barangay officials through LIGA (memo to be prepared with the ultimatum) • If not at the OSS, barangay clearance will be waived
Procedural Streamlining/ Workflow Simplification	Integrate all recommendations of study to the operation of BOSS (except those for further study)	BOSS, CPDO	Technical support from GTZ Ateneo consultants	September 2005	
	Allot a parking lot				
	Relocate BPLD near OSS/Swap place with Cashier	City administrator	Memorandum Order by Mayor	April 2005	• By December, there will final plan for new city hall; • Part of the staff will be located in the bay center, but BPLD cannot be relocated yet
	Advance issuance of pre-requisites	City administrator	Memorandum Order by Mayor	Last week of October	• Advance clearances (city planning, zoning, health, fire, building) – through memo
	Early PR bidding and form reproduction/ Make forms available at barangays	Ardis Jaculina Oversee preparation by city administrator	Memorandum Order by Mayor	November 2005	• Completed

Recommendations	Steps	Persons Responsible	Enabling Mechanisms	Target Date	Revisions/Comments
	Orientation Training of Personnel on Customer Satisfaction	Atty Aragon Ardis HRMO Lemuel	Support from Ateneo consultants GTZ funds	3rd week November 2005	• Number of personnel to be trained; • Identify people; who; what type of work (15 frontliners) • Proposals to be prepared by HR with concurrence by DTI to be submitted to GTZ
	Permanent employees will be assigned				• Still
	For further study Free application forms Waiting areas with amenities				• P5.00 still to be paid but collection and issuance of form will be relocated to the Bay Center • Pay P5.00 first before issuance • Waiting area already provided in the treasurer's office; provision of amenities still being studied
	Dry Run BOSS Implementation	All involved including SMEDSEP Ateno Consultants	EO	13 or 14 December (Tue/Wed) 2005	• Lay-out and process flowchart to be prepared to integrate innovations/changes/ideal processing time (Tuesday October 25) c/o Alex and Ardis to be submitted to Arvin (c/o DTI) • Important to have the requirements first before going through the OSS in order to avoid clogging of the process • Dialogue with the business sector to promote advance clearing (Business Forum) • Check if advance clearancing is possible for other requirements such as SSS, Philhealth, fire, health, zoning, etc. • Proposal to be prepared by Atty. Aragon and DTI support from GTZ (Wednesday, 26 October); business forum to be held 8 or 9 November • Recommendations: rental payment should not be a requirement for procuring permit for market stallholders
	Implement New BOSS	City mayor's Office, BOSS, BPLO	EO	January 2006	

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Recommendations	Steps	Persons Responsible	Enabling Mechanisms	Target Date	Revisions/Comments
	Monitoring and Evaluation	All involved in this workshop including SMEDSEP Ateno Consultants		March 2005	
Information Technology	Solicit support from GTZ on hardware/software	Atty. Aragon	Project Proposal	May 2005	• Proposal on the wireless connection
	Solicit support from NGOs and private sector	BFCCC II to facilitate links with NGOs, PS	Ordinance to develop system to avail of tax credit		• Business forum
	On the job training on software	Lemuel			• Completed
	Establish and dry run use of system	MITCS	Assistance from GTZ and MuntInlupa	December 2005	• Same as dry run

Source: "Follow-up Activities on the Improvement and Documentation of Business Licensing Procedures in the Cities of Bacolod and Ormoc," German Technical Cooperation, July 2006.

Annex 15
Sample Application Form (Santa Rosa City)

BUSINESS PERMIT AND LICENSING OFFICE

APPLICATION FORM
(CITY PERMIT)

NEW ☐ Capital Investment _____ RENEWAL ☐ Permit No. _____

1.)
Name of Taxpayer _____ Tel. No. _____

Surname   First Name   M.I.   Fax No.

Address of Taxpayer _____

House No.   Street   Brgy./Municipality/City

Business Trade Name _____

(Nature of Business) _____

Address of Business _____ Tel. No _____

House No.   Street   Brgy.   Fax No.

If Place of Business is rented:
Owner: _____ Tel. No.: _____
Address: _____ Monthly Rental: _____
Administrator (if owner is not available) _____ Rent Start: _____

Gross Sale/Receipt: _____

I declare under penalties of perjury that I have complied with the regulatory laws/ordinances governing the maintenance of operation of my business/es, and further, the foregoing statements are true and correct, verified by me and to the best of my knowledge and ability, pursuant to the provisions of Ordinance No.:_____ otherwise known as Revenue Code of the City of Sta. Rosa, Laguna as amended, and its implementing rules and regulations.

_____
Taxpayer's Signature

CITY LICENSE/TAX ORDER OF PAYMENT

2.) COMPUTATION:
A. Current Year _____

3. CLEARANCES: Signature & Date

City Permit Fee	P _____	City Secretary _____
City Tax	_____	Health & Sanitary Fee _____
Sanitary Fee	_____	Fire Department _____
Health Certificate Fee	_____	City Engineer _____
Brgy. Share	_____	
Garbage Fee	_____	
Penalty	_____	
Bus. Plate	_____	
Sub-Total	P _____	

B. Previous Year/s ___	P _____	
City Permit Fee	_____	ASSESSED BY:
City Tax	_____	
Sanitary Fee	_____	
Health Certificate Fee	_____	
25% Surcharge	_____	
14% Interest	_____	
Sub-Total	P _____	

C. Summary:
Current Year   P _____
Previous Year/s   _____
GRAND TOTAL   P _____

4.) PAYMENT MADE:

Date	O.R. Number	Amount Paid	Amount Due	Remarks
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____

CERTIFIED CORRECT:

Received by:

LAURA A. SY
CITY TREASURER

_____
Collection Clerk

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REQUIREMENTS FOR BUSINESS PERMIT

I NEW BUSINESS:	Check (✓) list of documents submitted upon Application:
REGISTERED BUSINESS NAME – ☐ Department of Trade & Industry (DTI) for single proprietorship ☐ Securities & Exchange Commission (SEC) – ARTICLES OF INCORPORATION & BYLAWS – for corporation & partnership.	☐ DTI ☐ SEC
II RENEWAL: ☐ PREVIOUS YEAR/S AUDITED FINANCIAL STATEMENTS & ANNUAL INCOME TAX RETURN ☐ CERTIFICATE OF GROSS SALES BY A DULY CERTIFIED PUBLIC ACCOUNTANT – for gross sales more than P50,000/qtr year. ☐ LAST YEAR/S BUSINESS PERMIT & OFFICIAL RECEIPTS	☐ FS / BIR 2006 / 2007 / 20__ ☐ CGS ☐ BP / O.R. 2006 / 2007 / 20__

III CLEARANCES:
 ☐ BARANGAY CLEARANCE – from where business is located
 ☐ SANITARY PERMIT – from City Health Office
 ☐ CITY ENGINEER'S OFFICE
   ☐ Annual Inspection Certificate
   ☐ Contract of Lease (for apartment or leasing business only)
 ☐ CITY FIRE DEPARTMENT
 ☐ COMMUNITY TAX CERTIFICATE – Treasury Office (cedula)
 ☐ CITY SECRETARY
	☐ BC
	 ☐ CHO
	 ☐ ENGG
	
	 ☐ FIRE
	 ☐ CTC

IV ADDITIONAL DOCUMENTS FOR RENEWAL: ☐ LOCATION MAP of BUSINESS / Accurate Sketch of Business (Detailed/Accurate Sketch will be accepted for small and medium establishments) ☐ PICTURE OF BUSINESS ESTABLISHMENT w/ Signage ☐ EXACT BUSINESS ADDRESS – No./Bldg./Street/Purok/Barangay ☐ EXACT NAME OF OWNER/TAXPAYER ☐ EXACT ADDRESS OF OWNER/TAXPAYER – Blk/Lot No./Street/Purok/Barangay	☐ SKETCH OF BUSINESS ☐ PICTURE OF BUSINESS ☐ EXACT BUSINESS ADDRESS ☐ EXACT NAME OF OWNER/TAXPAYER ☐ EXACT ADDRESS OF OWNER/TAXPAYER
For inquiries, please call BPLO: T/ (049) 534.1190 or F/(049) 534.4332	

Annex 16
Sample Executive Order (Zamboanga City)

Republic of the Philippines
OFFICE OF THE CITY MAYOR
City of Zamboanga

CELSO L. LOBREGAT
City Mayor

EXECUTIVE ORDER NO. CL 84-2006

INSTITUTIONALIZING THE ADVANCE INSPECTION PROCEDURE IN BUSINESS LICENSING, AND PURSUANT THERETO, DIRECTING ALL DEPARTMENTS AND DIVISIONS CONCERNED TO CONDUCT ADVANCE INSPECTION ANNUALLY AND SUBMIT PROGRESS REPORT REGULARLY TO THE CHIEF EXECUTIVE AS SPECIFIED HEREUNDER

WHEREAS, the local government acknowledges the importance of expediting the yearly renewal process of business licenses to accelerate and improve the delivery of services to the public;

WHEREAS, the proper conduct and monitoring of advance inspection is very crucial in the improvement of the entire renewal process of business license; and

WHEREAS, there is a need to institutionalize the advance inspection process in order to accelerate, improve and ensure the proper conduct of this procedure,

NOW, THEREFORE, I, CELSO L. LOBREGAT, Mayor of the City of Zamboanga, by virtue of the powers vested in me by law, do hereby institutionalize and adopt the Advance Inspection Procedure in the renewal of business permits with the following specific guidelines, to wit:

1. Advance inspection on all existing business establishments shall be conducted by the Bureau of Fire Protection, City Health Office, City Engineer's Office, City Planning and Development Office, City Agriculturist's Office, City Veterinarian's Office, City Legal Office and the City Tourism Division within the year from February to November, in preparation for the renewal of business licenses on January 1 to 20 of the succeeding year.

2. Each Department, Division, or Office is required to issue to the owner of each business establishment an after inspection report (such as Sanitary Permit, Fire Safety Certificate, etc.) indicating therein the result of the inspection, the date and time the inspection was conducted, the name of the owner or representative of the business establishment who was present during the inspection, and the name of the employee/s who conducted the inspection.

3. Employee/s conducting the advance inspection are required to inform the owner or representative of each business establishment they inspect, that the after inspection report is a requirement for the renewal process and should be attached to their Business Application Form during the renewal period.

4. Each Department, Division, or Office is required to update in the Business Permits and Licensing System (BPLS) Database the status of each business establishment inspected as to approve, disapprove, or for re-inspection.

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5. Each Department, Division, or Office conducting advance inspection should submit a monthly progress report to the Chief Executive indicating therein the number of business establishments to be inspected within the year, the schedule for inspection of said business establishments, and the number of business establishments already inspected as of submission of monthly report.

6. The validity of the Advance Inspection result is for one fiscal year except for food related business establishments whose inspection result is updated quarterly.

This order shall take effect upon its approval.

SO ORDERED.

Done in the City of Zamboanga, Philippines, this 8th day of March, in the Year of our Lord, 2006.

City Mayor

Annex 17
Sample Administrative Order (Zamboanga City)

Republic of the Philippines
OFFICE OF THE CITY MAYOR
City of Zamboanga

CELSO L. LOBREGAT
City Mayor

ADMINISTRATIVE ORDER NO. CL-10-2005

PRESCRIBING THE PROCEDURES IN THE PROCESSING, PAYMENT AND ISSUANCE OF BUSINESS PERMITS IN THE CITY OF ZAMBOANGA

WHEREAS, the law mandates that all taxes and other revenues of the City are to be collected properly so that City funds are applied to the payment of its expenses, settlement of its obligations and the delivery of basic services and to provide adequate facilities to its constituents;

WHEREAS, there is a need to maximize the generation of revenues from the processing and issuance of business permits and this objective may be better achieved by prescribing procedures to effect its efficient collection;

WHEREAS, the issuance of this Order is an essential and necessary component to achieve this objective bearing in mind that in the conduct of business, requirements of pertinent laws should also be complied with and that a business permit is only a privilege and not a right.

NOW, THEREFORE, I CELSO L. LOBREGAT, City Mayor of Zamboanga, by virtue of the powers vested in me by law, do hereby ORDER:

A.   TREATMENT OF BUSINESS APPLICATIONS.

1.   Whenever a NEW application for issuance of a business permit is filed for the first time with the Business Permits and Licensing Division (BPLO), Office of the City Mayor but the business establishment is known upon disclosure, investigation/inspection TO HAVE BEEN IN EXISTENCE, then the assessment shall cover the previous year's gross sales only, and all other appropriate fees and charges, et al.

        Further, this new application would be considered as a RENEWAL instead;

2.   Whenever an applicant files for a NEW application but available records reveal that either a PREVIOUS APPLICATION has been filed which for one reason or another was not perfected or not acted upon but it appears that a PREVIOUS PERMIT has been issued, then all delinquencies in payment of taxes, fees and penalties shall be applied. Thereafter, the application shall be treated as a RENEWAL;

B.   LOCATIONAL CLEARANCE

3.   In case of a new business, a locational clearance and temporary permit shall be secured from the City Planning and Development Office.

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4.   In case of renewal, the locational clearance and occupancy permit previously issued to a structure/ building in which a business establishment is located and operating, the verification and confirmation thereof, would suffice the approval of such application for renewal.

5.   Temporary locational clearance shall be renewed subject to the payment of annual fees and charges.

C.   AFFIDAVIT OF UNDERTAKING

6.   All previous Affidavits of Undertaking shall be complied on the expiry/effectivity dates appearing therein. However, for the non-compliant business establishments/operators, an extension until June 30, 2006 may be granted. In which case, the applicant shall execute anew such duly notarized Affidavit of Undertaking and shall comply with the terms thereof otherwise his/her business permit is deemed revoked/cancelled.

D.   ADVANCE ASSESSMENT AND PAYMENT PROCEDURE

7.   To effect proper assessment of business application and avoid the so called "rush-hour", the "advance-assessment-and-payment-scheme" is hereby adopted for any application for renewal with the BPLO prior to the processing of concerned offices/departments of said application and the submission of the requisite documents for such renewal. However, for failure of the applicant to comply/submit the requisite documents without valid reasons, such advance payment shall be forfeited in favor of the City of Zamboanga.

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E.   NATURE OF BUSINESS PERMIT

8.   The issuance of a Business Permit shall not in any way be construed to legalize any illegal activity or any illegal act. Violation of any existing laws and ordinances shall subject the permit to its revocation/cancellation being only a privilege and not a right.

F.   EFFECTIVITY:

9.   This Administrative Order shall take effect immediately.

SO ORDERED.

Done in the City of Zamboanga, Philippines, December 29, 2005.

CELSO L. LOBREGAT
City Mayor

Annex 18

New Business Permit Application for Corporations: Comparison of the Top 10 Cities*

	1 *TAGUIG*	*2* *LAPU-LAPU*	*3* *MARIKINA***	*4* *CEBU*	*5* *MANDALUYONG***
Documentary Requirements	SEC registration; barangay clearance; CTC; contract of lease; comprehensive general liability insurance; location sketch	SEC registration; barangay clearance; contract of lease; sketch map; CTC	barangay clearance; photos of establishment; SEC registration; CTC; contract of lease; business permit of lessor; sanitary permit; fire inspection certificate; occupancy permit	SEC registration; articles of incorporation; CTC	barangay clearance; locational clearance; SEC registration; articles of incorporation; contract of lease; pictures of establishment; CTC
Steps	1 obtain and notarize application form 2 submit documents and application at Customer Service Office (CSO) 3 wait for assessment at CSO and pay at Treasury 4 get permit at BPLO	1 submit application and documents at Treasury for verification and assessment 2 payment of fees 3 present document for scheduling of inspection 4 use claim stub for getting permit	1 submit application and documents at BPLO for review, encoding and assessment 2 pay at Treasury 3 get permit at BPLO	1 notarize application form 2 submit application and documents at BTFD for verification and assessment 3 pay at the Treasury 4 Issuance of Business Tax Payment Certificate at BTFD 5 schedule inspection of the establishment	1 notarize application form 2 obtain locational clearance at CPDO 3 get assessment of regulatory fees at Engineering 4 submit assessment and documents to BPLO for review and approval 5 get billing slip and pay at Treasury 6 get plate and permit right after at BPLO

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	1 TAGUIG	2 LAPU-LAPU	3 MARIKINA**	4 CEBU	5 MANDALUYONG**
Fees	business tax; garbage fee; mayor's permit fee; sanitary fee; sticker / plate; medical / health fee; sanitary inspections fee; building inspection fee; mechanical inspection fee; electrical inspection fee; signboard fee; site permit fee; fire protection fee	business tax; permit fee; sanitary inspection fee; garbage fee; fire inspection fee; location clearance; sticker/plate; tax clearance; police clearance	business tax; mayor's permit fee; signboard fee; garbage charge for trading and manufacturing business	business tax; permit fee; zoning fee; sanitary permit; garbage fee; building inspection; fire protection fee	business tax; permit fee; garbage charges; sanitary fee; building inspection; electrical inspection; plumbing inspection; signboard fee; fire protection fee; sticker fee; plate fee

	6 MANDAUE	7 CALOOCAN	8 PARAÑAQUE	9 QUEZON CITY	10 NAVOTAS
Documentary Requirements	barangay clearance; locational clearance; SEC registration; company profile; CTC	SEC registration; barangay clearance; notarized application; CTC; Contract of lease; Public liability legal Insurance; vicinity map; picture of establishment	SEC registration; barangay clearance; contract of lease; photocopy of occupancy permit; picture of establishment	barangay clearance; locational clearance; Fire safety inspection certification; SEC registration; certificate of electrical inspection	SEC registration; articles of incorporation; CTC; barangay clearance; locational clearance; contract of lease; picture and sketch of business establishment

	6 *MANDAUE*	7 *CALOOCAN*	8 *PARAÑAQUE*	9 *QUEZON CITY*	10 *NAVOTAS*
Steps	1 notarize forms 2 submit forms at BPLO for encoding and assessment 3 get Realty Tax Clearance from Treasury 4 get locational clearance from CPDO 5 get billing (BPLO) and pay at Treasury 6 obtain permit at Administrator's Office	1 notarize application form 2 submit application and documents to the BPLO for review, encoding and assessment 3 BPLO inspects the establishment within the day or the next day 4 pay at the Treasury 5 get permit at BPLO	1 get locational clearance at CPDO 2 obtain form at BPLO and get it notarized 3 submit documents and application at BPLO 4 get statement of account for assessed fees and taxes from Electronic Data Processing Office 5 pay at Treasury 6 present receipt at Health Office for sanitary permit 7 get permit at BPLO	1 notarize application form 2 get Fire clearance 3 submit documents and application at BPLO for evaluation, encoding and wait for claim stub (date and number permit is ready for pickup) 4 get assessment at Treasury and pay	1 notarize application form 2 get locational clearance at CPDO 3 get assessment of inspection fees at Office of Building Official 4 submit documents at BPLO and get assessment 5 pay at Treasury 6 present receipt to Health Office for sanitary permit 7 get permit at BPLO
Fees	permit fee; public safety fee; sanitary inspection; business tax; fire inspection certificate; garbage fee; business plate	business tax; permit fee; sticker/plate; refuse fee; sanitary permit fee; building inspection fee; electrical inspection fee; mechanical inspection fee; plumbing inspection fee; signboard inspection fee; fire safety	business tax; permit fee; garbage fee; sanitary fee; building fee; electrical fee; signboard fee; plumbing fee; miscellaneous; fire inspection	business tax; permit fee; sanitary permit; signboard fee; plate; qcbrb; zoning clearance; garbage fee	zoning processing fee; building inspection fee; plumbing inspection; mechanical inspection; electrical inspection; business tax; permit fee; garbage fee; mayor's certificate; signboard fee; business plate; sticker; sanitary permit

Note: *All LGUs ask for Barangay Clearance and Community Tax Certificate as requirements for processing the application. These two steps are no longer included in the table.

　　**incorporated some amendments based on field research and interviews

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Annex 19
Sample One-Stop Shop (Cabuyao, Laguna)
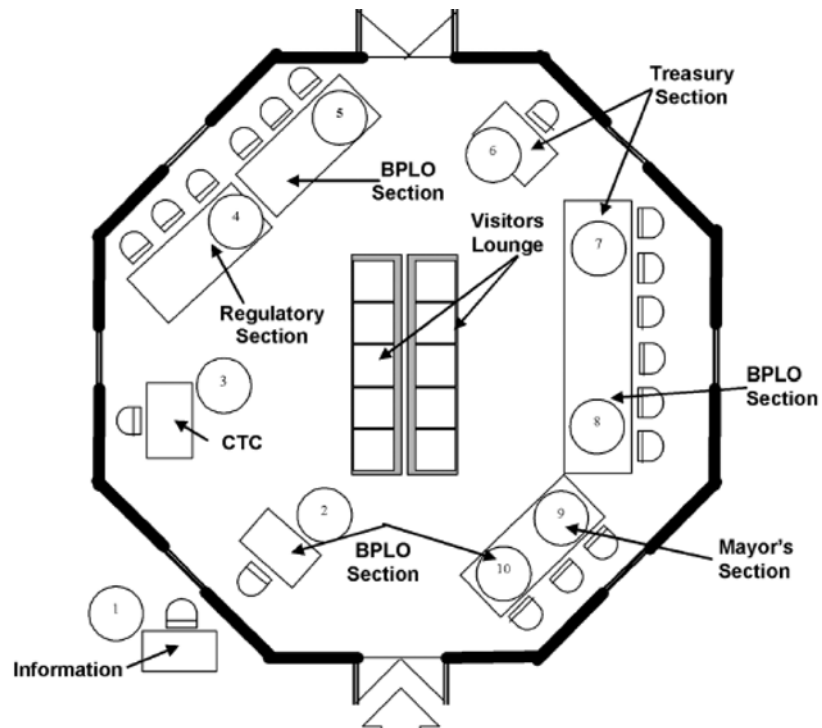
Annex 20

A Graphical Demonstration of the Computerized Business Permit and Licensing System of Santa Rosa City

Santa Rosa City recently installed a new computer system for the processing of BPL. The city chose to engage a private company in implementing the project with the cost shared between the LGU and the LOGOFIND project of the DOF-MDFO. The new system can handle the processing of business records, tax assessment, tax collection, reports, and executive information. It also has file maintenance and systems management features as shown in its home page below.

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...ganized template seen below.

The system provides automatic assessment of taxes and fees based on the formula provided in the city's Local Tax Ordinance.

Business permits could only be printed once the applicant has paid the taxes and fees at the Treasurer's Office, which is electronically linked with the BPLO. The linkup allows for a shared database and real time access to information between the two offices.

The system is capable of generating various reports such as lists of new business establishments, top corporations by gross receipt, total number of establishments per nature of business, among others.

Various reports useful to the Treasurer's Office can also be generated such as daily or monthly collection reports, certifications, abstract of collections (Commission on Audit format), notice of delinquency, etc.

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The system also provides digitized maps that can show the location and picture of a particular business establishment. The user can filter the map to show only businesses falling under a particular criterion such as registration status, nature of business, etc.
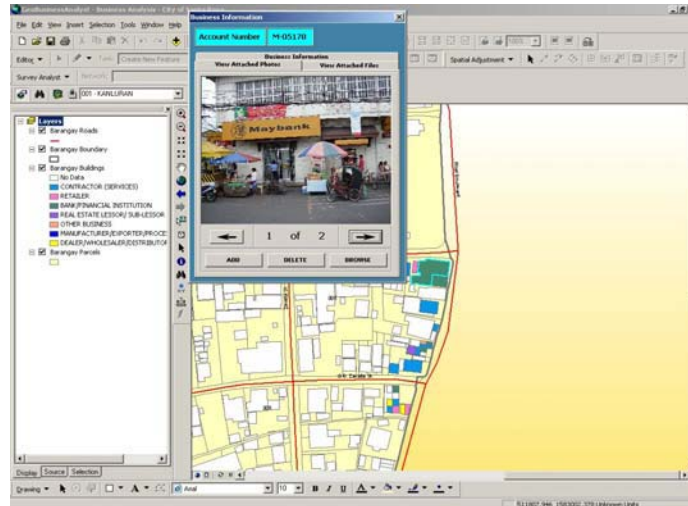
Annex 21
Tools for Computerization Program

Equipment	Benefit	Disadvantage	Approximate Cost (as of May 2008)
Desktop Computer	• less time consumed in filling in data • easy access to database • immediate upload of data into the information system • upgradable peripherals • may be placed on a per step/window basis	• will not function during power failures • obsolescence in a few months • stationary in one desk	• PHP25,000 (mid-range)
Laptop Computer	• less time consumed in filling in data • easy access to database • immediate upload of data into the information system • upgradable peripherals • may be placed on a per step/window basis • portable and may be moved to different station depending on demand per step • can function for a limited time during power failures	• obsolescence in a few months • difficult to upgrade peripherals	• PHP30,000 (not high-end, but functional)
Printer	• fast generation of fees, receipts, approvals, inspections and permits • although printers may be shared by a few computers, it is more efficient to attach a printer for each computer terminal	• if security is low, some civil servants may print important documents arbitrarily if printer is readily available to everyone	• PHP3,500 (inkjet) • PHP11,000 (laserjet)
Microsoft Windows	• familiar to most users	• it is expensive • has security issues	• PHP7,000 per computer
Microsoft	• familiar to most users	• it is expensive	• PHP7,000 for

Equipment	Benefit	Disadvantage	Approximate Cost (as of May 2008)
Open Office	• free	• users need a few days to familiarize themselves with this system, • will incur costs for training	• free
Security Software	• ensures that information is only accessed by key personnel • database is secure from illegal or non-authorized users • IT experts are capable of creating such a program for the LGU	• expensive • if purchased, LGU may need to pay more for customized programs depending on the needs of the BPLS	• depends on the type of program
Network Connection	• database may be shared by all authorized users in the building	• can be hacked into if security is not established	• PHP2,000 Wifi LAN for each computer • PHP5,000 Wifi N Router for each cluster (computers are grouped together according to proximity)
Internet Connection	• LGUs may share databases and information systems with other LGUs and NGAs	• can be hacked into if security is not established	• PHP4,000-5,000 monthly depending on the speed and provider
Automatic Wireless Queuing System	• organizes and automates queuing for each step	• will not function during power failures	• PHP10,000-25,000 (approximation)
Digital Camera / Web Camera	• may be used to photograph applicant that will be printed on the permit itself	• is not really necessary if applicant may simply attach his/her photograph on the permit	• PHP10,000 (mid-range digital cameras) • PHP1,000 (mid-range webcams)

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Annex 22
Types of Communication Strategies

Collateral	Benefit	Disadvantage	Approximate Cost (as of May 2008)
Business Cards	• personal touch for LGU frontliner • contains all contact information		• PHP150+/box of 300
Phone Calls	• pro-active marketing of new system	• some if not most recipients find phone calls too obtrusive	• free
Website	• contains all information • information can be accessed any time at convenience of applicants/clients • can accept all forms of inquiries • can contain downloadable forms • can also host a forum where clients/applicants may post inquiries and feedback	• need to be updated regularly • need to be maintained by a point person: webmaster • monthly fees for webhosting • salary of webmaster • can only be accessed via internet • if not secure, can be hacked into	• domain registration $10 • web hosting (depends on plan availed) • internet connection PHP4,000-5,000 monthly • salary of webmaster
Brochure	• very business like • can be given to potential investors • contains truncated version of BPLS system and all contact information	• good ones are expensive • limited copies depending on amount printed	• depends on type of brochure
Templates	• this means that all mediums (letters, envelops, PowerPoint presentation, websites, budget headers, brochures) will use a similar template and give a very professional feel to LGU • easily identified with LGU		• honoraria for designer, if needed
Signage	• can be posted on location • contains all steps, requirements and other relevant information	• has a specific lifespan especially if signage is exposed to elements • can be vandalized if not in a secure place	• for tarpaulins – PHP25/sq foot • frames range from PHP2,000 to 5,000 each

Collateral	Benefit	Disadvantage	Approximate Cost (as of May 2008)
Internet – Search Engines	• optimized use of search engines making it easier for potential investors to look for relevant information on BPLS • website can be linked to other government and relevant sites • steps and requirements may be posted in government and other relevant sites	• if not secure, can be hacked into • may generate spam (porn pop-ups) for users if not secure	• usually free with domain hosting
Email listings	• LGU can use this medium to disseminate updates and relevant information via email listings.	• email listings are ideally subscribed to by interested and existing investors, if unsolicited, email may wind up in spam folders	• free
Newspaper	• popular medium that reaches a relatively large number of target audiences	• ads have limited shelf life (usually a day)	• depends on size of ad and what newspaper
Television	• popular medium that reaches a relatively large number of target audiences • ads aired several times during the day	• ads have limited shelf life (depending on contract) • expensive	• depends on network, length of ad and time of airing
Direct Mail	• pro-active marketing of new system	• not environmentally friendly as it consumes too much paper • some if not most recipients are likely to disregard it as junk mail	• cost of paper, envelop, printing and postage
Radio	• popular medium that reaches a relatively large number of target audiences • ads aired several times during the day	• ads have limited shelf life (depending on contract) • expensive	• depends on station, length of ad and time of airing
Magazines	• popular medium that reaches a relatively large number of target audiences	• ads have limited shelf life (a month)	• depends on size of ad, placement of ad and what magazine

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Annex 23
Sample Training Program (Iloilo City)

RATIONALE	The Basic Customer Service Skills Seminar is part of the PUBLIC SERVICE EXCELLENCE PROGRAM prepared by the Associates in Rural Development and made possible through the support provided by the United States Agency for International Development and is adopted by the Civil Service Commission. Because of the rising expectations of the transacting public for prompt, efficient delivery of services in the bureaucracy, it is therefore necessary to conduct a training that has assured positive form in terms of attitude and commitment from our employees to improve customer service. It is a two-day training prescribed for frontline service providers in order to develop a customer-oriented culture in the organization. This aims to equip the participants with skills that will not only enable them to please their customers, but might make them enjoy their work even more.
PROJECT DESCRIPTION	There will be 40 participants of this training. The training is centered on the approaches of the employees who are assigned to the frontline servicing of the clientele. And the end training, the participants shall be able to: • Understand the importance of service excellence; • Discover the critical role of the employee in providing excellent service in their organization; • Gain better understanding of customer behavior; and • Acquire skills in handling different types of customers.
ACTIVITY PLAN	Frontline Servicing: Productivity Improvement of Business Permit & Licensing Procedures & Documentation Interaction & Expertise/ Experience Sharing & Agreements of Participants

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SCHEDULE OF ACTIVITIES

DAY 1

08:00	08:15	Registration/Opening Program
08:15	08:45	Introduction and Overview of the Course
08:45	10:00	Service Excellence and its Importance
10:00	10:15	COFFEE BREAK
10:15	10:30	Service Excellence and its Importance (cont.)
10:30	12:00	Developing a Customer Oriented Service Culture
12:00	01:00	LUNCH BREAK
01:00	03:00	Developing a Customer Oriented Service Culture (cont.)
03:00	03:15	COFFEE BREAK
03:15	05:00	Moments of Truth

DAY 2

08:00	08:15	Homeroom Activity
08:15	10:00	Creating a Service Excellence Environment Through Customer Feedback
10:00	10:15	COFFEE BREAK
10:15	12:00	Understanding Ourselves and the Customers
12:00	01:00	LUNCH BREAK
01:00	02:00	Understanding Ourselves and the Customers (cont.)
02:00	04:00	Skills in Building Customer Satisfaction
04:00	04:45	The Challenge of Service
04:45	05:00	Evaluation / Closing Program

Annex 24
Sample Ordinance to Implement Simplified Process

Republic of the Philippines
Municipality of Pinoy
Province of Pinay

OFFICE OF THE SANGGUNIANG BAYAN

MUNICIPAL ORDINANCE NO. 12345

AN ORDINANCE ESTABLISHING A SIMPLIFIED BUSINESS PERMIT AND LICENSING PROCESS IN THE MUNICIPALITY OF PINOY

Section 1. Short Title. This Ordinance shall be known as and referred to as the "BUSINESS REGISTRATION SIMPLIFICATION PROGRAM".

Section 2. Declaration of Policies. It shall be the policy of the municipal government of Pinoy to:

(a) advocate the continuous improvement of public service delivery including regulatory services to remain relevant to the changing needs of the time;

(b) create an environment conducive to local economic promotion by significantly improving its internal regulatory system;

(c) adopt modern systems and procedures that are customer-friendly, and install mechanisms that are cost-efficient for both the local bureaucracy and the transacting public; and

(d) enhance local revenue generation from business taxation without necessarily jeopardizing public safety and interest.

Section 3. Definition of Terms. As used in this Ordinance, the following terms shall mean:

Business Registration Simplification
the process of removing the complexities found in the existing practice of issuing a business permit and license to new or old applicants. It involves the identification and removal of unnecessary steps in the application and renewal of business permit and licenses.

Simplification Committee
An ad hoc body in charge of carrying out the business registration simplification program of the municipality

Oversight Sub-committee (OSC)
A sub-committee of the Simplification Committee in charge of supervising the work of the Technical Working Group

Technical Working Group (TWG)
A sub-committee of the Simplification Committee in charge of studying the current process flow of business permit and licensing system, and how to improve the existing process

Simplification Strategies and Tools
These refer to an array of proven strategies and tools used by other LGUs to simplify their business registration process. These include the following or a combination thereof; simplification of the business permit and licensing process; establishing one-stop shops; modernizing technology; and information, education, and communication campaign.

Section 4. Business Registration Simplification Goals. The task of simplifying the business permit and licensing process in the LGU is an inter-agency effort of the different offices involved in the issuance of business permits and licenses with the cooperation of the Sangguniang Bayan and a representative of the local chamber of commerce and industry. Its goal is to make the process as easy and as convenient as possible by significantly cutting down processing time and resources. Ultimately, it aims to create an environment that is business-friendly and, thus, attractive to investments.

Section 5. Implementing Organization. The Simplification Committee through its OSC and TWG is the main implementer of the Business Registration Simplification Program. Its functions and responsibilities are provided in the Executive Order that created it.

Section 6. Appropriation. There shall be appropriated from the general fund of the municipal government sufficient amount to finance the implementation of the Business Registration Simplification Program. The Simplification Committee will determine the initial budget for the Program, to be concurred by the Local Finance Committee.

Section 7. Implementing Rules and Regulations. The local chief executive, in consultation with the OSC and TWG , shall formulate the necessary rules and regulations for the effective implementation of the Program, within 30 days after the effectivity of this ordinance.

Section 8. Effectivity. This ordinance shall take effect within 30 days immediately upon its approval.

ENACTED this 20th day of August 2008 on motion of Kagawad Juan dela Cruz duly seconded by Kagawad Maria Santos.

I HEREBY CERTIFY to the correctness of the foregoing ordinance which was duly enacted by the Sangguniang Bayan during its 23rd Regular Session held on 27 August 2008.

(Sgd)   **MARIA DELA CRUZ**
Secretary to the Sanggunian

ATTESTED AND CERTIFIED TO
BE DULY ENACTED:

(Sgd)   **JUAN LOPEZ**
Vice Mayor

APPROVED: (Sgd)   **JOSE CRUZ**
Mayor

Annex 25
Types of Feedback Mechanisms

Feedback Mechanism	Benefit	Disadvantage	Approximate Cost (as of May 2008)
Website	• receive inquiries and feedback in real time • respondents may give their feedback at their convenience • can be accessed anytime via web • paperless and environmentally-friendly • respondents may post anonymously	• can only be accessed via internet • need to post a permanent moderator to regularly check and respond to incoming inquiries and feedback • no direct contact may be made to anonymous respondents to give them feedback on their concerns • feedbacks are random and may not be specific	• PHP4,000-PHP5,000 for monthly internet subscription • salary of web master
Email	• receive inquiries and feedback in real time • respondents may give their feedback at their convenience • can be accessed anytime via web • paperless and environmentally-friendly • responding to emails may be assigned to one or two key personnel who are well-versed with BPLS, and they may not necessarily be IT experts • LGU is able to give updates to respondents regarding their concerns	• can only be accessed via internet • need to post a permanent moderator to regularly check and respond to incoming inquiries and feedback • respondents lose anonymity as they will be responding through their an identifying email address; may actually deter some respondents from giving feedback	• PHP4,000-PHP5,000 for monthly internet subscription • no additional salary for point person, as they can be a member of the LGU's regular staff
Online Forum	• can be a section on the LGU's official website • it may not only focus on BPLS concerns but other issues within the locality • receive inquiries and feedback in real time • respondents may give their feedback at their convenience • can be accessed anytime via web • paperless and environmentally-friendly	• can only be accessed via internet • need to post a permanent moderator to regularly check and respond to incoming inquiries and feedback • feedbacks are random and may not be specific	• PHP4,000-PHP5,000 for monthly internet subscription • no additional salary for point person, as they can be a member of the LGU's regular staff

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Feedback Mechanism	Benefit	Disadvantage	Approximate Cost (as of May 2008)
	• moderating the forum may be assigned to one or two key personnel who are well-versed with BPLS and they may not necessarily be IT experts • LGU is able to give updates to respondents regarding their concerns		
Focus Group Discussion	• LGU can gather specific feedback • personal approach to respondents	• time consuming • will be subject to availability of respondents • some respondents may not be comfortable giving feedback personally • will require documentation and post-processing from LGU • respondents may be influenced by facilitator	• rent of venue (if needed) • honoraria for documentor and facilitator
Suggestion Boxes	• can be posted within the business area • accessible to all applicants • anonymous • may be checked at the end of each business day	• requires paper and pen • it may take too much effort for possible respondents • feedback may not be specific and cannot be clarified from the respondent	• PHP100-PHP500, depending on size of box • cost of paper and writing supply
Feedback Forms	• can be posted within the business area • accessible to all applicants • anonymous • may be checked at the end of each business day	• requires paper and pen • it may take too much effort for possible respondents • feedback may not be specific and cannot be clarified from the respondent	• cost of paper and writing supply
Third Party Surveys	• proactive mechanism that gathers particular pieces of information • no bias on data gatherers • objective instruments that targets specific areas of concern for the LGU	• it is costly • requires a considerable amount of time for all responses to be processed • respondents may find one-on-one interviews inconvenient and uncomfortable • will be subject to canvass and procurement processes	• depends on quotation from third party

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Annex 26
Sample Business Plate (Marikina City)

Annex 27
Sample Business Permit (Surigao City)

Annex 28
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Annex 29
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