Beyond Income and Balance Sheet: Measuring Quedancor Region X

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Abstract - The study focused on customer relationship management (CRM) of the Self Reliant Team (SRT) financing Model of QUEDANCOR. The scope includes the SRT clients from 12 selected Municipalities. The objectives include determining the profile of SRT Model clienteles, describing the credit experience as clients of QUEDANCOR and SRT Cooperatives, comparing feedbacks for QUEDANCOR against SRT Cooperatives and against profiles of the clients, and assessing changes of client welfare with SRT financing. The results shows varied feedbacks from respondents on the seven indicators: convenience and comfort, understanding the fundamental principles of SRT, speed and timeliness, loan packaging, treatment from creditors, communication process and improving services as provided by the SRT Players, QUEDANCOR and the SRT Cooperatives. Majority of the respondents claimed the model made them better off economically. However, concerns were also identified as areas for improvement by the financing model.

Keywords - income, balance sheet, Quedancor, region 10

INTRODUCTION

Looking beyond the income statement and balance sheets, does QUEDANCOR really contributes to the growth and development of the rural productivity?

This study examines the matter beyond the conventional ways by using the concept of Customer Relationship Management (CRM). Customers are the reason why businesses exist. Businesses should take good care of them.

The study reveals the truthful source of information for the measurement of QUEDANCOR Region X contributions to rural growth and productivity not by the figures as revealed in the financial statements but through the feedback on the management of its customers.

It is the clients themselves who tells whether or not QUEDANCOR financing model contributed to the welfare of its clienteles in the countryside.

OBJECTIVES OF THE STUDY

The study aimed to investigate and explore the profiles of the SRT clients, impact of the SRT financing model to its clients, determine the changes in welfare of the SRT clients through its felt economic situation, project situation, standard of living, benefits and concerns of the model and its development output for a better and sustainable service to its clients.

Specifically, the study included the following objectives:

1. to determine the profile of the SRT Model clienteles considering the following variables: age, gender, civil status, number of dependents, educational attainment, occupation, occupation of spouse, monthly gross income, number of years as an SRT Client, SRT Cooperative membership/affiliation, commodity/project financed by SRT, and position held in the SRT Cooperative.
2. to describe the feedbacks of the SRT clienteles on the credit experience provided by the SRT players: QUEDANCOR and SRT Cooperative

3. to compare the credit experience of SRT Clienteles of QUEDANCOR and SRT Cooperative

4. to compare the feedback provided by the SRT clients considering their profiles

5. to assess changes on the client's welfare considering the following variables:

     5.1. Economic Situation

     5.2. Project Situation

     5.3. Standard of Living

     5.4. Benefits, Concerns and others

     5.5. SRT Success Stories

FRAMEWORK

The framework utilized the feedback of the clienteles from the SRT Model of Financing. The model provides collateral-free loans with minimal interest. The Self Reliant Team Program Diagram of the initial phase is shown in Figure 1.

SRT Model of Financing has three Phases. The first phase is initiated by QUEDANCOR as shown in the program diagram in Figure 1 above. Clients who does well in the first phase is privileged to enjoy the benefits of the second phase and eventually to the third phase which is the last and the complete implementation of the SRT Financing Model.

After two cropping seasons in phase one, clients with good repayment record are entitled to enjoy the National Card for Beneficiaries of Self Reliant Team which is in the 2nd phase of the model. The second phase is the provision of the special support system. The support system is in a form of credit assistance for emergency purposes like medical, burial, educational and other concerns. This phase was created because to avoid the diversion of funds intended to finance the project.
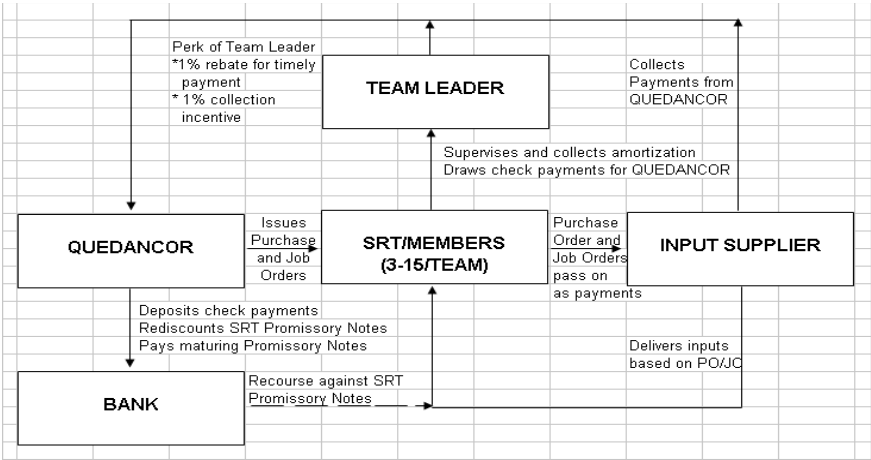
Figure 1 The Self Reliant Team Program Diagram

The third phase is the creation of the enterprise development. This was created for the purpose of a sustained credit. Instead of borrowing from QUEDANCOR directly whom the clients do not receive monetary benefits, they instead form their own SRT cooperative where they could get the services and have the share of patronage refund and dividends. The Cooperative is the client of QUEDANCOR where they are provided with credit lines for their working capital. The Capital Build Up raised among members is the other option for them to start their business. The Third Phase of SRT is designed to help credit dependent small entrepreneurs to graduate into self-reliant business partners of the community. Figure 2 shows the diagram of the three phases of the model:
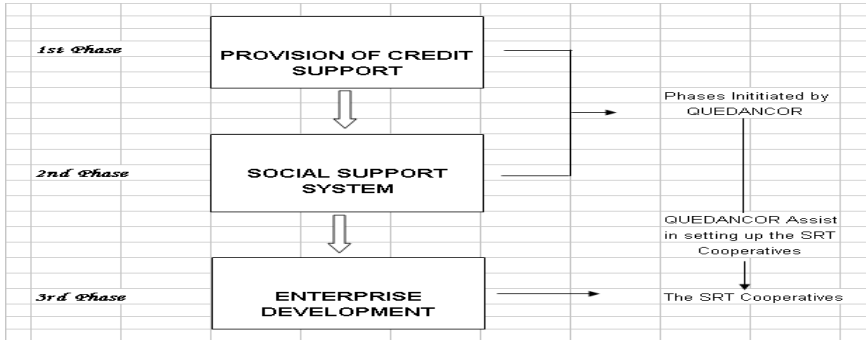
Figure 2. The Three Phases of the SRT Model

In the attainment of the objectives of the study the concepts of CRM is employed to the clients of SRT Model from the 12 Municipalities of Bukidnon and Misamis Oriental. Figure 3 shows the Schematic Diagram.

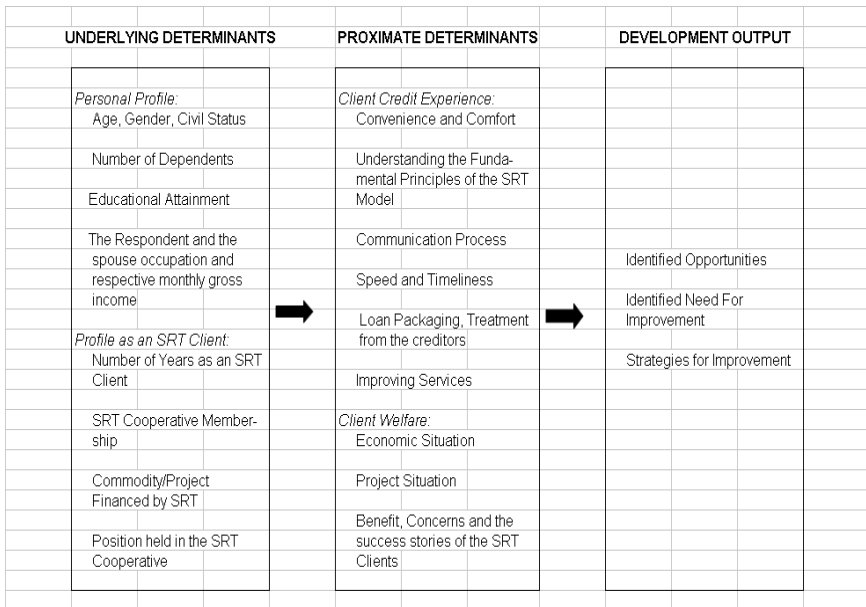| UNDERLYING DETERMINANTS	PROXIMATE DETERMINANTS	DEVELOPMENT OUTPUT
Personal Profile: Age, Gender, Civil Status	*Client Credit Experience:* Convenience and Comfort	
Number of Dependents	Understanding the Funda- mental Principles of the SRT	
Educational Attainment	Model	
The Respondent and the spouse occupation and respective monthly gross income	Communication Process Speed and Timeliness	Identified Opportunities Identified Need For Improvement
	Loan Packaging, Treatment from the creditors	
Profile as an SRT Client: Number of Years as an SRT Client	Improving Services	Strategies for Improvement
SRT Cooperative Member- ship	*Client Welfare:* Economic Situation	
Commodity/Project Financed by SRT	Project Situation	
Position held in the SRT Cooperative	Benefit, Concerns and the success stories of the SRT Clients	

Figure 3   The Schematic Diagram

The seven (7) areas are used in formulating the questions in the survey form. Figure 5 makes the schematic diagram of the study on the evaluation of the customer feedback on the SRT model from the 12 selected municipalities of Bukidnon and Misamis Oriental. The model assumes that the profiles of the individual SRT client comprise the independent variables. The clients feedback on the credit experiences and welfare constitute the dependent variables. These variables are the proximate determinants. The development output includes the identified areas for opportunities, identified need for service improvement and the management techniques to sustain the development of the SRT financing model.

MATERIALS AND METHODS

The study utilized the descriptive method of research employing the survey technique and supplemented by documentary analysis.

The study was conducted in various SRT Cooperatives of Bukidnon and Misamis Oriental. The study utilized the Slovin's Formula at 0.05 level of significance.

The researcher constructed the questionnaire and used only one set of instrument for all the respondents.

The respondents assessment on the services provided by the SRT Players, QUEDANCOR and SRT Cooperatives were determined using the by calculating the scores for every indicator. Each item was scored according to the following scale values:

Qualitative Scale	Numeric Scale	Hypothetical Mean Range
Excellent	5	4.21 – 5.00
Very Good	4	3.21 – 4.20
Good	3	2.61 – 3.20
Fair	2	1.81 – 2.60
Poor	1	1.00 – 1.80

The questionnaires were distributed to the clienteles of the 12 SRT cooperatives at the various municipalities of Bukidnon and Misamis Oriental.

The results were presented in tabular and graphical form for readability and easy comprehension. It also utilized the qualitative and quantitative interpretation of data. The SPSS program was employed for data treatment.

The frequency count and percentage were used in the presentation of the profiles of the respondents and the presentation of the changes in the welfare of the clients.

The weighted mean was used to determine the level of weight of the various quality service indicators experienced by the clients. Other formula to be used is the Fisher's or the t-Test.

RESULTS AND DISCUSSION

Majority of the respondents/SRT clients belongs to the age bracket ranging from 36-40 years old (58 or 20%), mostly females (179 or 60%), mostly married (246 or 84%), majority with 2 dependents, college level (72 or 24%), mostly farmer by profession (179 or 57%), the spouse are mostly farmers by profession also (126 or 42%), monthly gross income of P 1,001.00-5,000.00 and P5,001.00-10,000.00 (97 or 33%) each , spouse monthly gross income of P1,001.00-5,000.00 (93 or 31%), one year as an SRT client (93 or 31%), mostly from SRT Cagayan de Oro, mostly under corn financing (150 or 43%), members of the cooperative (225 or 77%).

The SRT clients provided various feedback rating on the indicators namely, convenience and comfort, understanding of the fundamental principles of SRT, speed and timeliness, communication process, loan packaging, treatment from creditors and improving services. The feedback is unique from each SRT locality namely, Pangantucan, Valencia, Malaybalay, Manolo Fortich, Libona, Baungon, Talakag, Cagayan de Oro, Claveria, Opol, El Salvador and Laguindingan. Even QUEDANCOR and the Cooperatives got a unique feedback from the different SRT locality. Table 2 shows the summary of credit experience of SRT clients of QUEDANCOR Region X

QUEDANCOR and the SRT Cooperative, using the t-test is not significant in relation to the seven service indicators. Using the same t-test formula, the profiles of the respondents in relation to the seven service indicators have no significant difference as well. On the other

hand, the profiles (gender, spouse gross monthly income etc.) in relation to the seven service indicators are significant. This implies that these profiles in relation to the seven service indicators has a significant difference as experienced by SRT clients.

Upon joining the SRT program, the economic situation of the majority suggests that they are better off (217 or 74%).With regards to the project situation after the SRT financing, majority says their project has improved (203 or 69%).Considering their standard of living majority says they have improved after the financing (192 or 65%).Other indicators for the changes in standard of living, includes the increase in capitalization (265 or 90%).

The benefits of SRT model of financing were also enumerated and ranked and majority says the financing taught them the importance of paying the obligation (171 or 8%), they're benefited for the non-collateral aspect of the loan (172 or 8%), minimal interest (174 or 8%) and easy access to financing (167 or 8%). Majority of the respondents claimed the fundamental principles of the SRT were not instilled to the clienteles as the utmost concern of SRT financing model. Some success stories of the SRT clients were also mentioned as living testimonies of the SRT financing program.

The output of the study are the identified areas of service growth opportunities, the identified area for service improvement and the management techniques as interventions for a sustained development of the SRT financing model. Each locality of SRT has a unique experience with the program with QUEDANCOR and the SRT Cooperative. The areas where the services are rated good or excellent were the growth opportunities where QUEDANCOR and the SRT Cooperatives were suggested to document the best practices so other SRT cooperatives or agencies with the like services could follow. Whereas, the areas for improvement were given specific intervention to address the problem and sustain the development of the SRT financing program.

The profile of the respondents revealed that most of them are middle aged from 36-45 years old because this is the age level where most farmers have already established their name in the business and it is easier for them to avail of the financing assistance. The number of borrowers dropped at the age between 18-25 years old primarily because most farmers at those age have parents who are also farmers

and its their parents who usually make the loan for their farm.

On the other hand, the number of borrowers also dropped between the 60-65 years old because most of the farmers at that age had already passed on their farms to their children. Most of the farmers at this age are about to retire and they pass on the financial transactions to their children. Most farmers between the age of 60-65 years old still work in the farm to assist the children but not to do the main task like they used to do when they are younger.

Most of the respondents are females (60%), married (84%) with 2 dependents (39%). The respondents are mostly female because usually the husbands are left to attend the farm and the wives are responsible for transactions with QUEDANCOR or the SRT Cooperative. Most Filipino farmers have their wives do, the financial transactions such as sourcing out for funds and budgeting. Majority of the respondents are college levels (24%), college graduate (21%) high school graduates (21%) and high school level (17%) followed closely.

It is common in the Philippines that most farmers are not college graduate. In most cases college graduates would opt to work in the urban areas where they think they have better opportunities than in the rural areas and work at the farm. Most of the SRT clients are farmers (57%), which also includes their spouses (42%). Usually the wifesupport the husband in the farm. Majority of their gross monthly incomes ranges from 5,001.00-10,000.00 (33%) per month and 1,001.00-5,000.00 (33%) per month while majority of the spouse gross monthly income range from 1,001.00-5,000.00 (31%). Most of the clients are members of the SRT for at least one year. This shows the SRT program is designed for small farmers with below 10 hectares arm area. As to the number of respondents most of them comes from SRT Cagayan de Oro Cooperative being the cooperative with the most number of members. Their projects are mostly corn production (43%). Corn is one of the staple crop of Region X and most farmers in the region has corn crops.

CONCLUSIONS

The feedback on the services provided by QUEDANCOR and the SRT Cooperative to its clients made the study more useful in terms of

identifying the strength and weaknesses. Each group of SRT Clients from the 12 SRT Cooperatives gave unique responses in terms of the services given to them. Generally the composite mean rating the services was rated good for QUEDANCOR and the SRT Cooperative.

However, seeing them separately from the other, QUEDANCOR obtained a very good rating from the seven indicators while the SRT Cooperative fall short with a rating of good in the area of understanding the fundamental principles of SRT. Employing the individual hypothetical mean derived from the 7 areas identified as basis for evaluating the quality of service to clients, QUEDANCOR proved higher than the SRT Cooperative. The 7 indicators being ranked for QUEDANCOR and the SRT Cooperative were evaluated as to their significant differences from each other. In the same way these indicators were evaluated in relation to the given profiles of the clients. The rating shows that the cooperative management fell short in the training given.

In the changes of clients' welfare, the majority of the SRT clients find themselves better off in terms of their economic situation, project situation and standard of living. This shows the financing from SRT Program is a great help for the farmers. There are also a number of clients who believe their situations are the same as before or their situations had worsen after the SRT Financing. This is due to crop failures brought about by the pest and diseases and unfavorable weather conditions. The financial assistance caused them burdens instead of profit because most did not have their crop insurances. Their reasons were also enumerated and these are helpful in identifying the strategies in the management of concern, areas to improve the quality of service and the formulation of techniques for a sustained development of the SRT model. These strategies come from the farmers themselves. Other farmers could use the same strategies for their own benefit.

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