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# **Integrated Assessment Report on the Business Permit and Licensing System (BPLS) Reforms in CDI Cities in 2013**

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## **Investment Enabling Environment (INVEST) Project**

Submitted to

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## ACRONYMS

BFP	Bureau of Fire Protection
BIR	Bureau of Internal Revenue
BCSS	Basic Customer Service Skills
BOSS	Business One-Stop-Shop
BPLD	Business Permits and Licensing Division
BPLO	Business Permits and Licensing Office
BPLS	Business Permit and Licensing System
CDO	Cagayan de Oro
CENRO	City Environment and Natural Resources Office
CEPO	City Environmental Permit to Operate
CEO	City Engineer's Office
CHO	City Health Office
CIP-TWG	City INVEST Project-Technical Working Group
CPDO	City Planning and Development Office
CTO	City Treasurer's Office
DILG	Department of the Interior and Local Government
DTI	Department of Trade and Industry
FSIC	Fire Safety Inspection Certificate
IFC	International Finance Corporation
INVEST	Investment Enabling Environment Project
JMC	DTI-DILG Joint Memorandum Circular
LGU	Local Government Unit
NGA	National Government Agency
PAD	Public Assistance Desk
OCVAS	Office of the City Veterinary and Agricultural Services
OSS	One Stop-Shop
PhilHealth	Philippine Health Insurance Corporation
RCB	Regulatory Compliance Board
SEC	Security and Exchange Commission
SSS	Social Security System
TDW	Tax Due Worksheet
TWG	Technical Working Group
UAF	Unified Application Form
USAID	United States Agency for International Development

## I. INTRODUCTION

The Investment Enabling Environment (INVEST) Project of United States Agency for International Development (USAID) aims to assist the Philippine government in improving the enabling environment for investments. It has two broad objectives: (1) to lower the cost of doing business attributed to local level regulations and processes in securing business permits; and (2) to increase the flow of private investments and the number of business start-ups in the Philippines.

Relative to the first objective, the Project sought to: (1) ensure compliance in cities of the standards set by the Joint Memorandum Circular No. 1 (Series of 2010) of the Department of the Interior and Local Government (DILG) and the Department of Trade and Industry (DTI) on the streamlining of the Business Permits and Licensing System (BPLS); (2) improve the operation of Business One-Stop-Shops (BOSS) in INVEST partner cities; and (3) enhance the system of inspections followed in these partner cities. The INVEST partner cities are the cities of Batangas, Iloilo and Cagayan de Oro.

This report discusses the extent to which the reforms included in the cities' action plans have been implemented. The Project contracted three universities located in the partner cities to perform third-party assessment<sup>1</sup>. They were contracted to: (1) perform a time and motion study of the permitting process for new business applications and business renewals; (2) conduct an exit interview of those who went through the permitting process for each of the cities, as part of a Customer Satisfaction Survey; (3) conduct an ocular assessment of the BOSS in each of the cities; and (4) assess the inspection system in the cities. By involving the academic community in the BPLS assessment, the Project contributes to the strengthening of the private sector's role in promoting BPLS reforms undertaken by the city governments.

This study is part of Output 1.2 under Deliverable 1, Program Area 1.1 of Component 1. This report focuses on the assessment of the BPLS reforms and the BOSS enhancements. A separate report will be submitted for the assessment of inspection reforms.

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<sup>1</sup> These academic institutions include, namely: Batangas State University for Batangas City; University of the Philippines Visayas, College of Management for Iloilo City; and Capitol University for Cagayan de Oro City.

## II. FRAMEWORK AND METHODOLOGY OF THE STUDY

### **A. Background: INVEST Technical Support to the Partner Cities**

INVEST provided four technical support/intervention activities in the partner cities as part of the BPLS reform program. These included:

- (1) self-assessment (diagnostic) workshops to gather baseline information on the current conditions of business permitting in the city;
- (2) automation workshops aimed at gathering information on the extent of computerization of business permitting operations in the city;
- (3) local study tours; and
- (4) customer relations workshops.

In May to July of 2012, the Project assessed the business permitting and inspection processes of the partner cities. The assessment comprised the diagnostic phase or the first stage of the Project's city-level engagement. INVEST also sponsored the exposure visit of the city's officials to model cities/best practice in BPLS, particularly Valenzuela City, Olongapo City, Quezon City, Manila and Taguig. The results of the assessment and the lessons learned from the study tour served as important bases for the BPLS reform agenda of the cities. The reform agendas were translated into city action plans during the self-assessment workshops conducted in June 2012.

Since automation is a key element in implementing a streamlined BPLS, INVEST organized automation workshops in the cities. The workshops' main objective was to produce solutions and software design consistent with the re-engineered BPLS to be implemented in the cities. The proposed automation design for each city was divided into two phases. The first phase focused on improvements that required minimal automation fixes to the existing BPLS but will enhance its operation in time for the January 2013 business permit renewal period. The first phase was intended for deployment in September to December 2012. The second phase focused on improvements that required a major overhaul of the BPLS and enhancement of the city's information technology (IT) infrastructure.

The Project also provided a customized Basic Customer Service Skills (BCSS) training to the service providers of the streamlined and updated systems and procedures of the BOSS in the partner cities. The training consisted of two parts: the first entitled "Excellence in Customer Service" covered the basic concepts and principles in customer relations, while the second, "Creating a Service Excellence Environment through Customer Feedback", focused on the application of the basic concepts and principles in customer relations in particular situations and on gathering customer feedback. The BCSS training was conducted in Iloilo city and Cagayan de Oro City on December 10 to 11, 2012 and December 13 to 14, 2012, respectively. It was also conducted in Batangas City on December 19 to 20, 2012 in preparation for the annual business renewal period in January 2013.

### **B. Objectives and Scope of the Study**

After almost a year of providing technical assistance to the partner cities, the Project contracted the conduct of this study to provide an objective and scientific assessment of the partner cities' "reformed" business registration processes. The main objective

of the study is to assess BPLS reforms in the partner cities in areas such as the processing of applications for business permit renewals, the processing of new business permit applications, and the operations of the BOSS. Specifically, the study will assess the following:

1. The procedures and steps, the processing time and the documentary requirements that an applicant has to follow before a new business permit or a renewed permit is issued;
2. The effectiveness and efficiency of the management of the BOSS by the partner cities; and
3. The perception of applicants on the efficiency of the process and the satisfaction with the service by the frontline staff and the comfort of the surroundings/site

The results of the assessment will be used to: (1) identify further reforms in business processing that the cities can set up in 2013-2014; and (2) evaluate the success of the INVEST Project in promoting regulatory reforms that reduce the cost of doing business in the partner cities.

### **C. Methodology**

To illustrate and assess the BPLS reforms implemented in the three cities, the study employed process observation, informant interviews and desk research. It also utilized baseline information, such as the standards contained in the DILG-DTI JMC 1 and the results of the 2012 assessment (done during the diagnostic phase). The customer satisfaction survey was conducted through exit interviews using a questionnaire and the results were compared with the 2012 baseline data.

#### **1. Process Observation/Diagnosis – New and Renewal Applications for Business Permits<sup>2</sup>**

Data were collected through direct process observation and measured using a time and motion study. The latter is a method of documenting and measuring the elements of a process, such as the simple tasks, the sequence of movements involved in performing the tasks, and the exact time for each movement. In this particular study, applicants were observed as they applied for the renewal of their business permits during the January 2013 renewal period. For new business registrations, the observation was done in February 2013.

Data were recorded in a diagnostic template, called a process table, which contained the process elements and its definitions. Data in the process table were tabulated for nine indicators (see box). The purpose and output of each step, the types of application forms used, the offices involved in the steps, and their locations were also documented. The process indicators for each city were analyzed against the national standards set in the JMC 1 and the results of the 2012 BPLS assessment.

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<sup>2</sup> The assessment was conducted in January 2013 for the business renewal processes and the BOSS, and in February 2013 for new business permit applications.

**PROCESS INDICATORS**

- (1) Number of steps;
- (2) Number of forms;
- (3) Total monetary cost;
- (4) Number of signatories;
- (5) Number of offices visited by the applicant;
- (6) Number of required documents;
- (7) Number of visits per office;
- (8) Total length of processing time (travel time, waiting time and transaction time); and
- (9) Number of persons involved per step (average).

**2. Diagnosis of the BOSS**

The assessment of the BOSS was done mainly through observation using guide questions (see box). The operations and participants in the BOSS, the queuing system and layout of the area, and the end-results of the processes undertaken in the BOSS were looked at.

<b>Guide Questions for BOSS Diagnosis</b>	
<p><b><u>Layout of the Area</u></b></p> <ul style="list-style-type: none"> <li>-Was there a designated BOSS area?</li> <li>-How large was the BOSS area (approximate size)?</li> <li>-How was it organized (layout)? Were the processes/transactions all in one floor? Were there easy to understand flowcharts indicating the steps in renewing a business permit? In what dialect/language was the flowchart rendered?</li> <li>-Were there amenities, e.g. coffee, TV, aircon/electric fans in the BOSS area?</li> <li>-Were enough chairs in the waiting areas. If no, please indicate specific area?</li> <li>-Were there toilet facilities in the BOSS? Or were the toilets near the BOSS?</li> </ul>	<p><b><u>Participants</u></b></p> <ul style="list-style-type: none"> <li>-Which city offices and/or national government agencies or NGAs were in the BOSS (e.g. barangay officials, Bureau of Fire Protection, SSS)?</li> <li>-What were the processes conducted by these offices/agencies?</li> <li>-Were representatives of these offices always present in the BOSS?</li> <li>-How long did the applicants have to wait before their applications were attended to by the NGAs?</li> <li>-How long did it take the NGAs to process the applications?</li> </ul>
<p><b><u>Queuing System</u></b></p> <ul style="list-style-type: none"> <li>-Describe the queuing system. Was the queuing system implemented properly?</li> <li>-Was there a difference in the operation of the BOSS area during peak and non-peak days?</li> </ul>	<p><b><u>BOSS Operations</u></b></p> <ul style="list-style-type: none"> <li>-Was there a taxpayers' assistance/help desk?</li> </ul>
<p><b><u>End-results</u></b></p> <ul style="list-style-type: none"> <li>-Did the applicants receive the permit at the end of the process in the BOSS? If not, was the applicant told to come back another time to get the permit?</li> <li>-If the permit was not received, what did the applicant do?</li> <li>-Did the applicants need to leave the BOSS area at any stage to comply with any requirement (including photocopying requirements)? If yes, requirement was photocopied?</li> </ul>	

**3. Customer Satisfaction Exit Interviews**

Perceptions toward the business permitting processes were gathered by conducting interviews of applicants as they completed the process or a step in the process. Also included in the sample were those that had recently registered their new businesses. The semi-structured interview measured the perceptions and attitudes toward the



efficiency of the process, the service provided by the frontline staff and the comfort of the surroundings/sites. Responses were tabulated and encoded.

#### 4. National Standards

The national standards that are contained in the JMC 1 and against which the indicators of the business registration processes were measured are:

- (1) a maximum of ten days to register a new business and five days for business renewals;
- (2) a maximum of five signatories;
- (3) a maximum of five steps to register businesses; and
- (4) the use of a single and unified application form for new registration and renewals.

The prescribed number of days and signatories adopt the stipulations in the Anti-Red Tape Act.

Apart from complying with these standards, the JMC enjoined LGUs to meet best practice indicators from other LGUs that have streamlined their systems. On the number of days, the JMC advocated for five days or less for the processing of new business permits. On the number of signatories, the JMC pushed for only two signatories. To assist the cities in meeting the standards, the JMC promoted certain solutions and cited good practices (see box).

<b>GOOD PRACTICES IN BUSINESS REGISTRATION PROCESSES</b>
<ol style="list-style-type: none"><li>a. Prior inspections to be undertaken within the year after the issuance of the new business permit;</li><li>b. Given the holding of prior inspections, the non-repetition during the business registration process of inspections undertaken for compliance with zoning and environment ordinances, building and fire safety, health and sanitation regulations already undertaken during the construction stage;</li><li>c. The organization of joint inspection teams composed of the different offices with business permitting-related inspections;</li><li>d. The execution of a Memorandum of Agreement between an LGU and the Bureau of Fire Protection (BFP) to implement streamlined procedures for assessing and paying fire code fees that will enable the LGUs to meet the standards; and,</li><li>e. The use of alternate signatories.</li></ol>
<i>Source: DILG-DTI JMC 1, 2010</i>

#### 5. Perspective of the Study

The assessment results will be used by the cities' City INVEST Project-Technical Working Groups (CIP-TWGs) for operational feedback, as opposed to benchmarking with other cities. Thus, the perspective of the study is that applicants begin the process without complete information and without full knowledge of the requirements. The end-to-end process that is the scope of the study begins from the first requirement that the applicant has to secure to apply for a new business permit, whether it is by a city office or outside of it, like the *barangay clearance* or a national

agency certification. The process ends with the release of the business permit and compliance with all the required post inspections.

Operationally, this will give the TWG members a broad scope of process indicator results with which to analyze and use as basis for streamlining efforts. It will also give them feedback about what information is lacking about the process and thus, enable them to conceptualize and execute a more effective information and education campaign for prospective applicants.

## **6. Definition of Indicators**

A set of standard definitions of indicators is necessary to ensure that the process is described accurately and consistently. Due to the perspective of the study, the definitions used for the indicators are in its basic form and are broadly stated so as to capture the behavior that the process requires from the applicant. The exception is for the definition of “step” and “action” for which the study adopted the definition provided by the JMC. The definitions are:

- a. Step – action/s that applicants undertake as part of the process of applying for and/or processing business permits and licenses.
- b. Action – written acknowledgement of receipt, approval or disapproval made by a government agency on the application or request submitted by the client for processing.
- c. Form – any piece of paper (physical or virtual) that the applicant fills out to undertake the steps.
- d. Cost – monetary cost, including official fees and out-of-pocket expenses
- e. Office – the public authority and private establishments that the applicant transacts with.
- f. Signatories – the persons who sign and initial any document given to the applicant.
- g. Total Length of Time Elapsed – the sum of travel time, waiting time and processing time from the time the applicant undertakes the first step within the site to the time s/he receives the business permit and complies with all the required inspections.
- h. No. of Visits (per step) – the number of times the applicant has to queue and transact with the public official at the same step.
- i. Required Document – any document asked of the applicant that is not a step or an output of a step.

### III. INTEGRATED FINDINGS

The 2013 BPLS assessment revealed varying degrees of accomplishments among the partner cities. The cities of Batangas and Cagayan de Oro (CDO) were generally compliant with the JMC standards, even performing better in some performance indicators. However, Iloilo City, while improving on their services from 2012, failed to meet the JMC standards. This section presents a comparative analysis of the performance indicators of the three cities.

#### **A. Comparison of Business Registration Processes for New Business Permit Applicants**

Using the service standards set in the JMC, the three cities generally improved on their performance in 2013 compared to 2012 (Table 1).

*Number of Steps.* Among the cities, Batangas impressively cut down its procedures from 14 steps in 2012 to just 3 steps by 2013, surpassing the five-step standard of the JMC. CDO, on the other hand, reported a five-step process, a drastic improvement over the 17-step process recorded in 2012. In Iloilo City, however, a new applicant will go through a nine-step procedure before s/he can get a Mayor's Permit, still longer than the prescribed five-step process, though better than the 27-step procedure followed in 2012.

*Required Documents.* The pre-requisite documents for new businesses applicants in Batangas, Iloilo, and CDO cities number to three, nine and five documents, respectively.

*Application Form.* Both Batangas and CDO cities followed the unified application form, but the Iloilo City government required two forms to be filled out.

*Signatories.* Compared to the prescribed five approving signatures, only Batangas city complied with the requirement with two signatures. The study tracked 21 signatures and initials for Iloilo city and 7 for CDO city.

*Processing Time.* The applicants spent less than an hour to have their business permits processed in CDO city, more than three hours in Batangas city, and a long 18 days in Iloilo City.

**Table 1.**  
**Comparative Indicators of New Business Registration, By City, 2013**

INDICATORS	BC	Iloilo	CDO
1. No. of Steps	3	9	5
2. No. of Frontline Staff Involved per Step (Average)	3	-	-
3. No. of Required Documents	3	9	5
4. No. of Forms to be filled out	1	2	1
5. No. of Signatories	2	21	7
6. No. of Offices/Establishments Visited	1	4	2
7. Total Length of Processing Time	3H, 21M	18D	46.8M
8. No. of Visits per Office	1-2	1	1
9. No. of BOSS	1	None	1

**B. Comparison of Business Registration Processes for Renewing Business Permit Applicants**

Similar to the processing of new business applications, the cities had better service in 2013 as they adopted a more streamlined business permitting process relative to 2012.

*Number of Steps.* The applicants went through three steps in Batangas city, four in Cagayan de Oro and 12 Iloilo city to complete the processes (Table 2).

*Required Documents.* The applicants in Batangas, Iloilo, and CDO cities were required to present four, 12 and five documents, respectively, as pre-requisites for the processing of their applications.

*Application Form.* All three cities required applicants to fill out only one unified application form, which conformed to the JMC prescription.

*Signatories.* The total signatories and initials reached 15 in Iloilo City; there were only two in Batangas city and four in CDO city.

*Processing Time.* The process took less than two hours in CDO city and less than six hours in Batangas City. In Iloilo, it took two days.

**Table 2.**  
**Comparative Indicators of Business Registration Renewal, By City, 2013**

INDICATORS	BC	Iloilo	CDO
1. No. of Steps	3	12	4
2. No. of Frontline Staff Involved per Step (Average)	5	-	-
3. No. of Required Documents	4	12	5
4. No. of Forms to be filled out	1	1	1
5. No. of Signatories	2	15	4
6. No. of Offices/Establishments Visited	1	3	1
7. Total Length of Processing Time	5H, 38M	2D	1H, 41M
8. No. of Visits per Office	1	-	1
9. No. of BOSS	1	None	1

### C. Comparison of the Boss Set-Up

All three cities had a Business One-Stop-Shop that operated during the renewal period in January 2013.

*Batangas City.* The BOSS facilities, layout and operations drastically improved from 2012 conditions. The LGU spent resources in constructing a temporary but new structure that they called the city government's BOSS with a backroom processing that housed six major offices. The new layout allowed for a more efficient implementation of the streamlined business permitting procedures, which the LGU adopted in 2013. In addition, the LGU operated a BOSS during the 2012 renewal period only (January), while the BOSS that was operational in 2013 continuously operated for the entire year (see Table 3 for a comparison of BOSS features in Batangas city).

*Cagayan de Oro City.* The 2013 BOSS set-up was a far cry from the previous year's in terms of ease, speed and the physical accessibility of one processing desk to another. The BOSS in 2013 proved to be more efficient, with permits processed in about two hours. In the past, as per respondent observation and recall, the process took more than two working days to complete. This remarkable improvement can be attributed to the difference in the number of signatories: where the applicant had to secure 13 signatories in the past, the present BOSS only requires seven. The first signature is obtained upon submission of the application form, two more for tax assessment, one for the Bureau of Fire Protection (BFP), the City Treasurer, and upon claiming of the business permit.

Moreover, the present BOSS maximizes each step in the four-step process by requiring the applicant to fulfill three tasks for submission to one window or service desk. In the past, the one- to two-day processing by the LGU staff necessitated the applicant to go to the BOSS several times. Payment stations were also in the same floor, though not within close proximity to each other. In 2012, the Bureau of Internal Revenue (BIR) and BFP had desks outside BOSS; in 2013, payments to BFP and the city treasurer for the business tax were transacted in adjacent desks in an enclosed square space. A BIR officer was no longer required to be present in the BOSS. The city government allowed bulk processing of multiple accounts through bookkeepers and the city treasurer's office.

A satellite BOSS was also set-up at the DTI office and booths in Carmen and Cogon markets during the renewal period. This was an efficient, but less known and therefore not fully utilized, aspect of the CDO BPLS.

**Table 3. Comparison of BOSS 2012 and 2013, Batangas City**

	2012	2013
<b>Process Flow from the Applicant's Perspective</b>	31	3
<b>Use of Backroom Processing</b>	3 out of 12 signatories	6 out of 6 signatories
<b>Queue Number</b>	Manually written	Computer generated
<b>Period of BOSS Operation</b>	1-month operation	Continuous / year round
<b>NGAs present in BOSS</b>	BFP, SSS, Philhealth, DTI, BIR	BFP, SSS, DTI
<b>Lunch / Snack Break</b>	Stop the operation	Continuous
<b>Multiple Transaction</b>	No special lane	Separate lane for bulk transaction

*Iloilo City.* The city government did not designate or organize a BOSS during the 2013 renewal process as the Mayor believed that the whole City Hall was the government’s BOSS. The whole ground floor of the city hall, however, can be considered as the equivalent of the BOSS area as this is where most of the transactions transpired during the renewal process. The BPLS operations were not designed so as to allow the city to conform to the standards set in the JMC.

#### **D. Results of the Customer Satisfaction Survey**

Part of the third-party assessment of BPLS reforms was the conduct of a Customer Satisfaction Survey, which was executed through an exit interview process.

Based on the results, Iloilo and Batangas city had a higher proportion of respondents who were “very satisfied”. Batangas City’s constituents appear to have felt the changes more than in the other two cities, posting a 25 percentage point increase in the proportion of respondents who felt very satisfied in the services of the city. In the case of Iloilo City, there was a reduction in the proportion of respondents who were “satisfied” and a slight increase in those who were neutral, which was partly offset by the increase in those who were very satisfied.

In Cagayan de Oro City, the renewal period in January 2013 suffered from inclement weather as well as political rallies that affected the business permit application process. Hence, these circumstances were responsible for the obvious reduction in the proportion of respondents who were very satisfied in the city’s services from 2012 to 2013.

**Table 4.**  
**Results of the 2013 Customer Satisfaction Survey:**  
**Level of Satisfaction with LGU Services on Business Permit Processes**

Evaluation Rating Scale	Batangas		Iloilo		Cagayan de Oro	
	2012	2013	2012	2013	2012	2013
<b>Very Satisfied</b>	30	55	26	28	51	38
<b>Satisfied</b>	54	29	62	57	47	49
<b>Neutral</b>	14	14	12	13	2	11
<b>Dissatisfied</b>	2	2	0	2	0	2
<b>Very Dissatisfied</b>	0	0	0	0	0	0

## IV. BATANGAS CITY<sup>3</sup>

### A. Assessment of Business Registration Processes

#### 1. Registration Process for New Business Permit Applicants

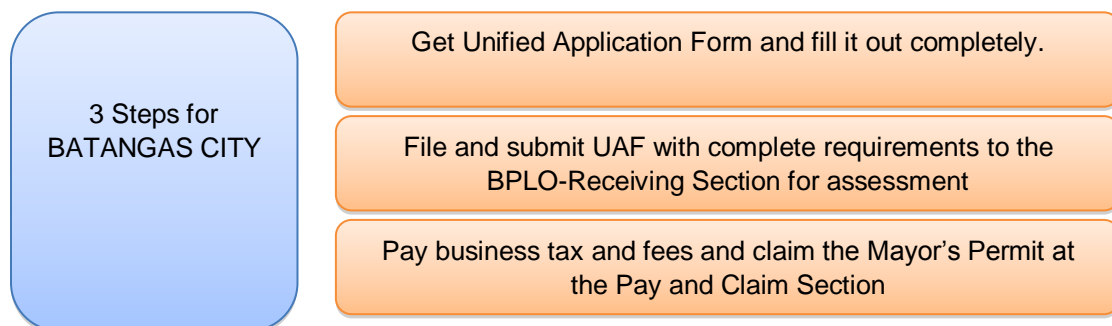
Table 5 below summarizes the findings of the BPLS assessment in Batangas City for new business applicants. Using the prescribed process indicators, the registration of new businesses entailed three steps and required two documents -- the unified application form and contract of lease (if the applicant is a lessee) or market clearance (if the applicant is a market stallholder). The city used the prescribed unified application form. The number of signatories required for processing the permit had been limited to two. Processing time for the applicants who were tracked averaged three hours and 21 minutes.

**Table 5.**  
**Process Indicators for New Business Registration**

Process Indicators	Assessment
Number of steps (JMC Definition)	3
Number of required documents	2
Number of forms	1
Number of signatories	2
Total length of processing time (average)	3 hours, 21 minutes

*Steps.* The Batangas process for new business applications consisted of three steps (Figure 1). The registrants were able to get the unified application form (UAF) at the BOSS area; submit the completed requirements to the receiving section of the Business Permit Licensing Office (BPLO) for checking and one-time assessment; and pay the taxes and fees and claim the Mayor's Permit at the Pay and Claim Section.

**Figure 1.**  
**Batangas City New Business Permit Process, 2013**



<sup>3</sup> The assessment was based on the report of the Batangas State University.

## 2. Registration Process for Business Permit Renewal Applicants

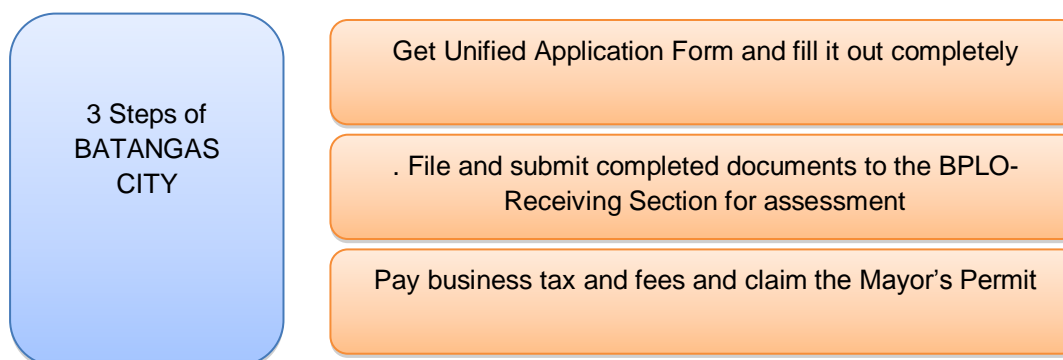
Table 6 shows the findings of the BPLS assessment in Batangas City for business renewals. The city's streamlining efforts enabled it to surpass the service standards set by DTI and DILG.

**Table 6.**  
**Process Indicators for Renewal of Business Registration**

Process Indicators	Assessment
Number of steps (JMC definition)	3
Number of required documents	4
Number of forms	1
Number of signatories	2
Total length of processing time	5 hours, 38 minutes

*Steps.* The number of steps to complete the business permit renewal process had been reduced to three during the January 2013 renewal period. Figure 2 shows these steps, which were completed by the applicant in one office, the BPLO-BOSS, and in only one visit.

**Figure 2.**  
**Application Procedures for Renewal of Business Permit**



*Documentary Requirements.* Batangas City required the registrant to present at least four documents for renewal of business permits. These documents were:

- a. Filled-out Unified Application Form;
- b. Barangay Clearance or Market Clearance if the applicant is a market stall holder;
- c. Any Income Tax Returns (monthly percentage tax returns, quarterly tax returns, annual income tax return) or Certification of gross receipts (only for businesses that have main offices located elsewhere); and
- d. Original health certificates for certain establishments (food establishments –Yellow Health Certificate; and public places like schools and laundry shops – Green Health Certificate).

Results of the interviews with sample registrants showed that they were aware that application forms have been distributed in their respective barangays prior to the business renewal period.

*Processing Time.* The processing time was the same regardless of the sector where the applicants belonged, e.g. agriculture, industrial, or services. However, there was



a significant difference during peak and non-peak seasons. The processing time for the renewal of business permits during the non-peak period was longer than the peak period.

*Signatories.* The business permit released to the applicants bears two signatures – that of the City Mayor and the Chief of BPLO with other certificates and clearances like Sanitary Permit to Operate, Fire Safety Inspection Certificate (FSIC), City Environmental Permit to Operate (CEPO) and an anti-smoking sticker. The registrant took five hours and 38 minutes to complete the process of renewing a business permit.

## **B. Comparative Analysis of the 2012 and 2013 Business Permit Processes**

Batangas City was a stellar performer in streamlining its BPLS in 2013. Table 7 shows the comparison of its processes in 2012 and 2013 against the JMC standards. The city was able to reduce the number of steps for processing new applications from 18 in 2012 to just three in 2013, even exceeding the five-step JMC standard. The applicant filled out only one form, compared to seven forms in 2012. The required documents were also reduced from seven in 2012 to only three in 2013. In the business permit, the City Mayor and the BPLO representative signed the document as prescribed by the JMC, compared to 22 signatories in 2012. The applicants were able to get their business permits in three hours and 21 minutes, beating the five-day JMC standard and the 11-day processing time in 2012.

**Table 7.  
Comparative Indicators of New Business Registration,  
Batangas City, JMC, 2012 and 2013**

INDICATORS	JMC	2012	2013
1. No. of Steps	5	18	3
2. No. of Frontline Staff Involved per Step (Average)	-	1.27	3
3. No. of Required Documents	-	7	3
4. No. of Forms to be filled out	1	11	1
5. No. of Signatories	2	22	2
6. No. of Offices/Establishments Visited	-	13	1
7. Total Length of Processing Time	<5days	11D	3H,21M
8. No. of Visits per Office	-	-	1-2
9. No. of BOSS	-	-	1

The city boasts of the same accomplishments in relation to the processing of business permit renewals. As shown in Table 8, the city was able to reduce the number of steps for business permit renewal from 14 in 2012 to just three in 2013, shorter than the prescribed five steps in the JMC. Applicants fill out one unified application form (from three in 2012) and submit four required documents compared to nine in 2012. In terms of signatories, the city is compliant with two signatures as against 14 in 2012. The processing time for business renewal also exceeded the one-day JMC standard; it is also shorter than the recorded processing time of one day and over four hours in 2012.

**Table 8.  
Comparative Indicators of Business Registration Renewal,  
Batangas City, JMC, 2012 and 2013**

INDICATORS	JMC	2012	2013
1. No. of Steps	5	14	3
2. No. of Frontline Staff Involved per Step (Average)	-	2	5
3. No. of Required Documents	-	9	4
4. No. of Forms to be filled out	1	3	1
5. No. of Signatories	2	14	2
6. No. of Offices/Establishments Visited	-	10	1
7. Total Length of Processing Time	<1days	1D,5H & 30M	5H,38M
8. No. of Visits per Office	-	1.5	1
9. No. of BOSS	-	1	1

### **C. Assessment of the BOSS**

Batangas City decided to establish a temporary BOSS located in the People's Quadrangle at the city hall to provide a 'single entity' that will facilitate a streamlined and coordinated business registration process during the January 2013 renewal period. The 2013 BOSS operations included a backroom section, where processing of requirements by various concerned departments and offices, which are provided with space in the area, are done.

The designated BOSS had a total area of 1,200 square meters with multiple-channel systems (Figure 3). There were six public assistance desks that accommodated incoming business registrants, and four more desks for pre-assessment and checking of requirements. The receiving area had ten windows/counters marked from R1 to R10, with R9 specifically allotted for registrant with multiple applications. BOSS personnel directed the registrants to the Public Assistance Desk (PAD) where they were issued a queue ticket number from a machine and their documents were pre-assessed.<sup>4</sup> The queue numbers currently being served was flashed on a screen in the designated waiting area for registrants. Once their number is flashed, registrants proceeded to the designated receiving section for filing and assessment of their applications by the BOSS personnel in the backroom processing area. Another queue ticket was issued to the registrants at the Pay and Claim Section and they waited in line once more until their queue number is flashed on the screen. The estimated time of the release of the business permit was indicated in the queue ticket to inform the registrants of their waiting time. It was observed that some applicants whose queue tickets showed longer waiting time opted to leave the BOSS for other activities and return before the approximate time.

The Pay and Claim section had six windows/counters marked from P1 to P6, with one express payment counter for registrants who preferred to pay the next day. It was in this section where the business permits were released usually within the same day, except for those who could not pay the assessed fees. The documents for these applicants were returned to them with an order of payment. On their return, they were required to queue again in the express payment lane of the BOSS.

<sup>4</sup> To control and organize the flow of people, the city government installed three queuing machines (also referred to as "Kiosk"), which were evenly distributed in the BOSS area – the BPLO Receiving Area near the public help desk, the Pay and Claim Section and the Backroom).

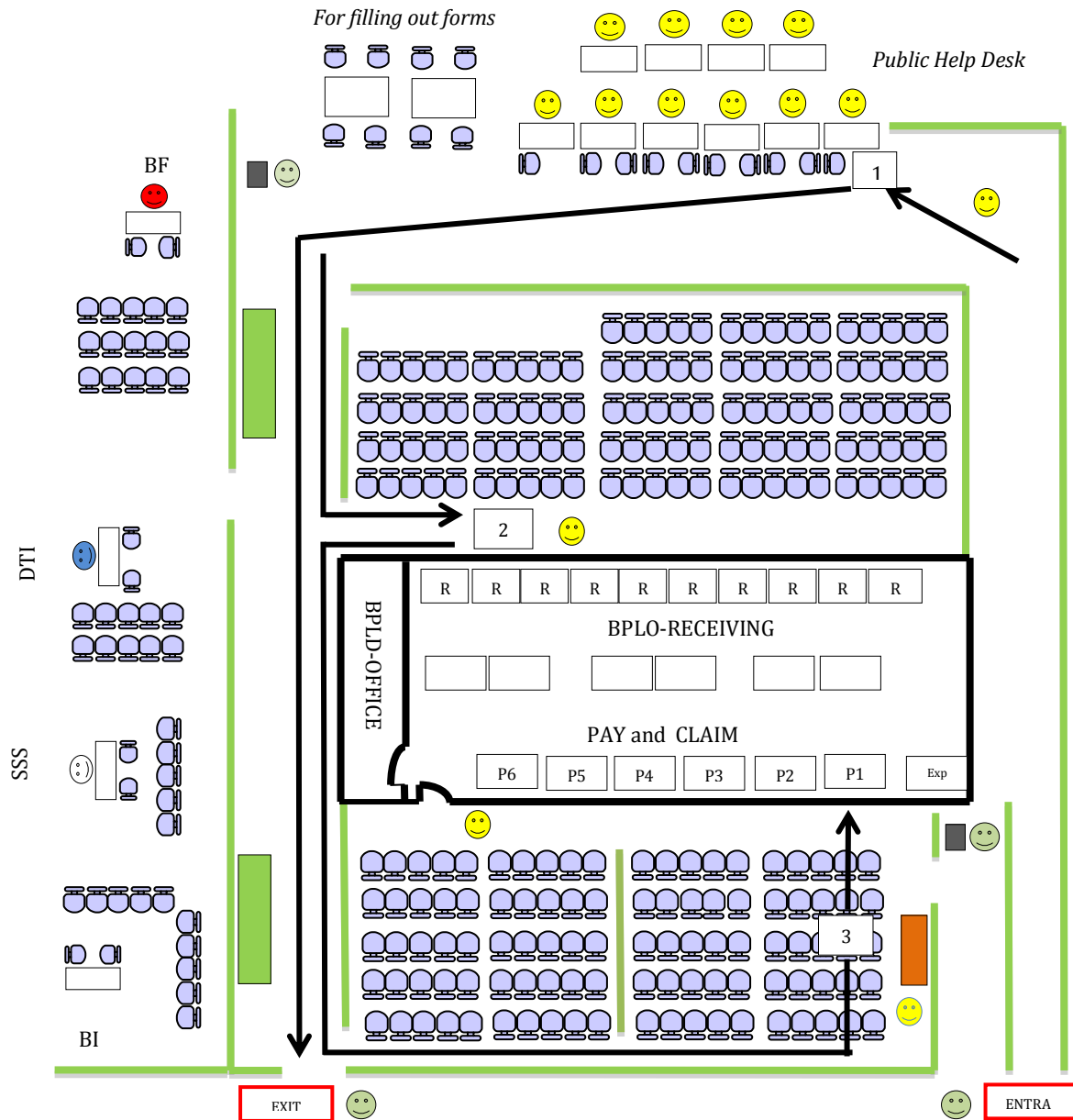
Additionally, a backroom area was allocated for city government employees who have been designated to help in processing other transactions in the BOSS.

Signages were also seen in the BOSS area to guide the registrants. There were complaints or feedback boxes placed around the area. To provide more assistance and easy access around the BOSS, tarpaulins, comics and leaflets containing the steps and requirements for each and every transaction were provided in the receiving area.

Desks were placed at the left side of the BOSS for representatives of national government agencies such as the Social Security System (SSS), BIR, DTI and BFP. DTI processes Business Name Registration for new applicants and businesses with expired registration. BFP attends to registrants with concerns on compliance to building fire safety (inspection of fire exits and availability of usable fire extinguishers). SSS answers inquiries about contributions, and BIR deals with concerns regarding income tax returns.

The comfort of the transacting public was also considered in the design of the BOSS, which had industrial fans around the area to decrease humidity, clean toilets and allotments for water/coffee and snacks. Most of the announcements were clearly heard through the four speakers installed near the backroom area of the BOSS.

**Figure 3.**  
**Layout and Operations of BOSS in Batangas City**



Legend/s:

- |  |                     |  |                     |  |               |
|--|---------------------|--|---------------------|--|---------------|
|  | Backroom Processing |  | Queuing Machine     |  | BFP Personnel |
|  | Survey Desk         |  | Public Help Officer |  | DTI Personnel |
|  | Refreshment         |  | Security Guard      |  | SSS Personnel |

The 2013 BOSS in terms of the facility, layout and the operation was very much improved compared to the 2012 set-up (refer to Table 9). Establishing a backroom processing area that housed the six major city departments/offices made the streamlined process more efficient compared to the 2012 renewal period. In addition, the city operated the BOSS during the 2012 January renewal period only, while in 2013 the BOSS operated for the whole year.

Five NGAs (BFP, SSS, Philhealth, DTI, and BIR) were present and visible during the 2012 renewal period. Although there were representatives of these agencies in the January 2013 renewal, their presence was no longer necessary in the BOSS because of the adoption of the streamlined process. In 2012, the registrants had to leave the BOSS area to fill up their fire extinguishers (as required by the BFP). This step was removed in 2013, though it still had to be done after receiving the business permit.

It was also observed that there were no registrants who underwent SSS application because of the JMC signed between SSS and DILG that removed the requirement to get a certificate from SSS. A registrant with expired DTI certificates was also able to get new certificates from DTI in just 18 minutes.

Other offices needed for the processing of business permit renewals were present in the BOSS (such as the OCVAS, CTO, CHO, BFP, CENRO, and BPLO), which were provided a designated area and a table. In 2013, these offices were housed in the backroom area, which reduced the number of interface and steps undertaken by the applicant and the city government staff.

In 2012, queue numbers were manually written on cardboard paper. In 2013, the queue numbers were computer generated, which were less prone to human error. The service in 2012 stopped during lunch and snack breaks, as announced beforehand while in 2013, the operation continued through the lunch break and extended up to 7:00 p.m. in the evening.

**Table 9.**  
**Comparison of BOSS 2012 and 2013, Batangas City**

	<b>2012</b>	<b>2013</b>
<b>Process flow from the Applicant's Perspective</b>	31	3
<b>Use of Backroom Processing</b>	3 out of 12 signatories	6 out of 6 signatories
<b>Queue Number</b>	Manually written	Kiosk/Computer Generated
<b>Period of BOSS Operation</b>	1 month operation	Continuous/year round
<b>NGAs Present in BOSS</b>	BFP,SSS, PhilHealth, DTI, BIR	BFP, SSS, DTI
<b>Lunch/Snack Break</b>	Stop the operation	Continuous
<b>Multiple Transaction</b>	No Special Lane	Separate lane for Bulk Transaction

#### **D. Customer Satisfaction Survey Findings**

The exit interviews conducted by the Project was done during the business renewal period in January 2013 with respondents being randomly selected. Majority of the respondents were business owners (53%) and staff of business firms (34%). Many of

them belonged to construction and wholesale/retail trade sectors and were sole proprietors, mostly microenterprises. Majority of the respondents were males (54%).

*Overall Satisfaction with LGU Services.* Majority of the respondents (94%) expressed overall satisfaction with the city government's services during the 2013 renewal period (Table 10). In fact, the majority (55%) were "very satisfied", even those who filed their applications during the peak period (last week of the registration period). The small percentage of those who were dissatisfied cited changes in the assessment of their fees as the main reason.

**Table 10.**  
**Distribution of Responses to**  
**"How do you feel about the service?": Batangas City**

	<b>Non-Peak</b>	<b>%</b>	<b>Peak</b>	<b>%</b>	<b>Total</b>	<b>%</b>
Very Satisfied	56	37.0	110	73.0	166	55.0
Satisfied	58	39.0	28	19.0	86	29.0
Neutral	29	19.0	12	8.0	41	14.0
Dissatisfied	7	5.0	0	0.0	7	2.0
Very Dissatisfied	0	0.0	0	0.0	0	0.0

*Availability of Information.* Majority of the respondents secured the UAF from the BOSS area (72.7%). Similarly, most of those surveyed (94%) claimed that their queries on the permitting process were answered and that the instructions were generally clear.

**Table 11.**  
**Source of Unified Application Form**

	<b>Total</b>	<b>%</b>
1 Downloaded through the Internet	10	3.3
2 BPLO/Treasurer's Office	53	17.6
3 BOSS area	218	72.7
4 Others, please specify (Barangay Hall, Public Market, During Convention, Distributed to their establishment)	19	6.3
<b>TOTAL</b>	<b>300</b>	<b>10.0</b>

*Level of Comfort at the BOSS.* The refurbished BOSS, with a television set and refreshments, was generally appreciated by the applicants from the city. Majority of the respondents (91%) said that they were comfortable enough while waiting for the processing of their business permits, with 36% saying that they were very comfortable.

**Table 12.**  
**Applicants' Comfort While Waiting for the Business Permit**

	<b>Non-Peak</b>	<b>%</b>	<b>Peak</b>	<b>%</b>	<b>Total</b>	<b>%</b>
Very Comfortable	35	24.0	75	50.0	110	36.0
Comfortable	93	62.0	71	47.0	164	55.0
A Little Comfortable	17	11.0	3	2.0	20	7.0
A Little Uncomfortable	5	3.0	1	1.0	6	2.0
Very Uncomfortable	0	0.0	0	0.0	0	0.0

*Friendliness and Helpfulness of the City Staff.* As shown in Table 13, about 91% of the respondents revealed that the city staff who accommodated them with their

needs and concerns were friendly regardless of the season (peak and non-peak). Only about 9% of the respondents said that the staff were a little friendly and none said that the staff was unfriendly. This means that city government employees project a happy and positive working attitude while dealing with various kinds of people, reflecting as well the success of the customer relations workshops that the Project conducted in the city.

**Table 13.  
LGU Staff's Friendliness in the BOSS Area**

	Non-Peak	%	Peak	%	Total	%
Very Friendly	84	56.0	87	58.0	171	57.0
Friendly	59	39.0	42	28.0	101	34.0
A Little Friendly	7	5.0	21	14.0	28	9.0
A Little Unfriendly	0	0.0	0	0.0	0	0.0
Not Very Friendly	0	0.0	0	0.0	0	0.0

Table 14 showed that employees involved in the processing of business permits were regarded by the respondents as being "Very Helpful." However, there was a single respondent who assessed employees as "A Little Unhelpful". This one person is a senior citizen who had to ask questions most of the time because he did not know what to do next.

**Table 14.  
LGU'S Staff Helpfulness in the BOSS Area**

	Non-Peak	%	Peak	%	Total	%
Very Helpful	90	60.0	81	54.0	171	57.0
A Little Helpful	9	6.0	7	5.0	16	5.0
Helpful	50	34.0	62	41.0	112	38.0
A Little Unhelpful	1	0.0	0	0.0	1	0.0
Not Very Helpful	0	0.0	0	0.0	0	0.0

*Reasonableness of the Fees.* About 96% of applicants regarded the fees for securing business permits as reasonable. Not only that, 97% said that they were looking forward to go through the same process again next year. The 1% indifferent refers to a senior registrant that was not familiar and aware of the new process and the changes of the rates being imposed. The same perception applied to the 4% who answered 'No' to the reasonableness of the fees.

**Table 15.  
Reasonableness of Fees Imposed by the LGU for the  
Renewal of Business Permits**

	Non-Peak	%	Peak	%	Total	%
Yes	143	95.0	146	97.0	289	96.0
No	7	5.0	4	3.0	11	4.0
<b>TOTAL</b>	<b>150</b>	<b>100.0</b>	<b>150</b>	<b>100.0</b>	<b>300</b>	<b>100.0</b>

*Time Spent in Renewing Permits.* Despite the claim of the city government that processing of permits took less than a day, the survey showed that a little over half of the respondents claimed that they had to come back the following day to get their permits (Table 16). During non-peak days, majority of the respondents were able to

get their permits in less than a day. It was during peak days that the time for getting the permits took more than a day for majority of the respondents. Based on the interviews, many of the respondents grew impatient while waiting for their names to be called or the amount of money they brought was insufficient, necessitating their return the following day.

**Table 16.**  
**Time Spent in Renewing Business Permits**

	<b>Non- Peak</b>	<b>%</b>	<b>Peak</b>	<b>%</b>	<b>Total</b>	<b>%</b>
Less than 1 hour	5	3.0	18	12.0	23	8.0
More than 1 hour but within the day	112	75.0	7	5.0	119	40.0
More than 1 day	33	22.0	125	83.0	158	52.0
<b>TOTAL</b>	<b>150</b>	<b>100.0</b>	<b>150</b>	<b>100.0</b>	<b>300.0</b>	<b>100.0</b>



## V. ILOILO CITY<sup>5</sup>

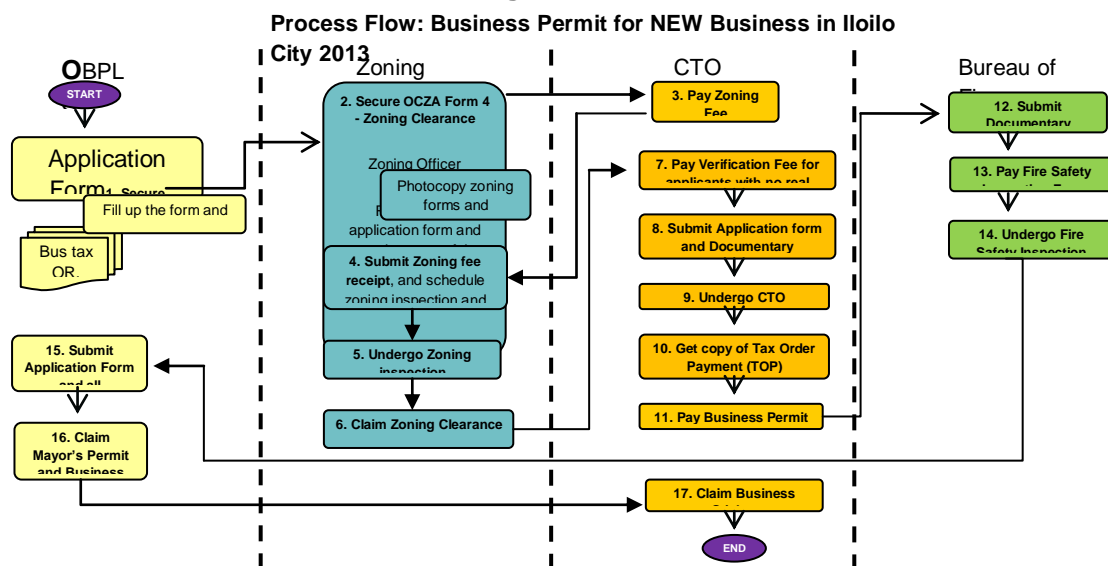
### A. Assessment of Business Registration Processes

In general, Iloilo City streamlined its business permit processes as shown by improvements in the process indicators, i.e. reduced steps, number of forms and signatories and processing time. However, despite the improvements, the city's permitting process failed to meet the service standards set in the JMC.

#### 1. Registration Process for New Business Permit Applicants

As tracked by the Project, it took a new business permit applicant in the city an average time of 18 days going through 17 steps or 17 interfaces before s/he can get the business permit (refer to Figure 4 for the schematic diagram of the process). The city government has embedded three layers of inspection – zoning inspection by the Planning and Development Office, the CTO inspection for tax and fee assessment, and fire safety inspection – in three separate instances in the whole process, making the BPLS process very long and tedious for the applicant.

**Figure 4.**



The unified application form used by the Iloilo City Hall follows in substance the form prescribed by the JMC. There were certain refinements on the form used by the city in order to make it more functional to the applicant and to the city's baseline information needs, as follows: (1) a revised Oath of Undertaking (page 1); (2) inclusion of the breakdown of gross sales per month and the Locational Clearance Fee (page 2); and (3) inclusion of checklist of business application requirements.

The location of the Zoning Office at the 4<sup>th</sup> floor of the city hall made it difficult and inconvenient for the applicants to go up and down the building and increased the foot traffic that crowded the elevators. The Zoning Office also required photocopying of

<sup>5</sup> The assessment of the Iloilo BPLS was prepared by the Management Department of the University of the Philippines - Visayas.

the clearance form, which was done outside of the city hall. The applicants also did not know that they could secure their Fire Safety Inspection Certificate even before the application of their business permits.

A comparison of the city's BPLS in 2012 and 2013 showed improvements, suggesting the effects of streamlining efforts implemented as a result of the Project's interventions. Processing steps were reduced from 27 to 17, forms were cut down to two from eight, signatories/initials were reduced, which overall also lessened the processing time for new business registrations (Table 17). However, the city has to exert more effort at further streamlining their procedures to reach the standards set by the government.

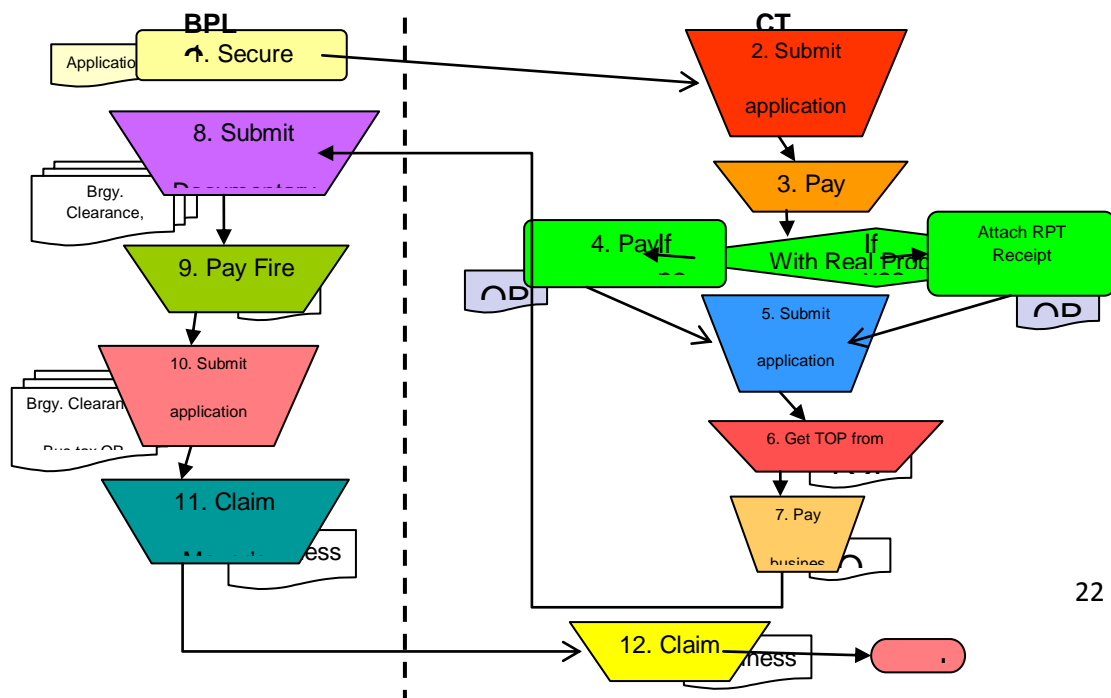
**Table 17.**  
**Comparative Indicators of New Business Registration,**  
**JMC, 2012 and 2013, Iloilo City**

INDICATORS	JMC	2012	2013
1. No. of Steps	5	27	17
2. No. of Required Documents		6	9
3. No. of Forms to be filled out	1	8	2
4. No. of Signatories	2	28	21
5. No. of Offices/Establishments Visited	-	11	4
6. Total Length of Processing Time	<5 Days	23D	18D
7. No. of BOSS	-	0	0

## 2. Registration Process for Business Permit Renewal Applicants

The processing of applications for business renewals is illustrated in Figure 5 below. The city was only able to cut the number of steps in the process to 12 from 11 in 2012, thus not meeting the JMC standard. The obvious reason was the use of the business permitting process as a compliance mechanism by the city treasurer's office, which added about five more steps in the process and the inspection of firms which were done after the submission of the application.

**Figure 5.**  
**Process Flowchart (Renewal)**



A comparison between the BPLS in 2012 and the process followed in 2013 indicate improvements in some areas (e.g. the use of one form and processing time) and deterioration in others (e.g. number of signatories) (refer to Table 18). Part of the mediocre performance of the city can be traced to their inability to establish a one-stop-shop, whose lay-out/design would reflect the business permitting process of the city. But as important as the BOSS is the willingness of the city government to separate the business permit process from the tax collection role of the City Treasurer's Office. The latter has enough power to prosecute erring businessmen who have been deficient in their tax payments without causing undue bureaucratic red tape in the business processes of the city.

**Table 18.**  
**Comparative Indicators of Business Registration Renewal,**  
**JMC, 2012 and 2013, Iloilo City**

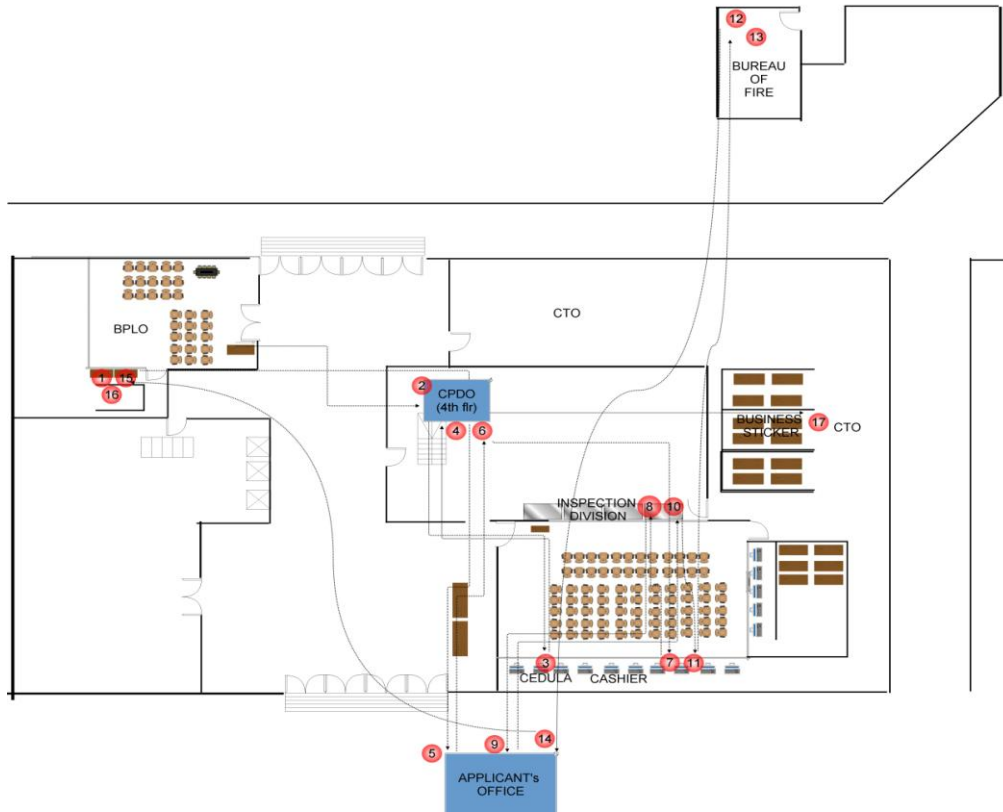
INDICATORS	JMC	2012	2013
1. No. of Steps	5	13	12
2. No. of Required Documents	-	6	12
3. No. of Forms to be filled out	1	4	1
4. No. of Signatories	2	13	15
5. No. of Offices/Establishments Visited	-	7	3
6. Total Length of Processing Time	< 1 day	3 D,4H	1 D, 12H
7. No. of BOSS		1	0

#### **B. Assessment of the City's Business One-Stop-Shops (BOSS)**

As mentioned earlier, the city government did not designate or organize a Business One-Stop-Shop (BOSS) during the renewal process. Hence, in the description that follows, the consultants referred to the whole ground floor of the city hall as the BOSS area as this is where most of the transactions transpired during the renewal process.

As shown by the layout below, there were two permanent main offices situated in the ground floor, the BPLO and the CTO. One of the major complaints about the ground floor of the city hall is that it is too small and crowded, and does not have enough facilities to accommodate the volume of people traffic whether during the peak or off peak periods of the renewal process. There are not enough chairs and tables to write on, or amenities that would make for an ideal taxpayers' lounge. The BPLO areas have chairs but these could not accommodate the volume of people during the renewal period. Most taxpayers would opt to go back to their offices to fill out application forms and come back some other time to continue the filing process because there was no place along the hallway where they could move around.

**Figure 6.**  
**Layout of the Iloilo City's Business Permit Area**  
**(Ground Floor, City Hall)**



The flowcharts provided at the entrance of the BPLO and the CTO to give instructions to the taxpayers were not very informative. Two information desks were set up in the front and back entrances of the ground floor with two people assigned to answer questions from taxpayers. But on several occasions, it was observed that the information desk officers were not able to assist the taxpayers since they were not knowledgeable of the whole permitting process. Moreover, there were instances when the desk officers were perceived to be impolite in answering questions from the taxpayers.

**C. Customer Satisfaction Survey Findings**

*Profile of Respondents.* The respondents to the exit interviews conducted by the Project were mostly staff or employees of the applying businesses (46%) and owners of business establishments (37%) (Table 19). Similar to the profile of respondents in Batangas City, majority of the respondents belonged to the wholesale and retail trade sector (30%); repair of motor vehicles and motorcycles; accommodation and food service activities (22%); and financial and insurance services (11%).

**Table 19.**  
**Profile of Respondents in the Customer Satisfaction Survey in Iloilo City**

	Male		Female		Total	
	No.	%	No.	%	No.	%
Owner of the Business	59	19.7	53	17.1	112	37.7
Staff of the Business	67	22.3	70	23.3	137	45.6
Service Provider (contracted to register the business)	1	0.3	11	3.7	12	4.0
Family/Friend of Owner of the Business	15	5.0	14	4.7	29	9.7
Other	8	2.7	2	0.7	10	3.3
<b>TOTAL</b>	<b>150</b>	<b>50</b>	<b>150</b>	<b>50</b>	<b>300</b>	<b>100</b>

In terms of business classification, 64% of the respondents are single proprietors while about 30% are corporations (Table 20). There were more male respondents who belonged to corporations than female respondents.

**Table 20.**  
**Business Classification of Respondents**

	Male		Female		Total	
	No.	%	No.	%	No.	%
Single Proprietorship	87	29.0	104	34.7	191	63.7
Partnership	2	0.7	10	3.3	12	4.0
Corporation	59	19.7	31	10.3	90	30.0
Cooperative	2	0.7	5	1.7	7	2.3
<b>TOTAL</b>	<b>150</b>	<b>50</b>	<b>150</b>	<b>50</b>	<b>300</b>	<b>100.0</b>

*Overall Satisfaction with LGU Services.* Majority of the respondents (84.3%) were either very satisfied (28%) or satisfied (58%) with the city's services during the 2013 renewal period (Table 21). There were more female respondents who were satisfied compared to male respondents. Correspondingly, there were more males who reported that they were either neutral or dissatisfied with the city's procedures compared to female respondents.

**Table 21.**  
**Satisfaction with LGU Services in the Conduct of Business Permit Application**

	Male		Female		Total	
	No.	%	No.	%	No.	%
Very Satisfied	32	10.7	51	17.0	83	27.6
Satisfied	95	31.7	78	26.0	173	57.7
Neutral	21	7.0	18	6.0	39	13.0
Dissatisfied	2	0.7	3	1.0	5	1.7
Very Dissatisfied	0	0.0	0	0.0	0	0.0
<b>TOTAL</b>	<b>150</b>	<b>50.0</b>	<b>150</b>	<b>50.0</b>	<b>300</b>	<b>100.0</b>

*Availability of Information.* About 97% of the respondents secured their unified application from the BPLO (Table 22). The respondents also claimed that they

received the available information needed to renew their permits. In terms of clarity of instructions on how to renew the business permit, 80% of the respondents claimed that the instructions were clear to them. However, two offices were pinpointed as having unclear instructions – the City Treasurer’s Office and the Bureau of Fire Protection.

**Table 22.  
Source of Unified Application Form**

	Male		Female		Total	
	No.	%	No.	%	No.	%
Downloaded through the Internet	0	0.0	2	0.7	2	0.7
BPLO/CTO	146	48.7	144	48.0	290	96.7
BOSS Area	2	0.7	0	0.0	2	0.7
Others	2	0.7	4	1.3	6	2.0
<b>TOTAL</b>	<b>150</b>	<b>50.0</b>	<b>150</b>	<b>50.0</b>	<b>300</b>	<b>100.0</b>

*Level of Comfort at the Business Renewal Area.* Two-thirds of the respondents (66%) felt that the permitting area at the city hall was comfortable (Table 23). The three reasons cited as to why they felt good about the place were the air-conditioned office, availability of chairs while waiting, and fast service in renewing their permits.

**Table 23.  
Applicants’ Perception on the Level of Comfort while Waiting for their Business Permit**

	Male		Female		Total	
	No.	%	No.	%	No.	%
Very Comfortable	32	10.7	54	18.0	86	28.7
Comfortable	69	23.0	44	14.7	113	37.7
A Little Comfortable	26	8.7	42	14.0	68	22.7
A Little Uncomfortable	23	7.7	9	3.0	32	10.7
Very Uncomfortable	0	0.0	1	0.3	1	0.0
<b>TOTAL</b>	<b>150</b>	<b>50.0</b>	<b>150</b>	<b>50.0</b>	<b>300</b>	<b>100.0</b>

*Friendliness and Helpfulness of the City Staff.* The results of the survey indicate that the frontliners manning the business processing area were generally friendly (79%) (Table 24). Nearly 22% thought that some of the staff members were “a little friendly” and “a little unfriendly.” Based on the frequency of the results, the local offices with “unfriendly” staff were the City Treasurer’s Office, the BPLO and the BFP, in order of ranking.

**Table 24.**  
**Applicants' Perception on the Friendliness of LGU Staff**

	Male		Female		Total	
	No.	%	No.	%	No.	%
Very Friendly	45	15.0	67	22.3	112	37.3
Friendly	72	24.0	52	17.3	124	41.3
A Little Friendly	27	9.0	29	9.7	56	18.7
A Little Unfriendly	6	2.0	2	0.7	8	2.7
Not Very Friendly	0	0.0	0	0.0	0	0.0
<b>TOTAL</b>	<b>150</b>	<b>50.0</b>	<b>150</b>	<b>50.0</b>	<b>300</b>	<b>100.0</b>

About a fifth of the respondents agreed that the city government staff has been helpful to the applicants (Table 25). However, about 19% of them rated the city government frontliners as either neutral or unhelpful. Two offices identified where the staff was not very helpful were the BPLO and the Information Desk.

**Table 25.**  
**Applicants' Perception on the Helpfulness of LGU Staff**

	Male		Female		Total	
	No.	%	No.	%	No.	%
Very Helpful	46	15.3	74	24.7	120	40.0
Helpful	76	25.3	48	16.0	124	41.0
A Little Helpful	26	8.7	27	9.0	53	18.0
A Little Unhelpful	2	0.7	0	0.0	2	0.7
Not Very Helpful	0	0.0	1	0.3	1	0.3
<b>TOTAL</b>	<b>150</b>	<b>50.0</b>	<b>150</b>	<b>50.0</b>	<b>300</b>	<b>100.0</b>

*Reasonableness of Fees.* Close to 75% of the respondents felt that the fees for renewing the business permits were reasonable (Table 26).

**Table 26.**  
**Applicants' Perception on the Reasonableness of Fees for Renewing the Business Permit**

	Male		Female		Total	
	No.	%	No.	%	No.	%
Yes	109	36.3	109	36.3	218	73.0
No	41	13.7	41	13.7	82	27.0
<b>TOTAL</b>	<b>150</b>	<b>50.0</b>	<b>150</b>	<b>50.0</b>	<b>300</b>	<b>100.0</b>

*Time Spent in Renewing Permits.* Majority of the registering applicants interviewed claimed that they got their permits after one day (71%) while about 29% received theirs within the day. This was not consistent with the city government's report of less than a day processing and could be due to problems of payment where applicants needed to go back due to insufficient funds.

**Table 27.**  
**Time Spent in Renewing the Business Permit**

	Male		Female		Total	
	No.	%	No.	%	No.	%
Less than 1 hour	0	0.0	2	1	2	1.0
More than 1 hour but within the day	39	13.0	46	15.0	85	28.0
More than 1 day	111	37.0	102	34.0	213	71.0
<b>TOTAL</b>	<b>150</b>	<b>50.0</b>	<b>150</b>	<b>50.0</b>	<b>300</b>	<b>100.0</b>

*Expectations for Next Year.* About 87% of the respondents looked forward to the next renewal period (Table 28)

**Table 28.**  
**Applicants' Expectations for the Following Year's Business Permit Renewal Process**

	Male		Female		Total	
	No.	%	No.	%	No.	%
Looking forward to it	126	42.0	134	44.7	260	87.0
Indifferent	13	4.3	8	2.7	21	7.0
Not looking forward to it	11	3.7	8	2.7	19	6.0
<b>TOTAL</b>	<b>163</b>	<b>54.3</b>	<b>158</b>	<b>50.0</b>	<b>321</b>	<b>107.0</b>

*Responses by Gender.* Table 29 shows the male–female dominant responses in the survey. About 63% of the female respondents felt comfortable during the application process, 62% found the staff very helpful while 61% were satisfied with the LGU services. Among the male respondents, 50% believed that they are paying reasonable fees, 48% looked forward to next year's business permit renewal process, and 41% said the LGU offices have very clear instructions for renewal.

**Table 29.**  
**Male-Female Ratio on Dominant Responses in the Survey (In %)**

	Male	Female
Very Clear Instructions	41	59
Satisfied with LGU Services	39	61
Level of Comfort during Application Process	37	63
Very Friendly Staff	40	60
Very Helpful Staff	38	62
Reasonable Fees	50	50
Looking Forward to Next Year's BP renewal	48	52

*Additional Customer Feedback.* The respondents also gave constructive suggestions on how to make the process better and more efficient. Table 30 contains these suggestions, which were categorized into: (1) physical lay-out of the business permitting area; (2) the process of business permitting; (3) customer relations; and (4) the fees imposed by the city. Establishing a one-stop-shop, and a bigger area to accommodate the huge number of applicants ranked high among the suggestions



given. The city government should also consider providing the usual amenities in a BOSS, such as writing tables, chairs, paging systems, and television sets. On the process, the respondents requested for one-day processing of permits, extending the time of the renewal period, assigning alternate signatories, and a fair system of queuing, among others. As revealed in the survey results, there is room for improving the friendliness and the helpfulness of the frontliners.

**Table 30.**  
**Suggestions of Applicants on Areas for Improvement**

<p>A. On the Physical Lay-out of the Business Permitting Area</p> <ul style="list-style-type: none"> <li>- Establish a one-stop shop for the whole process of renewal of business permits.</li> <li>- Place bigger and more signages in appropriate places.</li> <li>- Larger flowcharts for business processing should be prominently displayed.</li> <li>- Add more chairs at the BPLO waiting area.</li> <li>- Add enough tables and have a bigger area for applicants to write and accomplish needed forms.</li> <li>- Add television set/s at the waiting area.</li> <li>- Install a paging system.</li> <li>- Establish a senior citizen lane for renewal of business permits.</li> </ul>
<p>B. On the Process</p> <ul style="list-style-type: none"> <li>- Implement one day processing. Do not make the applicants return the following day if documents are already complete.</li> <li>- Ensure availability of signatories. There are cases of delays due to absence of signatories for various reasons, such as meetings and other activities. Designate alternate signatories. There must be no slack time when signatories are not available. Signatories should be available throughout the processing period.</li> <li>- Eliminate the “palakasan” or “pangilala” system. There should be equal treatment for all applicants.</li> <li>- Ensure chronological processing based on the numbers given to applicants at the BFP desk.</li> <li>- Hire/Designate more employees for the processing of renewal of business permits.</li> <li>- Set a longer time period for renewal of business permits.</li> <li>- Give priority numbers at the BPLO.</li> </ul>
<p>C. On Improving Customer Relations</p> <ul style="list-style-type: none"> <li>- Staff should be friendlier or more approachable.</li> <li>- BPLO personnel should give updates once in a while for applicants who have pending business permits in the waiting area.</li> <li>- Employees who are idle at the BPLO office should be given their respective tasks.</li> <li>- Improve information dissemination to the general public regarding the steps and guidelines for renewal, even before the actual period for business renewal.</li> <li>- Attach a small print-out of the flowchart and guidelines to the application form. Include other requirements from other agencies.</li> <li>- Improve the clarity of instructions given.</li> <li>- People at the public assistance (info) booth should be knowledgeable regarding guidelines, process flow and location of relevant forms needed.</li> <li>- Maintain orderliness in the single line for every window at the BPLS.</li> </ul>
<p>D. On Fees</p> <ul style="list-style-type: none"> <li>- Reduce the garbage fee.</li> <li>- Do not impose higher sales to be declared by applicants for tax assessment.</li> </ul>

## VI. CAGAYAN DE ORO CITY<sup>6</sup>

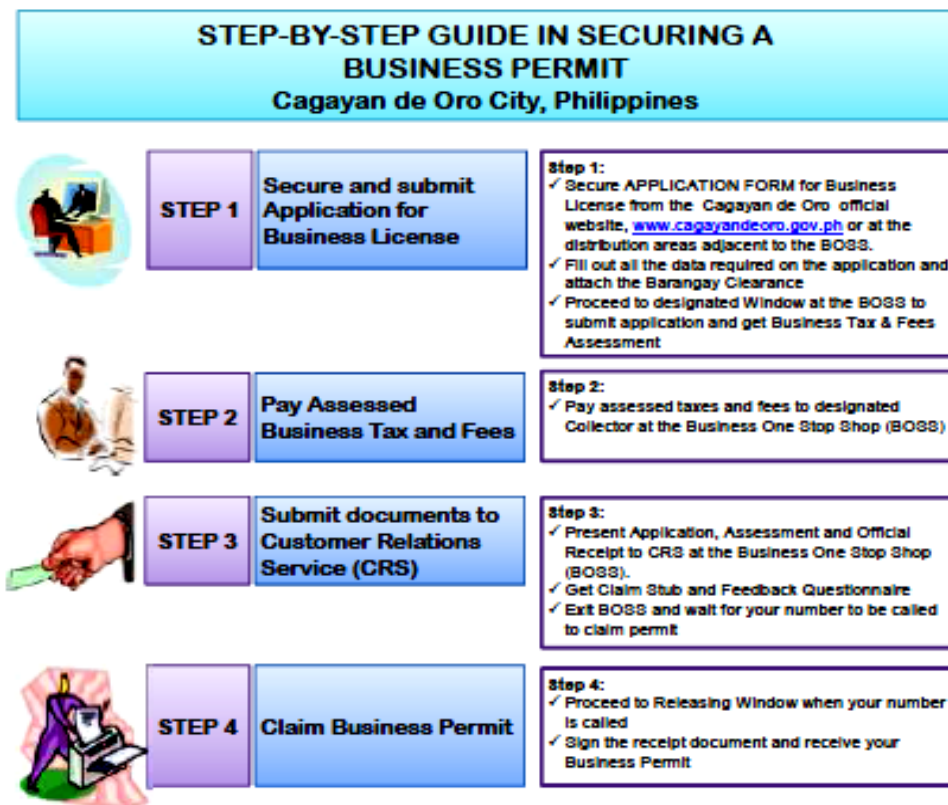
### A. Assessment of Business Registration Processes

In general, CDO successfully implemented its streamlining program as shown in the dramatic improvement in the process indicators. Similar to Batangas City, CDO surpassed the service standards of the government in terms of the number of steps and processing time.

#### 1. Registration Process for New Business Permit Applicants

*Steps.* In Cagayan de Oro, the procedure for new BPLS applications followed a four-step process as shown in Figure 7. After filling out the forms, an applicant goes directly to the Tax Mapping Division in the adjacent building for an assessment of tax payments and gets his/her tax due worksheet. This is equivalent to step 1 in Figure 7. The applicant then goes back to the BOSS area to pay tax and other fees for permit renewal and thereby completes step 2. The applicant begins Step 3 by submitting his documents to the treasurer's representative for validation. Step 4 ends with the receipt of business permit from an issuance officer in the BOSS area.

Figure 7.



*Form.* The new applicants used the same application form that the city government requires for permit renewal, which is compliant with the JMC-prescribed UAF. A

<sup>6</sup> The assessment was based on the report of Capitol University.

treasurer's representative inside the BOSS area distributed the forms as applicants came in to inquire on the business permit processes.

*Required documents.* As tracked, the required documents included the application form, DTI/SEC registration certificate, barangay business clearance, community tax certificate, Regulatory Compliance Board (RCB) clearance, tax due worksheet, and payment receipts.

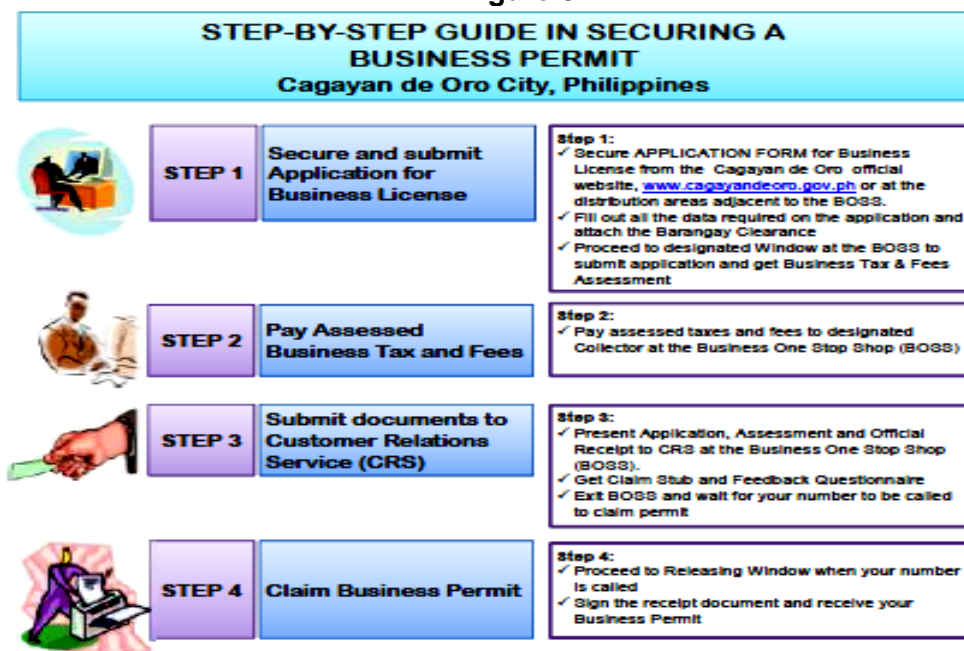
*Processing Time.* Average time spent during the whole application process was about 47 minutes, with processing or transaction time of about 36 minutes and waiting time of about 8.4 minutes. As observed for six respondents, the longest processing time was 72 minutes, depending on the compliance of requirements and the pacing of applicants. Longer time was observed in the assessment and issuance of permits because applicants were required to go to the adjacent building. Delay sometimes occurred when signatories were not around during the process. Also, without prior experience with paying taxes and fees, new applicants underestimated the amounts they were required to pay and were compelled to cut the application for trips to the bank, automated teller machines, or other sources. Since new applications were comparably fewer than renewals, traffic through the business registration process was relatively faster and the waiting time, shorter. Further, the BOSS facilities proved to be more comfortable, the designated personnel, more efficient, and the clientele, calmer with the process during the new applications period (February 2013).

*Cost.* The average cost paid by applicants was Php4,106.08 up to an observed maximum of Php8,690.

## 2. Registration Process for Business Permit Renewal Applications

The city government also enforced a four-step process in evaluating business permit renewal applications as shown in Figure 8.

Figure 8.



The first of the four-step process begins with getting the UAF available in the distribution area adjacent to the CDO BOSS. This area is a covered walk with three long tables and seating for filling out forms. The same form is downloadable from the [www.cagayandeoro.gov.ph](http://www.cagayandeoro.gov.ph) portal, a fully functional but lesser known aspect of the application process that needs to be disseminated for increased convenience in the application experience. Next, the applicant attaches a barangay business clearance to the filled-out application form. S/he then submits these documents on a first-come-first-served basis to one of seven windows, according to his/her business permit numbers. The applicant is called out from these windows and given a tax and fees assessment. The atmosphere in the distribution area varies on peak and non-peak days.

The number of applicants steadily increased towards the middle and decreased towards the end of the application and renewal week. However, much of the observed agitation in this initial step has little to do with whether it is a peak or non-peak day but the frustration of having to procure a barangay business clearance before proceeding with the application. While it is standard procedure to bring a barangay clearance as basic application requirement, an observed few claimed no knowledge of this requirement, which required them to go back to their respective barangays. Pre-application information on the barangay business clearance and community tax requirements was given at the assessment section although they were indicated at the back of the application form as well. Another point of confusion was the difference between a barangay clearance and a barangay business clearance, which is the BPLS application requirement. For those applicants who have complete requirements, STEP 1 which is Secure and Submit Application Form for Business License ends when the applicant gets his or her tax due worksheet (see Figure 8).

Interface with city government officials at this step was limited to securing of the application form in the distribution area and the submission of documents for assessment. The number of interface increased from 2 to 4 when the applicant failed to fill out all the information or go to the right window assigned to them based on the number of their previous permits. Required documents during this step were application forms, barangay business clearance and the previous business certificate, which is optional if they knew their permit number. Some applicants paid their community tax at this step amounting to an average of Php322.30. All 13 observed applicants finished this step at an average of 18.89 minutes and an overtime of 31.99 minutes when some applicants did not follow through the process directly. Most of their time was spent in the processing of documents through the assessment window.

After completing the initial step successfully, the applicant proceeded to the BOSS area. Here, the applicant went to the end of the hall to a table where his/her documents were counter-checked by an officer. During peak time, two officers manned this small table at the entrance of the BOSS waiting lounge. Beside this table was a rather inconspicuous START sign on a board, which proved confusing since the application already started earlier. Here, the applicant were issued a priority number. This was a transition to STEP 2 of the process, "Pay Assessed Business Tax and Fees" as shown in Figure 8.

In the customer relations desk, the required documents including the application form, business barangay clearance, tax due worksheet and community tax certificate were evaluated. At this step, the applicant received the payment receipts, which were supposed to bear initial signatures of the desk officers for tax and fees and for the FSIC. Processing time for the assessment step averaged to 7.42 minutes and most

of their time was spent at the waiting lounge for about 21.23 minutes. Total processing time at this step was 29.17 minutes.

The subsequent step (STEP 3, "Submit Documents to Customer Relations Service") was undertaken in a table behind the BFP officer's desk. The BPLO or a representative of the treasurer's office validated the documents of the applicants and endorsed them to officers for the issuance of new business permit. Two officers check and counter-check the application documents and receipts of two applicants at a time. The documents were passed on to two data encoders, one of whom issues a priority number. The applicant then proceeded to an open waiting area.

While ideal procedure was described above, there were observed instances where the applicant proceeded to the Tax Mapping area in the adjacent building to complain, clarify, or haggle with the assessors over his taxes. After tax delinquencies and other issues were settled, the applicant went back to where he left the process. The cut was usually on Step 1 or Step 3; these cuts lengthened the renewal procedure.

Step 3 involved at least three interfaces, unless the applicant stopped or postponed the claim and receipt of his business permit. In some cases, applicants took four interfaces when other requirements such as clearance from the Tourism office or from the RCB were required. In this connection, an applicant reflected that there could have been no additional delays if the BOSS data system was updated and synchronized with related agencies. Unless the BOSS administration carries out this suggestion, this requirement from the RCB would be an additional step for tri-media and tourism-related businesses. At present, the processing time for this step was the shortest of the whole application process at 6.53 minutes with less waiting and most of the time was taken by checking and posting of documents.

The last step, STEP 4 "Claim Business Permit" in Figure 8 referred to the releasing and claiming of the permit. Applicants waited at an outdoor waiting area where priority numbers were called out through the BOSS window.

## **B. Comparative Analysis of the 2012 and 2013 Business Permit Processes**

The streamlining of business permit processes undertaken by Cagayan de Oro was quite impressive as shown by Table 31, which compared the city's experience with the JMC standards. Compared to the city's performance in 2012, all the indicators showed dramatic improvements. Among the three cities, CDO recorded the fastest processing time for new business applications. The only area where the city fell short of the JMC standards was the number of signatories, which should be reduced to two from the current seven.

**Table 31.**  
**Comparative Indicators of New Business Registration,**  
**JMC, 2012 and 2013, Cagayan de Oro City**

INDICATORS	JMC	2012	2013
1. No. of Steps	5	17	4
2. No. of Required Documents	-	14	5
3. No. of Forms to be filled out	1	10	1
4. No. of Signatories	2	27	7
5. No. of Offices/Establishments Visited	-	12	2
6. Total Length of Processing Time	< 5D	19D	46.8 M
7. No. of BOSS	-	1	1

With respect to the performance indicators for processing business renewals, the city government also showed improved performance, even exceeding the standard number of steps (Table 32). Processing time at less than two hours was a feat when compared to the performance of the other cities. This was achieved partly because of the relatively more automated processes of the city's offices. However, one aspect that needs to be reviewed is the number of signatories/initials.

**Table 32**  
**Comparative Indicators of Business Registration Renewal,**  
**JMC, 2012 and 2013, Cagayan de Oro City**

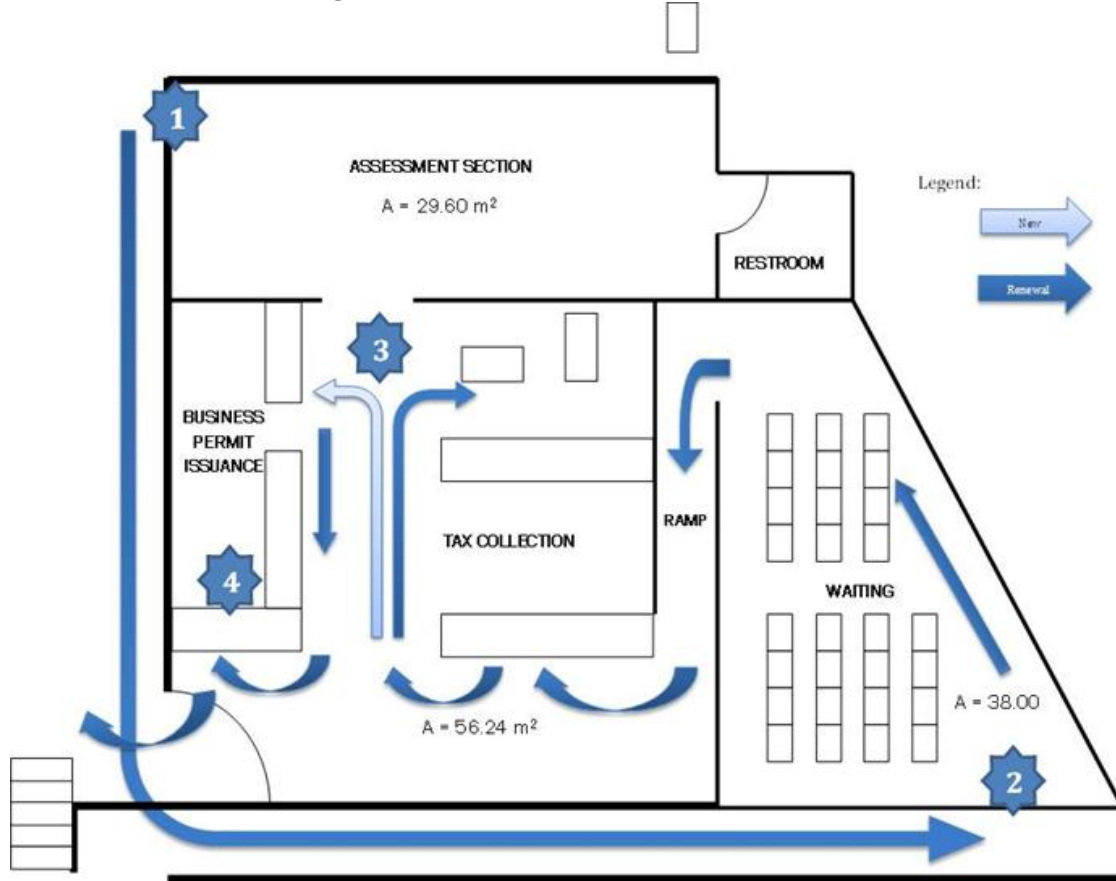
INDICATORS	JMC	2012	2013
1. No. of Steps	5	8	4
2. No. of Required Documents	-	5	5
3. No. of Forms to be filled out	1	2	1
4. No. of Signatories	2	13	4
5. No. of Offices/Establishments Visited	1	4	1
6. Total Length of Processing Time	1 day	2D	1H
7. No. of BOSS	-	1	1

### **C. Assessment of the City's Business One-Stop-Shop**

The Cagayan de Oro's BOSS process was streamlined against the four-step CDO BPLS application and renewal flow displayed in Figures 7 and 8. Figure 9 shows the layout of the BOSS and the corresponding steps in the process that applicants followed. The applicant started the process by securing application forms from the person seated behind a table in front of the assessment section. After filling out the requirements and preparing the pre-registration requirements, the applicant submitted his/her documents through the assessment window marked in Figure 9 as Number One.

To manage the queue, a 38 square-meter waiting lounge seats 30 to 40 clients in Step 2, waiting for their turn to pay taxes as they are prompted by a digital machine. A ramp connected this lounge to a floor that was about three feet lower than the waiting lounge. Taxes and fees were collected in two long tables running parallel to each other. On this first table are two cashiers and a representative of the Bureau of Fire Protection.

Figure 9. Process Flow of BOSS in CDO



The applicant began Step 3 by proceeding to a table behind the tax collection area to validate documents for issuance of his/her new permit. Two desk officers man the table for issuance and two more officers assist the release of permits in Step 4. Applicants passed through the nearest exit door and wait outside the BOSS area for their number to be called.

### Layout of the BOSS

As shown in Figure 9, the designated area for CDO BOSS is a 123.84 square-meter area in the left wing of the City Hall building adjacent to the City Treasurer’s Office. This area is flanked on two sides by a series of windows for simultaneous receipt, assessment, payment, and release of business permit and licenses.

A flowchart in English is tacked on the wall between the City Treasurer’s Office and the BOSS entrance. This was observed to be a nonstrategic location for the BOSS operation in January 7 to 21 since there is a considerable distance from the actual starting point outside the assessment section and an applicant does not get to see the flowchart at the start of the process. The procedural steps on the wall also do not match with those in Figure 8 on the four-step BPLS procedure but was functional for new applicants during their February 4 to 27 schedule.

Amenities in the BOSS area were the barest essentials. Seating capacity and clientele comfort inside BOSS and releasing/waiting area were highly dependent on peak or non-peak days. Conditions in the open-air waiting area for releasing of

permits only posed discomforts during disagreeable weather conditions. Big electric fans were placed at the two waiting areas. Other amenities included one air-conditioning unit, a television set inside the assessment section and several monitors above the cashier windows facing the BOSS personnel and other clients. Two television units were installed in both the BOSS waiting lounge and the permit release waiting area towards the last six days of permit renewal.

One toilet facility was located inside the BOSS area but was supposed to service the personnel only since its location behind the assessment section makes it inaccessible for the clients. The applicants had to go around the adjacent building if they felt personal discomfort.

### **Participants in the BOSS**

Several offices and national government agencies were in the BOSS. Present as signatories and collection or approving bodies were officials of the BFP, City Finance and Mayor's Office. Among the other agencies that used to be part of the pre-application requirements, the BFP was the only NGA allowed to collect fees inside the BOSS. Personnel from the City Finance helped in the evaluation, assessment and collection of tax and other regulatory fees such as the annual building inspection fee, tax on billboards, signboards, advertisement, manager's fee, business registration plate, garbage fee, health certification fee, mayor's permit fee, occupation permit fee, zoning fee, sanitary permit fee and OF certification fee. Personnel from the Mayor's office validates documents, encode data and issues business permits. They were always present throughout the period, except on lunch breaks.

An assessment of the BOSS operations reveals varying efficiencies on peak and non-peak days. On the latter, issuance and release of permits by personnel from the City Finance was faster on average at 2 minutes and 3 minutes compared to the time spent in other steps. Submission and assessment of taxes was longer at 16 minutes on the average.

### **D. Customer Satisfaction Survey Findings**

*Profile of Respondents.* Nearly half of the respondents (43.3%) were owners of the business while 36.7% were employees or staff of the business. Female owners (47.3%) were more inclined to process their own business permits than male owners (39.3%). Among the male respondents, 40.7% are employees or staff of the business, while 39% were owners of the business. Among female respondents, 47% are owners of the business, 32.7% are staff of the business, and the rest are either friend/family (18.7%) or service providers (1.3%). More male staff transacted for the owner's business than females.



**Table 33.**  
**Profile of Respondents by Ownership or Relationship to Owner and by Sex**

Type of Respondent	Male		Female		Total	
	No.	%	No.	%	No.	%
Business owner	59	39.3	71	47.3	130	43.3
Business staff	61	40.7	49	32.7	110	36.7
Service provider	1	0.70	2	1.3	3	1.0
Family/ friend	29	19.30	28	18.7	57	19.0
<b>TOTAL</b>	<b>150</b>	<b>100.0</b>	<b>150</b>	<b>100.0</b>	<b>300</b>	<b>100.0</b>

Most businesses applying for permits belonged to the service industry, particularly wholesale and retail activities including repair of vehicles (43%), real estate activities (11%), accommodation, and food service activities (9%). Majority of the businesses were owned by single proprietorships, numbering 220 out of 300 applicants (73.3%). Corporations followed next with 57 or 19% and cooperatives with 17 applicants. Most of the single proprietorship businesses were into wholesale and retail activities, while cooperatives were involved in financial and insurance services.

Majority of businesses were micro-businesses in terms of employee size (83.3%), and were single proprietorships (93.2%), implying that the majority of businesses have about 10 employees or less. The perceptions gathered on the applicants' experience came mainly from individuals in micro-businesses.

Most of these businesses were relatively new. Nearly half (47) of the respondents have businesses that have been in operation for five years and over half of this (24.3%) have been in operation between six to ten years. Another 10% of the businesses have stayed in business for 11 to 15 years already. Less than 10% of the businesses were started 16 to 25 years ago while 10.3% of them have been operating for over 25 years; one had been in operation for over 70 years as per survey data. Most of the micro, small and medium businesses were new, being registered over the last ten years. Some medium-sized businesses were older and the lone large company was the oldest.

*Overall Satisfaction with the LGU Services.* Very satisfied applicants numbered up to 37.8%, bringing the proportion of respondents who were generally satisfied with the city government services to 87.3%. Table 34 also shows about six clients were dissatisfied with the service. Other applicants also noticed that a few personnel inside the BOSS were a little unfriendly. At least one of them also allegedly cut queues to prioritize preferred or personal acquaintances. Contrary to findings in the data, however, most of the applicants in the casual interview admitted the BOSS renewal process in 2013 was better and faster than in 2012.

**Table 34.**  
**Distribution of Responses to “How do you feel about the service?”**

	Male		Female		Total	
	No.	%	No.	%	No.	%
<b>Very satisfied</b>	52	34.7	61	40.6	113	37.8
<b>Satisfied</b>	81	54.0	67	44.6	148	49.5
<b>Neutral</b>	13	8.7	19	12.7	32	10.7
<b>Dissatisfied</b>	4	2.7	2	1.3	6	2.0
<b>No response</b>	0	0.0	1	0.7	1	0.3
<b>TOTAL</b>	<b>150</b>	<b>100.0</b>	<b>150</b>	<b>100.0</b>	<b>300</b>	<b>100.0</b>

*Availability of Information.* Majority (80%) of the applicants sourced their application form only during their pre-submission preparation at the entrance of the BOSS area (Table 35). About 17% went directly to the BPLO or the Treasurer’s Office and sourced the form there; these were most likely bookkeepers and service providers, who were mostly female (22.7%).

**Table 35.**  
**Sources of Application Form**

	Male		Female		Total	
	No.	%	No.	%	No.	%
<b>Internet</b>			1	0.7	1	0.3
<b>Business Permit Licensing Office/Treasurer</b>	17	11.3	34	22.7	51	17.0
<b>Business one-stop shop</b>	130	86.7	110	73.3	240	80.0
<b>Unspecified source</b>	3	2.0	5	3.3	8	2.7
<b>TOTAL</b>	<b>150</b>	<b>100.0</b>	<b>150</b>	<b>100.0</b>	<b>300</b>	<b>100.0</b>

Most of the clients who were interviewed occasionally revealed that they did not know that the barangay business clearance was still required prior to the application unlike in the case of applications done by bookkeepers. Respondent applicants usually obtained the application form at the alley near the BOSS assessment window but some applicants realized that the barangay business clearance was required in the application only at the assessment window and as far in the process as the pre-payment area.

About 12% of applicants did not have the required documents needed. More males observed this inadequacy (64.9%). The fees according to them were also not based on clear tax brackets as the assessment fees levied to several applicants with similar businesses were not uniform. Other comments were concerned with the distribution area for application forms. About three complained that there were no information for directions; they obviously missed the information at the back of their application forms. The remaining four applicants complained regarding their process at the

BOSS area, particularly at the releasing area and the additional tax payments for special businesses.

One of the complaints expressed by some of the applicants about the renewal process was “unclear instructions” from BOSS personnel. Table 36 enumerates the applicants’ reaction to the question “How clear were the instructions?” A common complaint was the lack of “clear direction to the next step” and “any signage or summary of steps”. On the one hand, an ocular inspection of the BOSS area revealed that there was a step-by-step summary of the business renewal process by the stair landing located just before the entrance to the City Treasurer’s office and the Business Tax Mapping Division. This, however, did not appear to be an optimal location due to its considerable distance from the BOSS receiving windows, where applicants have their first interface.

In addition, there was an observed discrepancy between the actual process flows and the instructions posted in the signage. For instance, according to the signage, by the end of Step 1, an applicant has to go to the Customer’s Relations Officer before going to the assessment section. In the actual process during renewal period, the applicant submits his application form to the assessment window in Step 1. It seemed that the signage is applicable during the new permit application period.

Other observations deemed by some applicants as “unclear” is the requirement of a barangay “business” clearance, tax mapping bracket, special requirements from the Tourism Office or the Regulatory Compliance Board. Barangay clearance obtained by most applicants is applicable to socio-civic and political purposes and not for business-related issues and zoning purposes. Tax mapping bracket were questioned because the fees were not uniform for similar businesses, and some business that incurred losses in the previous year were meted with the same tax dues. Special requirements from the Tourism Office or the RCB came up when the applicant was about to complete the process, causing agitation to the applicant. Generally, most of the applicants in the sample disclosed that instruction for renewal of permits was clear (31.3%) or very clear (56%) as indicated in Table 36.

**Table 36.**  
**Distribution of Client Responses in CDO Regarding the Clarity of Instructions by Sex**

	Male		Female		Total	
	No.	%	No.	%	No.	%
Very clear	78	52.0	90	60.0	168	56.0
A little clear	13	8.7	7	4.7	20	6.7
Clear	51	34.0	43	28.7	94	31.3
A little unclear	8	5.3	7	4.7	15	5.0
Very unclear	0	0.0	3	2.0	3	1.0
<b>TOTAL</b>	<b>150</b>	<b>100.0</b>	<b>150</b>	<b>100.0</b>	<b>300</b>	<b>100.0</b>

*Level of Comfort at the BOSS.* The most common areas of the renewal process where applicants spent the most waiting time were the lounge prior to tax collection and the open-air space outside the BOSS at the release and claim window. Processing in these areas had become bottlenecks in the entire process during peak days of the renewal period. When asked how they felt while waiting in these areas, majority of the respondents in the exit interview were either very comfortable,

comfortable, or a little comfortable, which added up to 88.2% in Table 37. Most of them attributed the very comfortable evaluation to the air-conditioned waiting lounge and the fast processing of transactions while the bigger proportion who declared they were comfortable appreciated the provision of chairs, shade, air-conditioned waiting lounge, and fast service. About 11% were a little uncomfortable or very uncomfortable; they attributed this to the long wait, inadequate seating for a large crowd, and extreme weather conditions. Other applicants complained of the lunch break that interfered with and delayed the process.

**Table 37.  
Distribution of Responses on the Applicant’s Comfort While Waiting for  
Business Permit Processing**

	Male		Female		Total	
	No.	%	No.	%	No.	%
Very comfortable	21	14.0	37	25.0	58	19.3
Comfortable	78	52.0	76	51.4	154	51.3
A little comfortable	31	20.7	22	14.9	53	17.6
A little uncomfortable	18	12.0	11	7.4	29	9.7
Very uncomfortable	2	1.3	2	1.4	4	1.3
No response	0	0.0	2	1.3	2	0.7
<b>TOTAL</b>	<b>150</b>	<b>100.0</b>	<b>150</b>	<b>100.0</b>	<b>300</b>	<b>100.0</b>

*Friendliness and Helpfulness of the City Staff.* In Table 38, only a third of the respondents found the staff very friendly as compared to 70% in 2012. Some of them declared staff members inside the BOSS as impolite, stern, and inconsiderate. More than 50% of applicants considered the personnel who served them friendly. In general, a majority of the respondents (96.97%) considered the staff to be at least a little friendly and mentioned pleasing qualities like being accommodating and calm while working on the client’s application; 2.4% said otherwise.

**Table 38.  
Distribution of Responses to “How friendly were the staff?”**

	Male		Female		Total	
	No.	%	No.	%	No.	%
Very friendly	53	35.3	47	31.3	100	33.3
A little friendly	27	18.0	18	12.0	45	15.0
Friendly	67	44.7	79	52.7	146	48.7
A little unfriendly	2	1.3	3	2.0	5	1.7
Not very friendly	1	.7.0	1	0.7	2	0.7
No Response			2	1.3	2	0.7
<b>TOTAL</b>	<b>150</b>	<b>100.0</b>	<b>150</b>	<b>100.0</b>	<b>300</b>	<b>100.0</b>

Majority of the applicants considered the BOSS staff helpful (45.3%) and very helpful (42.0%) and only a few (1%) said they are a little unhelpful. However, one applicant commented that the BOSS personnel can do better by maintaining eye contact during interface and being pleasant to clients they are serving.

**Table 39.**  
**Distribution of Responses in CDO to “How helpful were the staff?”**

	Male		Female		Total	
	No.	%	No.	%	No.	%
Very helpful	68	45.3	58	38.7	126	42.0
A little helpful	21	14.0	14	9.3	35	11.7
Helpful	59	39.3	77	51.3	136	45.3
A little unhelpful	2	1.3	1	0.7	3	1.0
<b>TOTAL</b>	<b>150</b>	<b>100.0</b>	<b>150</b>	<b>100.0</b>	<b>300</b>	<b>100.0</b>

*Reasonableness of Fees.* A commonly raised issue was the steady and constant rise of business fees and taxes. Some other respondents also complained of what some of them called an “unfair” tax bracketing. When asked whether they think the fees they paid are reasonable, about two-thirds of the respondents affirmed they were reasonable, which indicate that these comments came from the remaining third of applicants.

**Table 40.**  
**Distribution of Responses in CDO to “Do you think that the fees you paid to secure the business permit are reasonable?”**

	Male		Female		Total	
	No.	%	No.	%	No.	%
<b>Yes</b>	97	65.1	102	68.0	199	66.67
<b>No</b>	52	34.9	48	32.0	100	33.4
<b>TOTAL</b>	<b>149</b>	<b>100.0</b>	<b>149</b>	<b>100.0</b>	<b>298</b>	<b>100.0</b>

*Time Spent in Renewing Business Permits.* Although a considerable proportion of the respondents estimated the processing time for renewal of business permits to last for over a day due to unmet pre-registration requirements such as the barangay business clearance, about 60% were able to complete the process at the BOSS for over an hour but within the day (Table 41). More female applicants completed the renewal within the day than their male counterparts, and more male applicants finished the renewal process over a day compared to their female counterparts.

**Table 41.  
Duration of Business Permit Processing**

	Male		Female		Total	
	No.	%	No.	%	No.	%
Less than one hour	35	23.3	47	31.3	82	27.3
More than 1 hour but within the day	91	60.7	89	59.3	180	60.0
More than 1 day	24	16.0	14	9.3	38	12.7
<b>TOTAL</b>	<b>150</b>	<b>100.0</b>	<b>150</b>	<b>100.0</b>	<b>300</b>	<b>100.0</b>

A majority of the respondents (93.2 %) looked forward to going through the same process again next year; 3.2 % of the applicants expressed the contrary while about 3.6 % were indifferent.

**Table 42.  
Distribution of Responses to: “How do you feel going through this process next year?”**

	Male		Female		Total	
	No.	%	No.	%	No.	%
Looking forward to it	129	90.8	132	95.7	261	93.2
Not looking forward to it	8	5.6	1	0.7	9	3.2
Indifferent	5	3.5	5	3.6	10	3.6
<b>TOTAL</b>	<b>142</b>	<b>100.0</b>	<b>138</b>	<b>100.0</b>	<b>280</b>	<b>100.0</b>

### Responses by Sex

Male and female applicants elicit different perceptions of the application process. Table 36 shows that more females (60%) found the instructions in the renewal process to be very clear. However, the distribution is more spread apart than their male counterparts, showing that more of the former were perhaps confused than the latter. Table 37 shows that more females (91.3%) felt comfortable during the process inside BOSS than the male (86.7%).

In Table 38, the male applicants seemed easy to please and a large proportion of them found the staff very friendly (35.3%) compared to the female counterparts who had more varied assessments. Table 39 reveals that more male applicants considered the staff very helpful (45.3%) while more females rated them as helpful (51.3%). In general, the male and female respondents rated the BOSS personnel ranging from at least a little helpful to very helpful than how the males rated them.

Although more male clients (88.7%) were satisfied by the service compared to the female (85.2%), four out of six of the unsatisfied clients were males (Table 34). Perhaps one reason might be because the male applicants in Table 40 were a little less or not amenable (34.9%) to the fees they paid than the females (32%). Although large enough, only 90.8% of males looked forward to going through the same process next year than 95.7% of females as shown in Table 42.