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# Fire in July: Project Scheduling at RESMERL Garment Subcon Services

“Manang,<sup>i</sup> when are we going to have our usual garment operation? Do we have job orders?” Will you be needing our services for this week?” Those were questions that Merlina Natividad, founder of RESMERL Garment Subcon Services (RGSS)<sup>ii</sup>, had difficulty answering these days.

The job orders from the sole client of her garment subcontracting business had become very infrequent in the past few months. Merlina believed that this was because of the fire incident in the office of Damitan Inc.,<sup>iii</sup> which happened around July 2016. RGSS’s whole operation relied on the job orders placed by its only client. If this infrequency of orders persisted, it would surely be a sad Christmas for all employees of RGSS.

Merlina reached for her purse to get a business card and dialed an unfamiliar number. She secured an appointment to discuss a possible venture with 888 Department Store.<sup>iv</sup>

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<sup>i</sup> Manang is an Ilocano term used to refer to an older sister or an older female person.

<sup>ii</sup> Resmerl Garment Subcon Services is a custom dressmaking company registered in the Department of Trade and Industry (DTI).

<sup>iii</sup> Damitan Inc. is a client of RGSS. A pseudonym is used to protect the privacy of RGSS clients.

<sup>iv</sup> 888 Department Store is a client of RGSS. A pseudonym is used to protect the privacy of RGSS clients.

## Early Start up

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Merlina B. Natividad founded her company, RGSS, on August 8, 2008 and was its owner and operator.<sup>1</sup> RGSS's factory/office was located at #35 Pinagbuklod St., Purok 1-A, New Lower Bicutan, Taguig City.<sup>v</sup>

Before Merlina became an entrepreneur, she had struggled between family life and her career as an employee. She was a former merchandiser at Suyen Corporation (Bench)<sup>vi</sup> and a Research & Development Supervisor at Diversion Industries (Guess).<sup>vii</sup> She juggled her responsibilities to her growing family and her demanding work schedule. It was in year 2008 when, after having worked for ten years, she came to the realization that her aspirations of providing a better life for her family would never be realized if she were to remain an employee. It was then that she felt the urge to establish her own garment subcontracting business. Her background and work experience proved to be very useful in putting up her own business.<sup>2</sup>

Because Merlina had not saved enough to start her business, she pawned all her jewelry in order to raise enough capital. She promised herself that once the business realized profit, she would reclaim all the jewelry she pawned. Running her own was a difficult transition for her because she was accustomed to receiving a monthly salary as an employee. As a business owner, she no longer received monthly salary, and she felt like she was bleeding money all the time.<sup>3</sup>

## Operation

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*Subcontracting* is a business practice in which the main contractor hires additional individuals or companies called subcontractors to help complete a project. The main contractor is still in charge and must oversee the subcontractors to ensure that the project is executed and completed as specified in the contract.<sup>4</sup> RGSS, as a subcontractor to clients like Damitan, was responsible for setting up facilities and staffs for sample development, layer cutting, sewing production, and packing/finishing activities. In cases where the job orders from Damitan Inc. exceeded the capacity of RGSS, Merlina would, in turn, ask other subcontractors from Taguig, Norzagaray, Sapang Palay, and Dasmariñas Cavite to fulfill other sewing requirements. See Exhibit 1 for RGSS Organizational Structure.

The process typically started with identification of the client's job requirements. For RGSS, the job was normally either a women's blouse, dress or sometimes both. Once the job requirements of the clients were identified, sample development would follow. In this stage, Merlin would make a sample in medium size of the desired style/design of blouse and/or dress as per specification by the fashion designers of Damitan, Inc. Once the sample was made, it was submitted to the client for approval. Once approved, the next stage was the preparation of the pattern of the desired size. Damitan held two brands: one for petite sizes and the other for plus sizes. The patterns for petite sizes were small (S), medium (M), large (L), extra large (XL), and double extra large (2XL). For the plus sizes, the patterns that had to be prepared were large 1 (1L), large 2 (2L), large 3 (3L), large 4 (4L), and large 5(5L).

After completing the patterns, the patterns were again submitted to the client for fitting and assigning of the fabrics to be used. The decisions about which fabrics to be used on the submitted and approved patterns were made by Damitan's creative team. The team comprised fashion designers. The fabrics are usually sourced from abroad.

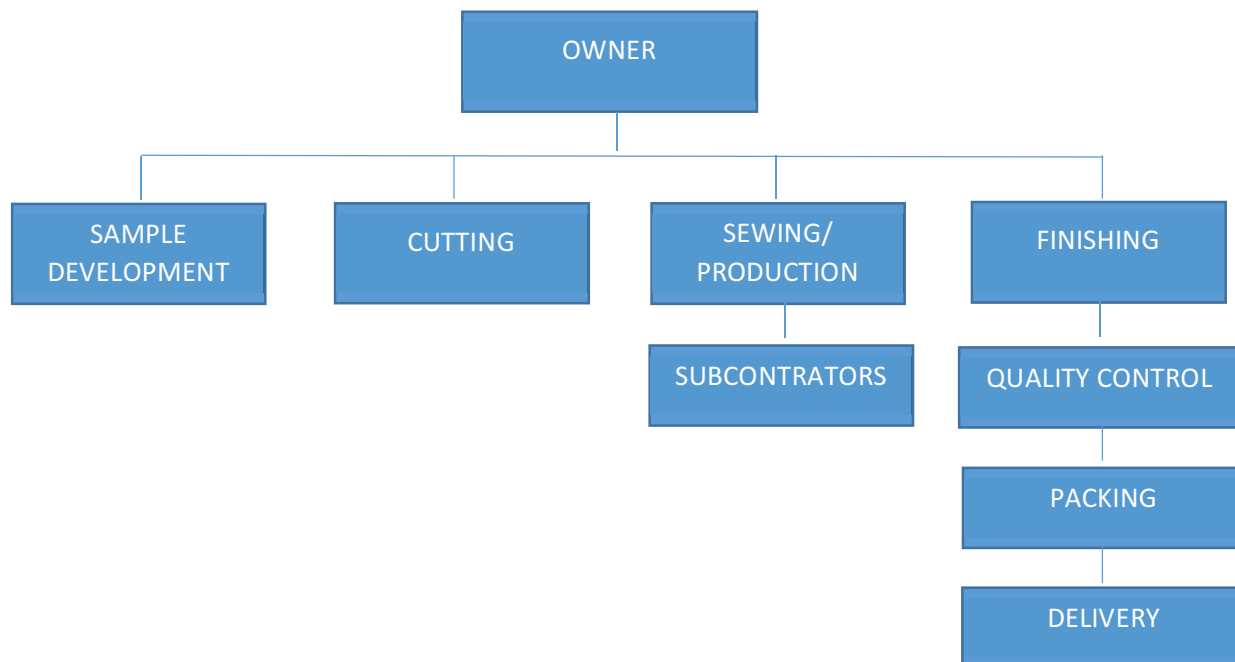
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<sup>v</sup> Taguig is a highly urbanized city located in the southeastern portion of Metro Manila in the Philippines. It used to be a thriving fishing community along the shores of Laguna de Bay; now it is an important residential, commercial and industrial center.

<sup>vi</sup> Bench is a Philippine retail brand of clothing, bags, accessories, footwear and fragrances.

<sup>vii</sup> Guess is an American clothing brand and retailer. In addition to clothing for both men and women,

**Exhibit 1**  
**Organizational Chart of RGSS**



*Exhibit created by the author from the source: Natividad, Merlina. Personal interview, October 2016.*

Once all of these processes were completed, the next step was layout of fabrics for cutting. This was a very crucial stage, because the fabrics had to be cut in such a way that the specified patterns/designs were observed. Another concern was that the rolls of fabric had to produce the desired number of blouse/dress outputs. Any mistake in this stage could undermine fulfilling the contract between RGSS and Damitan. Because the fabrics were sourced from abroad, it would be impossible to find a replacement in the Philippine market.

Once cutting stage was done, the next step was sewing. Because RGSS was usually given 1000-piece job orders for the petite size and around 500 to 800 pieces for the plus sizes, Merlina at this stage had to determine the capacity of her employees and factory. If the job orders could not be finished by her employees in time to meet the Damitan's requirement -- which was usually 3-4 weeks after the contract signing -- she distributed the job orders to other subcontractors situated in Taguig, Norzagaray, Sapang Palay, and Dasmarinas Cavite. These subcontractors comprised female sewers who were typically housewives who, because of their responsibilities to their families, found it hard to secure regular employment. Their engagement with RGSS was a good source of additional income without the need to be physically away from their families for most of the day.

After the sewing step came quality control. In this stage, the blouses/dresses were inspected thoroughly for any minor or major nonconformities. A quality-control inspector came over to her house and checked each finished product to make sure that it met the client's standards. If rejected, the product underwent repair. If the product was irreparable, it was excluded from the batch to be delivered to the Damitan factory. This final step was also the stage in which trimming, pressing, attaching of hangtags and barcodes, and packing took place. The employees in the packing department sorted the blouses/dresses based on their hangtags and barcodes, with specific allocation to all SM and Robinsons stores all over the country.<sup>5</sup>

## Clients

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In the beginning, RGSS supplied ladies garment apparel to three garment companies. The initial stage was extremely difficult for Merlina. She didn't have a car, so if there were deliveries to be made, she had to take a taxi. Merlina remembered that there was a time when, as she was carrying the orders, the plastic tore and contents were scattered on the floor. She was so scared at that time for fear that her client would see what happened and would give her job orders to other subcontractors. Such transportation problems could be considered as thing of the past now, she thought gratefully, because RGSS owned two automobiles that were used interchangeably for pickup and delivery purposes.<sup>6</sup>

It didn't take Merlina long to gain the trust and confidence of her clients. The quality of her outputs, her ability to exceed clients' expectations, and her integrity was all that she needed to make this possible. It came to a point that the owner of Damitan -- which was a consignor to all branches of SM Department Store<sup>viii</sup> and Robinsons Department Store<sup>ix</sup> -- requested for RGSS to focus only on their company. Merlina didn't hesitate to go along with the request, because Damitan's promised job orders were definitely more than what her company could handle at that time.<sup>7</sup>

The operation of RGSS had focused on the job orders from Damitan over the past eight years, and it proved to be very profitable. However, the recent turn of events was causing Merlina to worry. The job orders weren't what they had been before; they were becoming infrequent. In the past, Merlina would have maximum of seven styles per month at an average of 1000-piece job orders for the petite size and around 500 to 800 pieces for the plus sizes.<sup>8</sup> For the cost per project, see **Exhibit 2**.

**Exhibit 2**  
**RGSS Cost Per Project at Damitan, Inc**

Style	Cost per Project	Quantity per Project	Total Amount
Basic	P 131	1000	P 131,000
Semi-stylish	P 150	800	P 120,000
Stylish	P 200	700	P 140,000
Multi-styles	P 250	500	P 125,000

*Exhibit created by the author from the source: Natividad, Merlina. Personal interview, November 2016.*

Merlina was now seriously considering the long standing offer of 888 Department Store to cater to their growing demand for teens' shirts, ladies' blouses and dresses. (See Exhibit 3 for the list of activities for the 888 Department Store project.) She was confident that RGSS could handle job orders from Damitan Inc and 888 Department Store. She was very excited about the new project at hand with 888 Department Store, but she also realized that she would have to be coordinating work from both Damitan and 888 Department store. Could she handle the work activities of both clients? How would she go about scheduling and coordinating the work?

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<sup>viii</sup> SM's department store now branded as "The SM STORE", is a one stop shopping center founded Henry Sy in October 1958. It offers an exciting array of merchandise from fashion to home furnishings that is complemented by inspired and aspirational store designs that likewise offer convenience and accessibility.

<sup>ix</sup> Robinsons Department Store is a well known retail establishment in the Philippines. It offers a full range of merchandise that anchors on fashion, home & lifestyle.

**Exhibit 3**

**List of Activities for the 888 Department Store Project**

Activity	Description	Immediate Predecessor	Activity Time
A	Submission of RGSS DTI and BIR documents	_____	1 day
B	Development and submission of samples	_____	2 days
C	Obtain approval for the submitted samples	B	3 days
D	Prepare patterns for all sizes	C	2 days
E	Submission of patterns	D	1 day
F	Approval of patterns and issuance of purchase order	E	3 days
G	Purchase of fabrics and embellishments	F	1 day
H	Layout and cutting of fabrics	G	1 day
I	Claiming of hangtags and barcodes	C, F	1 day
J	Sewing	F,G	14 days
K	Quality Control	J	1 day
L	Pressing	K	1 day
M	Attaching hangtags and barcodes	K	1 day
N	Packing	K	1 day
O	Delivery	N	1 day

*Exhibit created by the author from the source: Natividad, Merlina. Personal interview, November 2016.*

## Appendices

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### Appendix A Layouting & Cutting



Source: Author Photo, November 2016

**Appendix B**  
**Sewing**



*Source: Author Photo, November 2016*

**Appendix C**  
**Pressing & Quality Control**



*Source: Author Photo, November 2016*

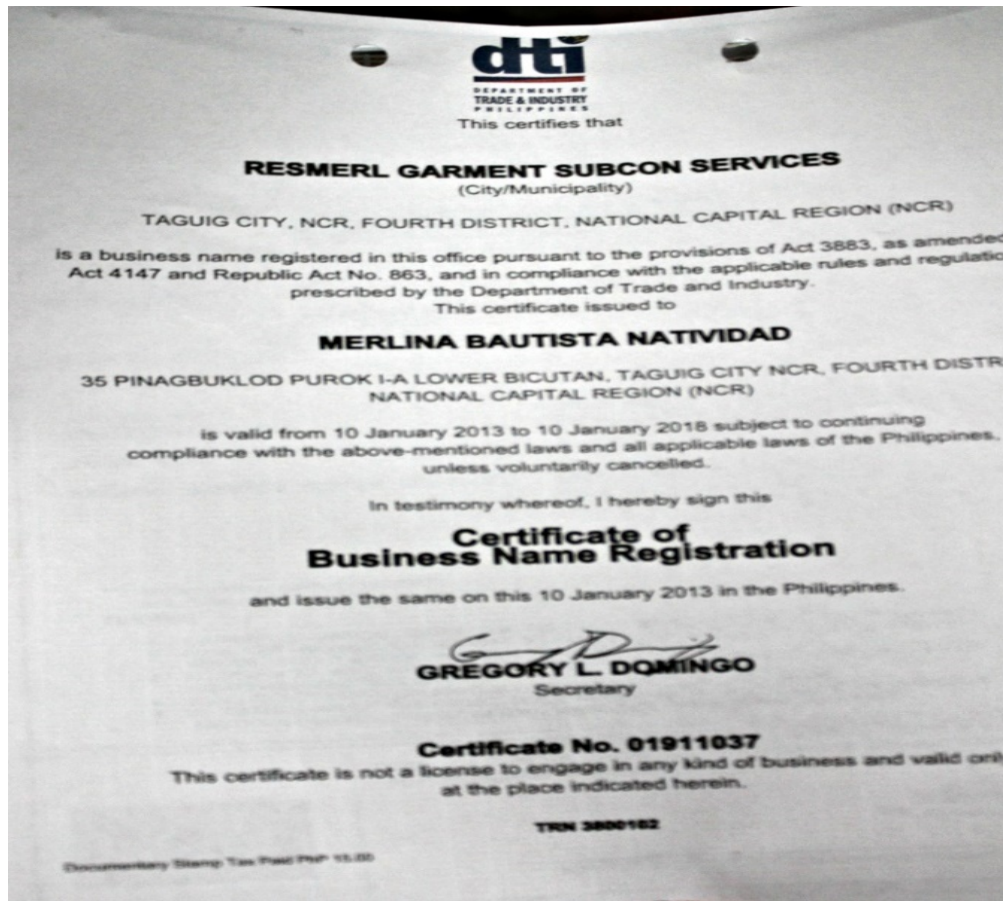
**Appendix D**  
**Barcoding, Folding and Packing**



*Source: Author Photo, November 2016*



**Appendix E**  
**Department of Trade & Industry (DTI) Certificate**



Source: Author Photo, November 2016

Appendix F  
BIR Form

REPUBLIC OF THE PHILIPPINES  
KAGAWARAN NG PANANALAPIN  
KOMISYON NG REENTAS INTERNAS  
REVENUE REGION NO 008  
REVENUE DISTRICT NO 044

OCN 9R000003864

BIR Form No. **2303**  
Revised July 1997

### CERTIFICATE OF REGISTRATION

TIN 150-543-310-000	NAME NATIVIDAD, MERLINA BAUTISTA	REGISTRATION DATE 08/08/2008
REGISTERED ADDRESS 35 PINAGBUKLOD ST PUROK 1-A LOWER DICUTAN TAGUIG CITY 1632		
REGISTERED ACTIVITY(IES)		
TAX TYPE INCOME TAX REGISTRATION FEE	PERCENTAGE TAX - MONTHLY WITHHOLDING TAX - EXPANDED/OTH	
TRADE NAME RESMERL GARMENT SUBCON SERVICE S	LINE OF BUSINESS / INDUSTRY 1822 CUSTOM DRESSMAKING 5232 RETAIL OF TEXTILES, CLOTHING, FOOTWEAR, LEATHER GOODS	
*** Additional Line of Business - PSIC 5232 Date - November 20, 2013 <b>REMINDEES:</b> <ul style="list-style-type: none"> <li>◆ PAYMENT OF ANNUAL REGISTRATION FEE ON OR BEFORE JANUARY 31 USING BIR FORM 0505.</li> <li>◆ FILING OF REQUIRED TAX RETURN/S TO CONFORM WITH THE ABOVE TAX TYPE/S, WHETHER WITH OR WITHOUT BUSINESS OPERATION, TO AVOID PENALTIES.</li> <li>◆ AUTHORITY TO PRINT INVOICES / RECEIPTS (BIR FORM 1906) SHOULD BE REGISTERED WITHIN 30 DAYS FROM REGISTRATION DATE.</li> <li>◆ BOOKS OF ACCOUNTS SHOULD FIRST BE REGISTERED, BEFORE USE (BIR FORM 1905).</li> <li>◆ IMMEDIATELY INFORM THE DISTRICT OFFICE IN CASE OF TRANSFER / CESSATION OF BUSINESS AND OTHER CONCERNS BY FILING BIR FORM 1905 TO STOP GENERATION OF OPEN CASES.</li> </ul>		
I HEREBY CERTIFY THAT THE ABOVE NAMED PERSON IS REGISTERED AS INDICATED ABOVE, UNDER THE PROVISIONS OF THE NATIONAL INTERNAL REVENUE CODE, AS AMENDED.		
		Signature: <i>[Handwritten Signature]</i> Date: <i>11/20/13</i> OFFICE: <i>[Handwritten Office Name]</i>
THIS CERTIFICATE MUST BE EXHIBITED CONSPICUOUSLY IN THE PLACE OF BUSINESS.		

Source: Author Photo, November 2016

**Appendix G**  
**Business Permit**


 REPUBLIC OF THE PHILIPPINES  
 CITY OF TAGUIG  
**BUSINESS PERMIT**



ACCOUNT NUMBER: 10003945    OWNERSHIP TYPE: SINGLE PROPRIETORSHIP    VALID UNTIL: 12/31/2014    AREA (Sq. Ft): 20    DATE ISSUED: 2/12/2014

**BUSINESS NAME:** RESMERL GARMENT SUBCON SERVICES

**LOCATION OF BUSINESS ESTABLISHMENT:** 35 PINAGBUKLOD ST. PRK. 1-A, NEW LOWER BICUTAN, CITY OF TAGUIG

**TAX PAYER (OWNER):** NATIVIDAD, MERLINA B.    STATUS: RENEWAL    MODE OF PAYMENT: QUARTERLY    O.A. NUMBER: A-2046751



TAX DESCRIPTION	TAX BASE	AMOUNT DUE
SUB-CONTRACTOR	475,200.00	2,160
Mayor's Permit Fee		800
Sanitary Inspection Fee		50
Medical/Health Fee		10
Environmental Fee		20
Building Inspection Fee		160
Electrical Inspection Fee		200
Plumbing Inspection Fee		100
Mechanical Inspection Fee		200
Fire code : pd1185		220
Business Plate/Sticker		150
Forms Fee		140
Signboard Fee		200
Fire Permit Fee		0
Other Fees		0
<b>TOTAL</b>		<b>4,576</b>

**APPROVED BY:**  
  
 MA. LAARNI "Ate Lani" L. CAYETANO

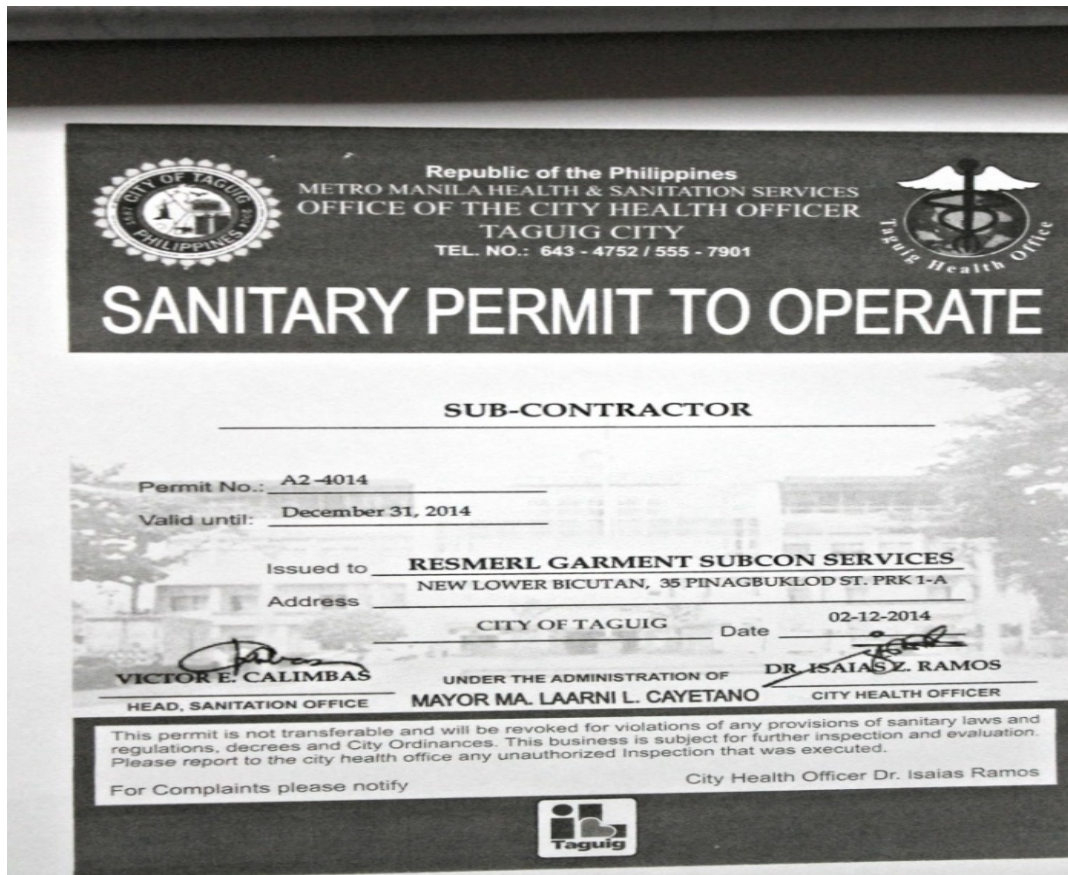
This Permit is revocable and is null and void if the permittee violates any applicable law, ordinance and/or regulation or if he/she fails to pay any tax fee charges as they become due.  
 For illegal use of this permit, please notify BPLO (02) 555-7818



 www.taguig.gov.ph

Source: Author Photo, November 2016

**Appendix H**  
**Sanitary Permit to Operate**



Source: Author Photo, November 2016





## Endnotes

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<sup>1</sup> The information in this section was compiled from the source: Natividad, Merlina. Personal Interview. October 2016.

<sup>2</sup> The information in this section was compiled from the source: Natividad, Merlina. Personal Interview. October 2016.

<sup>3</sup> The information in this section was compiled from the source: Natividad, Merlina. Personal Interview. October 2016.

<sup>4</sup> Business Dictionary. Accessed 12 November 2016.

<<http://www.businessdictionary.com/definition/subcontracting.html>>

<sup>5</sup> The information in this section was compiled from the source: Natividad, Merlina. Personal Interview. October 2016.

<sup>6</sup> The information in this section was compiled from the source: Natividad, Merlina. Personal Interview. November 2016.

<sup>7</sup> The information in this section was compiled from the source: Natividad, Merlina. Personal Interview. November 2016.

<sup>8</sup> The information in this section was compiled from the source: Natividad, Merlina. Personal Interview. November 2016.