

# EMPOWERING MSMES WITH DIGITAL DEMOCRACY

## Rapid Needs Assessment

### SURVEY OBJECTIVES

- Conduct a rapid assessment of Micro, Small, and Medium Enterprises (MSMEs) in Cagayan de Oro City.
- Identify the challenges faced by MSMEs, as well as the support and programs they need from the City Government.

### SURVEY SUMMARY

- Survey responses were collected from July 13, 2024 to August 31, 2024 (49 days)
- The survey received a total of **309** responses.

### ABOUT THE RESPONDENTS

- Most respondents are micro (83%), sole proprietorship (88%) businesses primarily catering to local markets within Cagayan de Oro City (88%).
- 15% of respondents declared that their business address is in Barangay 33.
- Most respondents are renting their business facility (57%).
- Most respondents declared their business classification under “other services” (25%), followed by Repair of Motor Vehicles (15%) and Wholesale and Retail Trade (15%)
- Most respondents are NOT a member of any business nor professional organization (73%).

### HIGHLIGHTS

- Most respondents are **not aware** of Oro-TIPC (72%) and other LGU programs for MSMEs (67%).
- Info about LGU programs is mostly retrieved by respondents from social media (32%) and community meetings (18%).
- The biggest challenges encountered by MSMEs are: 1.) Lack of funds / high cost of operations; 2.) Lack of skills
- Respondents are requesting the following support: 1.) Financial assistance or links to financing channels, and 2.) technical training and workshops.
- Preferred training mode is face-to-face, while preferred communication platform is social media and SMS/calls.
- Respondents suggested the following LGU programs for MSMEs: 1.) Linkages or access to financing; 2.) Technical training and workshops; 3.) Market assistance programs; and 4.) Simplification of regulatory compliance processes.
- Association analysis suggests that those who have high operational and marketing costs are the ones having the most difficulty in regulatory compliance.



## SUGGESTIONS FOR CDO-LGU

- Improve Information, Education and Communication (IEC) on the LGU's programs and opportunities for MSMEs. Leverage social media and SMS for wider reach.
- Facilitate and encourage MSMEs to join accredited professional and/or business groups and leverage these groups for IEC and consultation activities.
- Suggested skills development programs for MSMEs are:
  - Financial literacy and financing opportunities
  - Streamlining business operations (specifically on how to lower operating costs and maximizing productivity)
  - Digital marketing and digital payments.
- Continue to monitor response of MSMEs to new programs by the LGU.
- Hold regular market promotion campaigns, both onsite and in digital platforms.

## PART I – About the Respondents

There are a total of 309 responses received from July 13, 2024 to August 31, 2024. Highest number of responses were recorded on August 15, August 1, and August 29, 2024 (Figure 1).

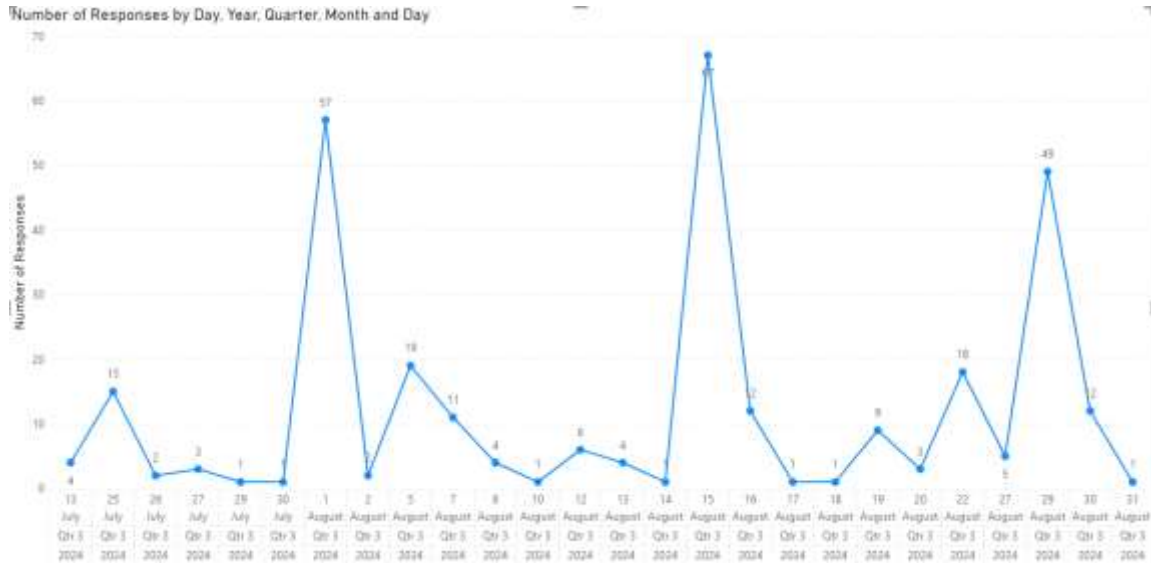


Figure 1. Number of Responses Received from July 13, 2024, to August 31, 2024.

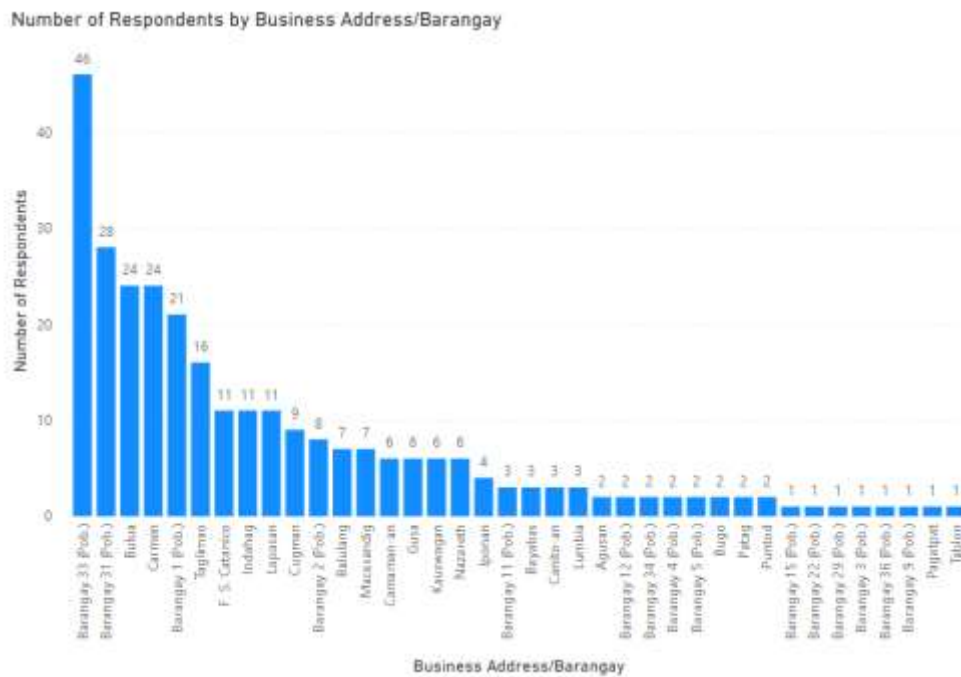
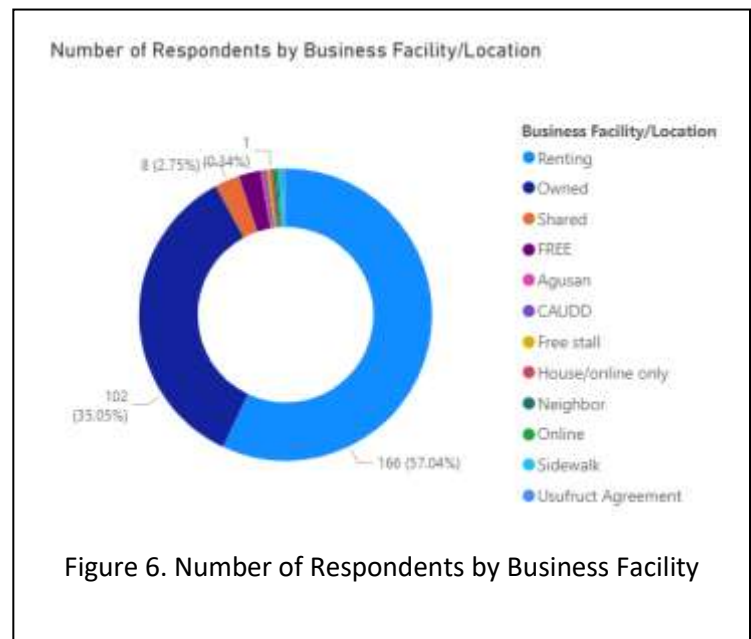
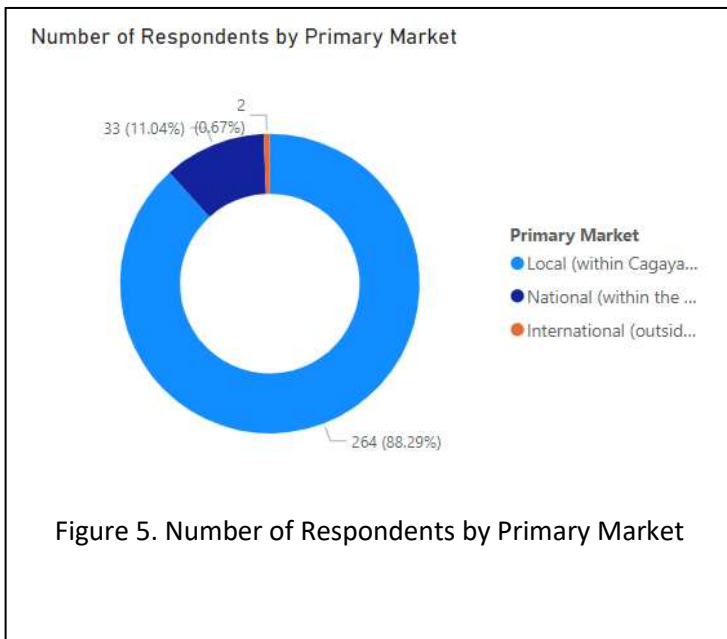
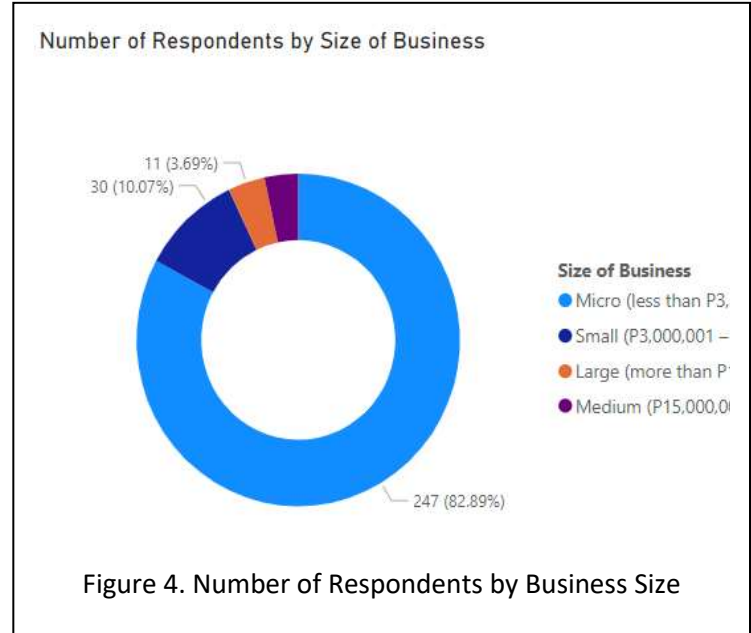
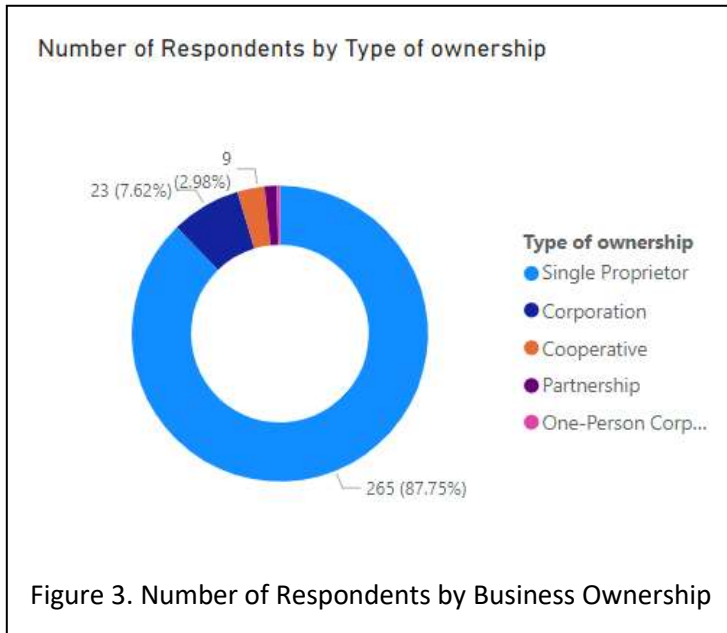


Figure 2. Number of Respondents by Business Address

15% of respondents declared that their business address is in Barangay 33 (Figure 2). Majority of the respondents are single proprietorship (88%), micro (83%) businesses with a primarily local market within Cagayan de Oro City (88%) (Figures 3, 4 and 5 respectively). Majority of the respondents are renting their business facility (57%) (Figure 6).



Majority of the respondents declared their business classification under “other services” (25%), followed by Repair of Motor Vehicles (15%) and Wholesale and Retail Trade (15%) (Figure 7). Most respondents are NOT a member of any business nor professional organization (73%) (Figure 8).

Number of Respondents by Business Classification and Business Classification

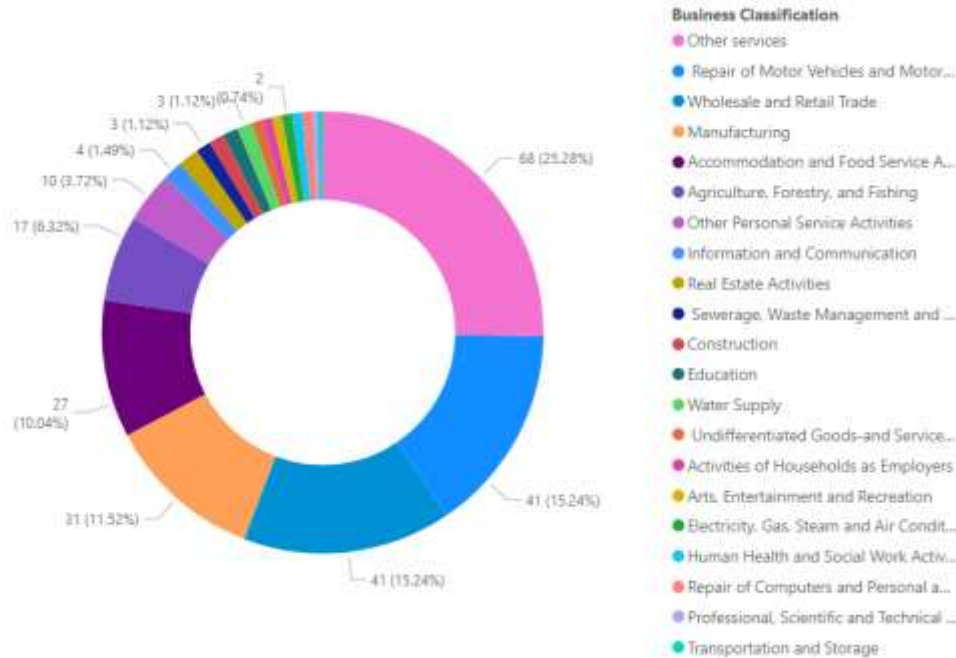


Figure 7. Number of Respondents by Business Classification

Number of Respondents by Membership to Business/Professional Organization

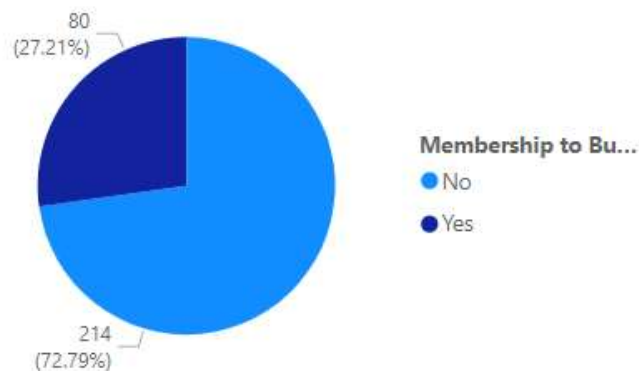
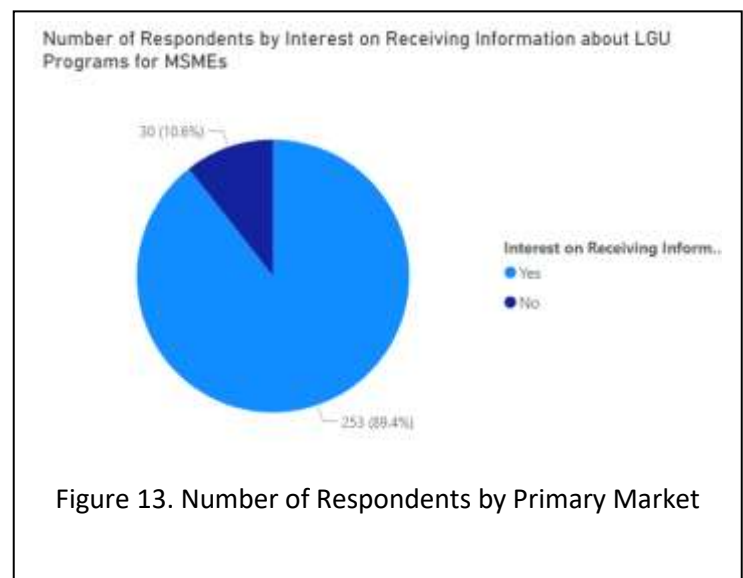
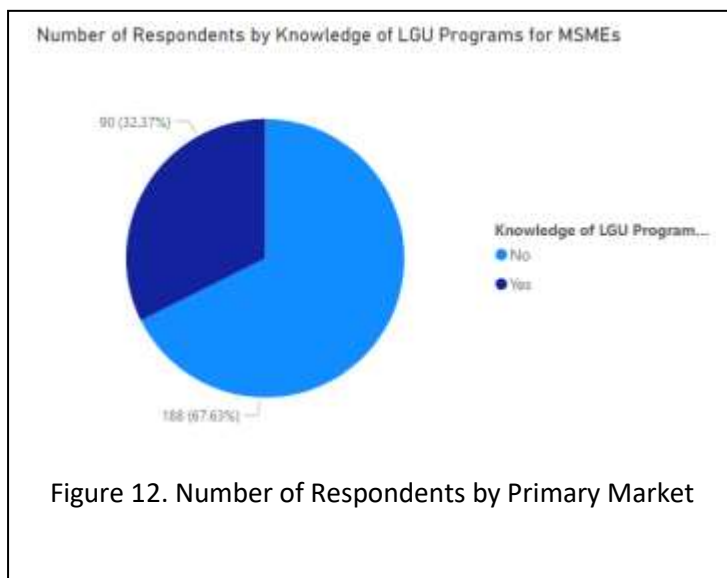
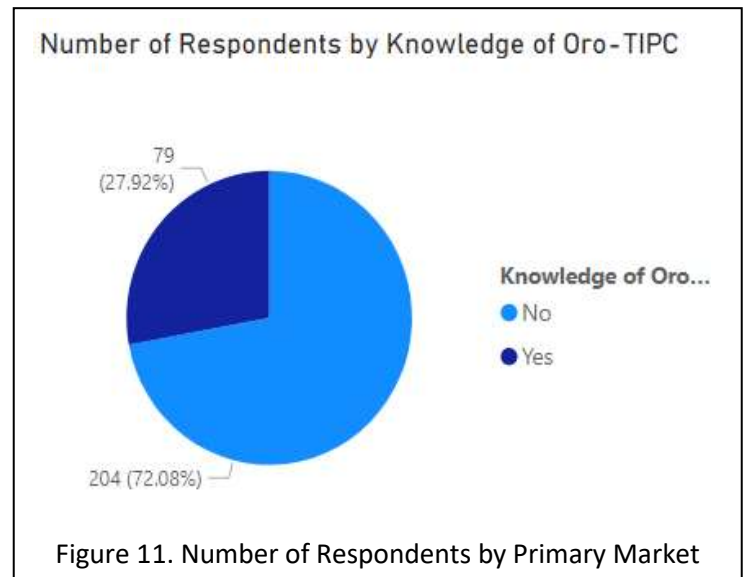
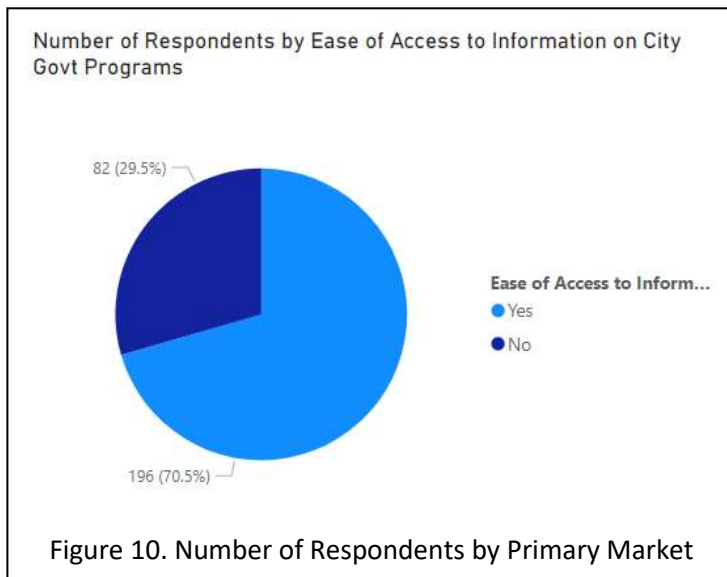


Figure 8. Number of Respondents by Membership to Business and/or Professional Organizations



## PART II – Awareness of LGU Programs for MSMEs

Most respondents (70%) find it easy to access information on City Government programs (Figure 9). However, only 28% of the same respondents know about Oro-TIPC (Figure 10) and 32% are aware of LGU programs for MSMEs (Figure 11). 89% expressed interest in receiving communication from the City Government about its programs for MSMEs (Figure 12). For the respondents who claimed that it's difficult to access MSME support information from the LGU, commonly cited reasons include lack of information dissemination and that they are just relying on business and government group chats for opportunity announcements.







## PART III – Challenges Faced by MSMEs

Most frequently mentioned challenges MSMEs face across the subcategories is lack of funds and high cost of operations and compliance to regulations.

Number of Mentions by Challenges Faced: Developing new Products and Challenges Faced: Developing new Products

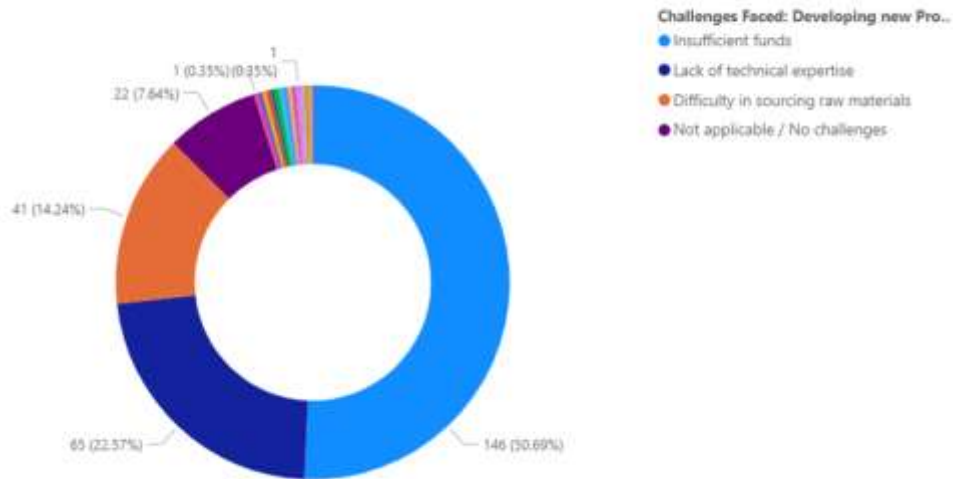


Figure 16. Challenges in Developing New Products

Number of Mentions by Challenges Faced: Reaching New Markets

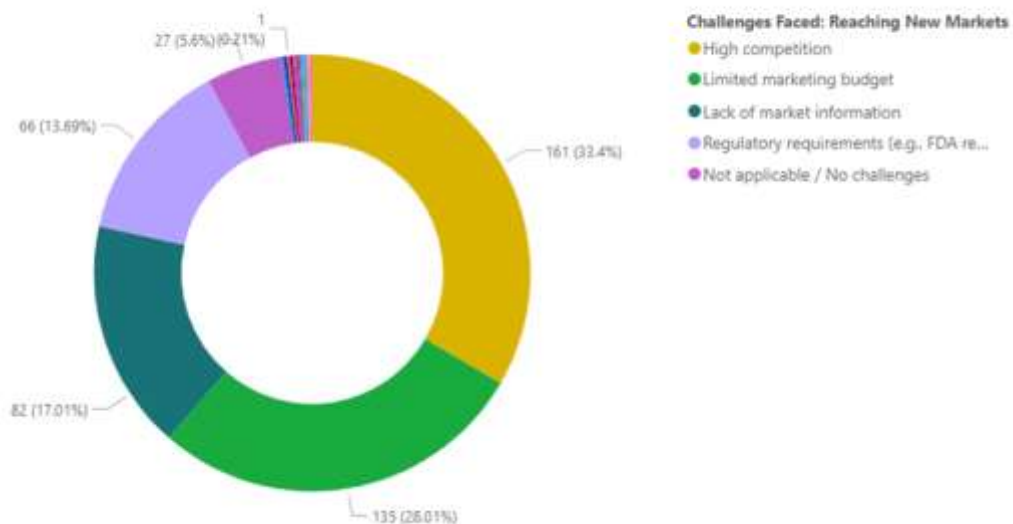


Figure 17. Challenges in Reaching New Markets

Number of Mentions by Operational Challenges Faced

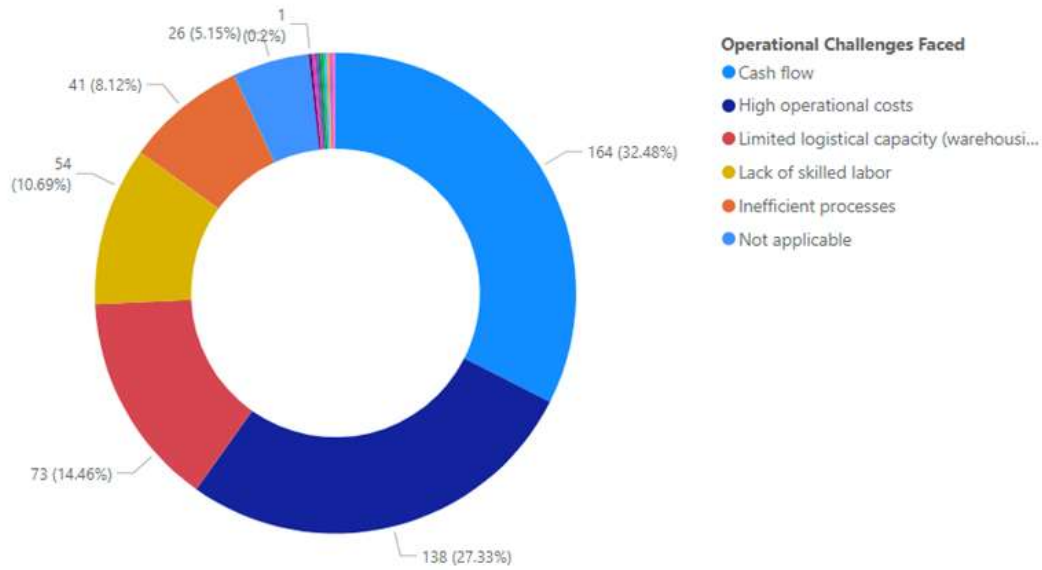


Figure 18. Operational Challenges Mentioned

Number of Mentions by Challenges Faced: Regulation

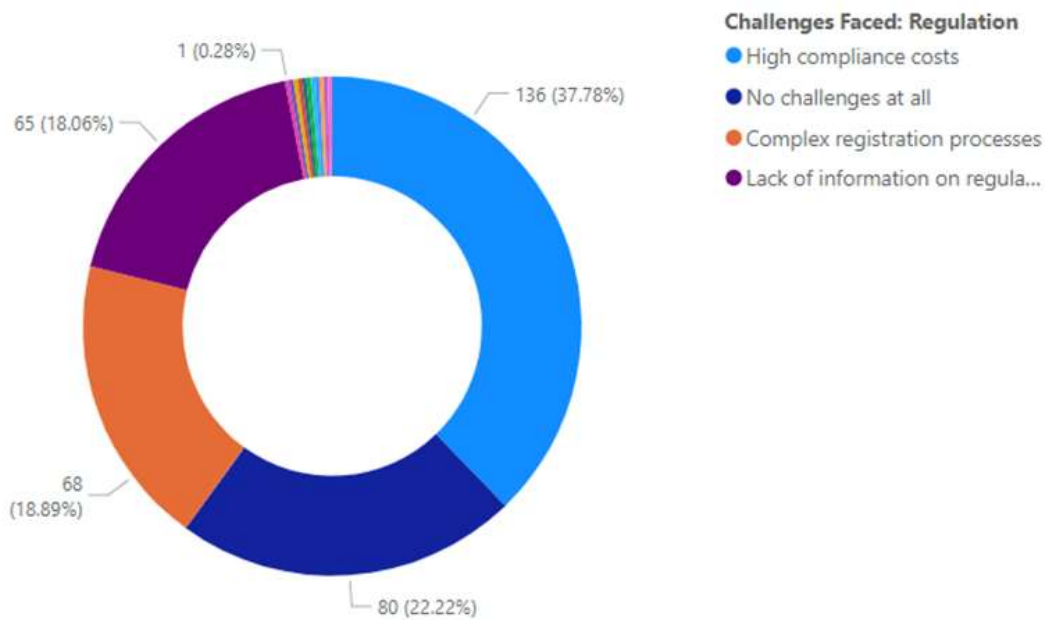


Figure 19. Regulatory Challenges Mentioned

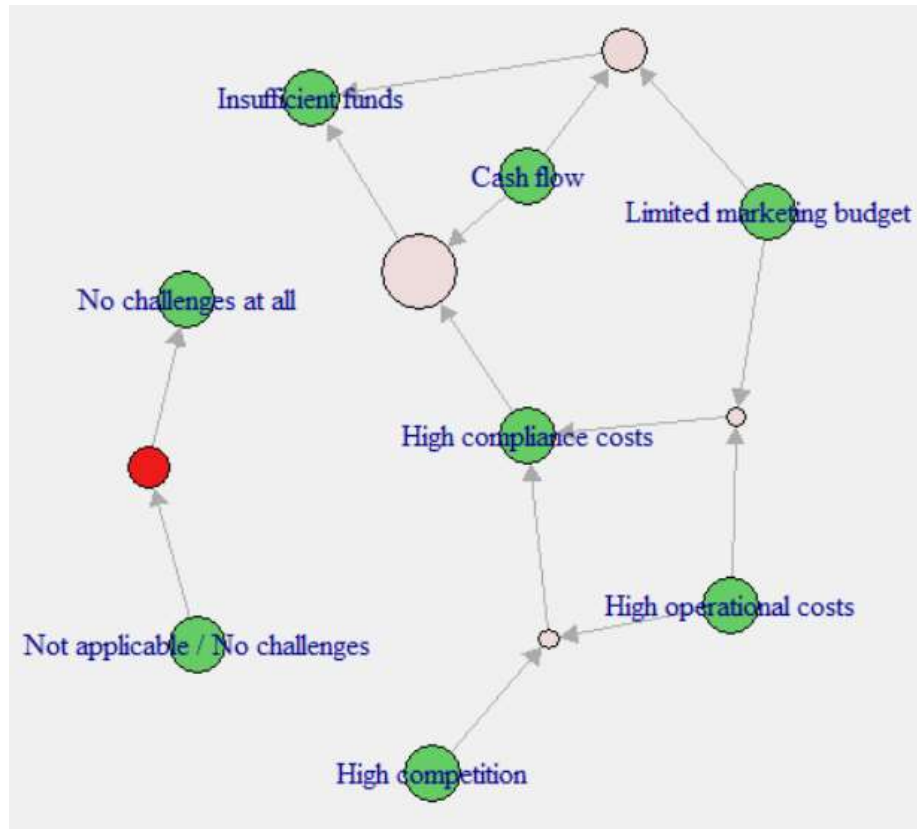


Figure 20. Association Rules Mined from Frequently Mentioned Challenges

High operational costs and high compliance costs strongly go hand in hand. On the other hand, those who say no challenge to one question, tend to say no challenge faced to other questions.

## PART IV – Support and Resources Requested by MSMEs

Highest mentioned support and assistance needed by MSMEs are financial assistance or linkages to financing agencies and technical trainings and workshops.

Number of Mentions by Resources and Support for Product Development

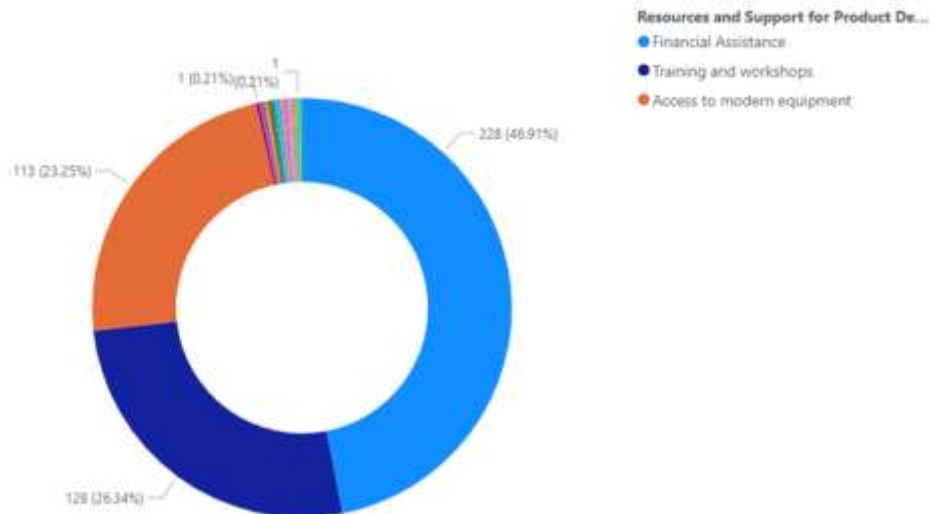


Figure 21. Resources and Support Needed by MSMEs to Improve Product Development

Number of Mentions by Support for Market Expansion

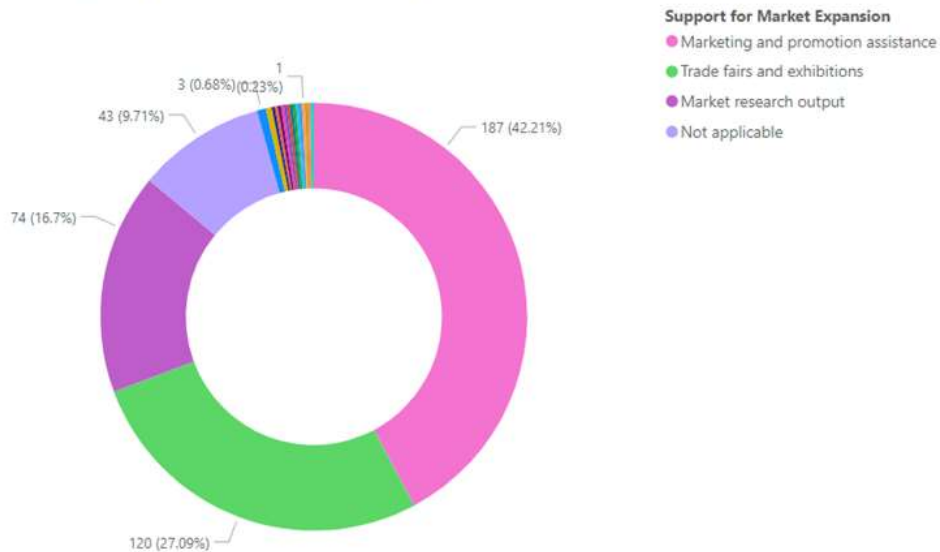


Figure 22. Resources and Support Needed by MSMEs for Market Expansion

Number of Mentions by Support for Operations

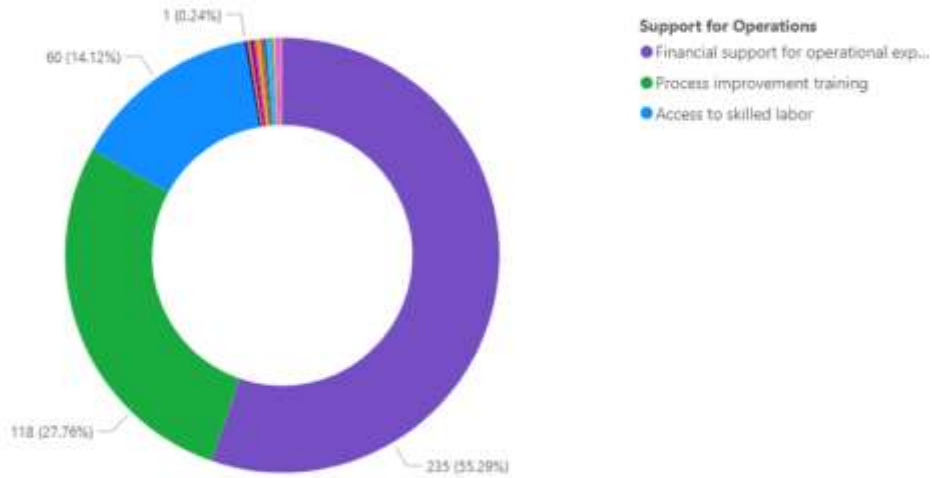


Figure 23. Resources and Support Needed by MSMEs for Operations

Number of Mentions by Regulatory Compliance Support

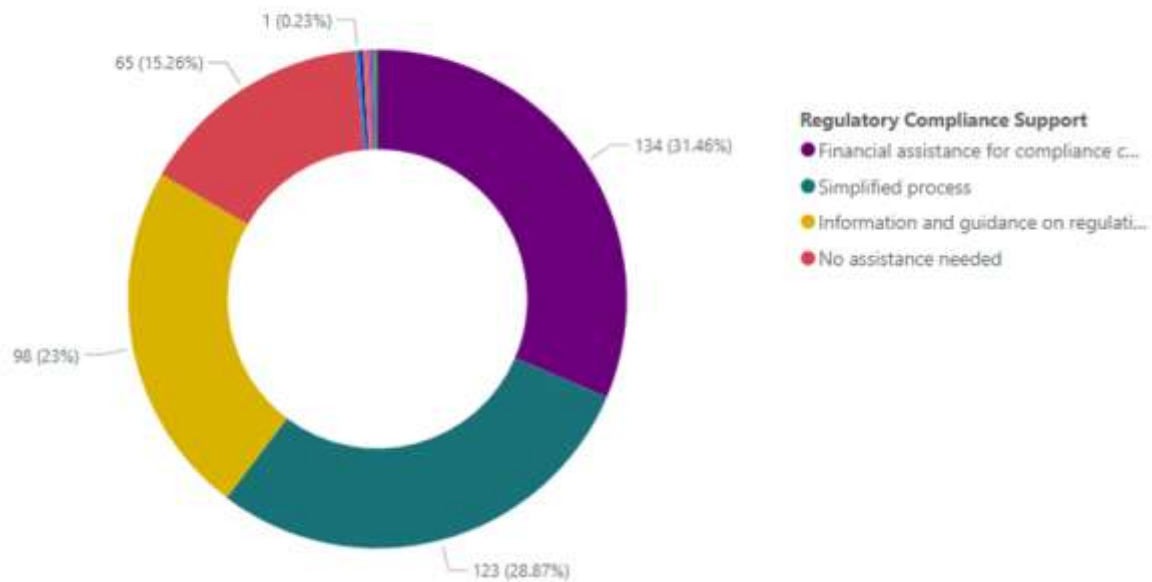


Figure 24. Resources and Support Needed by MSMEs to Regulatory Compliance



## PART V – Suggested Gov’t Programs to Improve MSME experience in CDO

Number of Mentions by Suggested Govt Programs for Product Dev

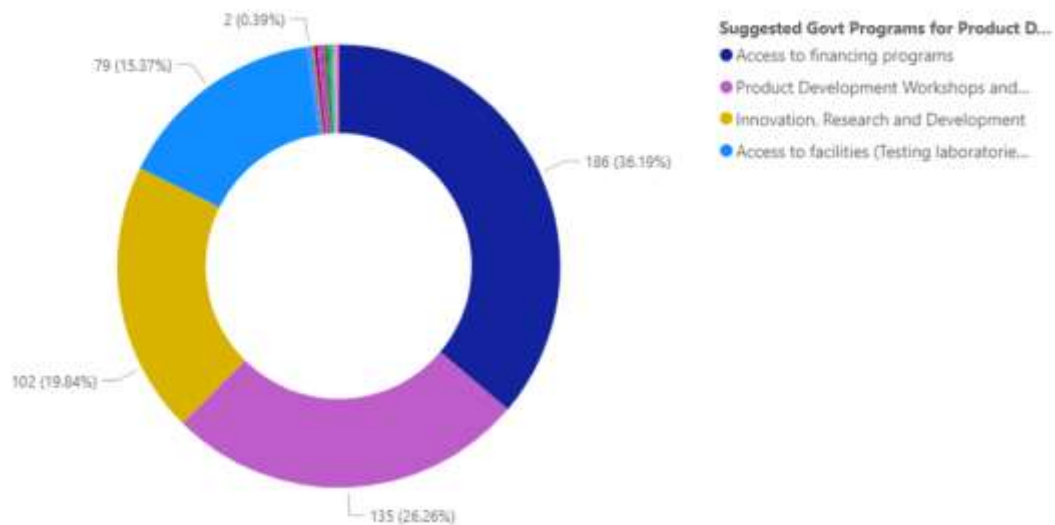


Figure 26: Suggested Government Programs and Policies to Improve Product Development

Number of Mentions by Suggested Govt Programs for Market Expansion

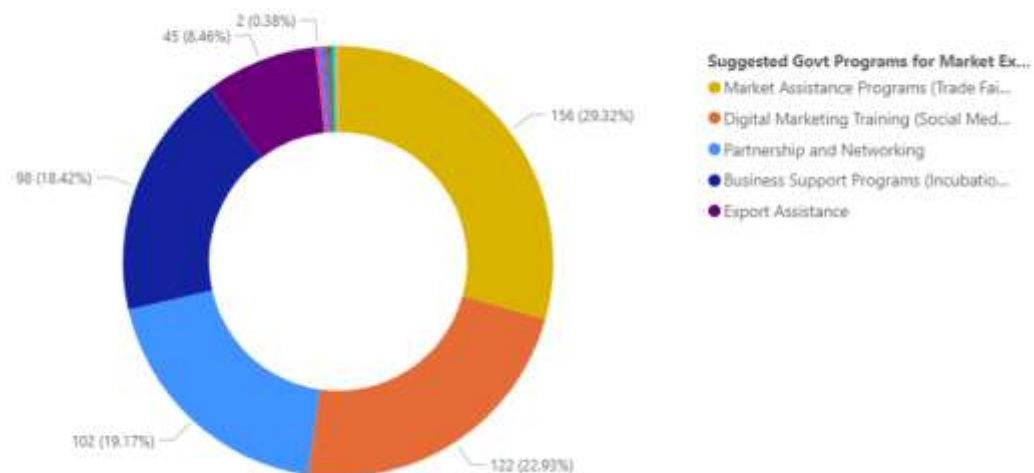


Figure 27: Suggested Government Programs and Policies to Expand Markets

Number of Mentions by Programs to Help MSME Operations

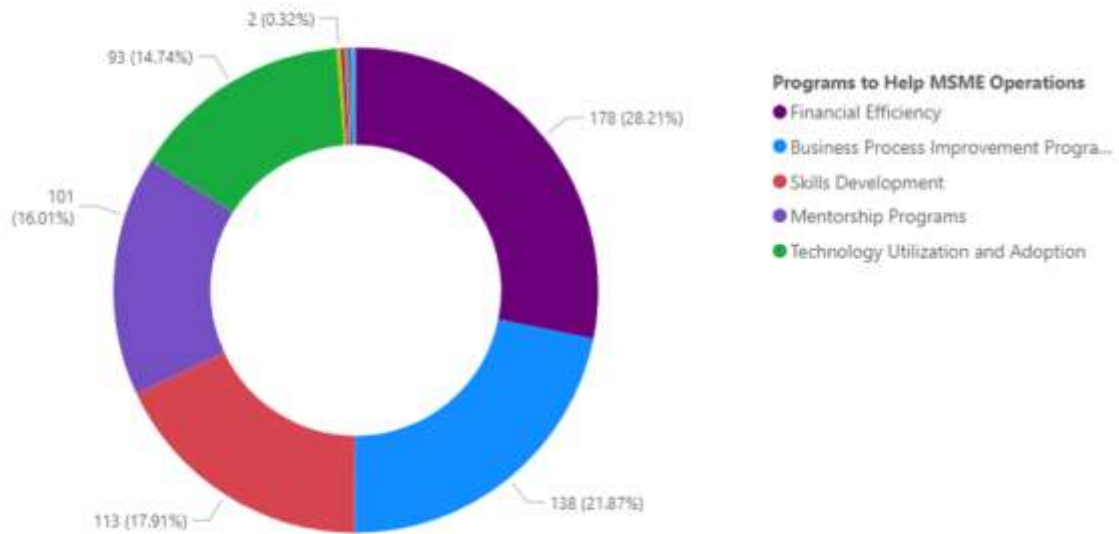


Figure 28: Suggested Government Programs and Policies to Improve MSME Operations

Number of Mentions by What can Help with Regulatory Compliance of MSMEs

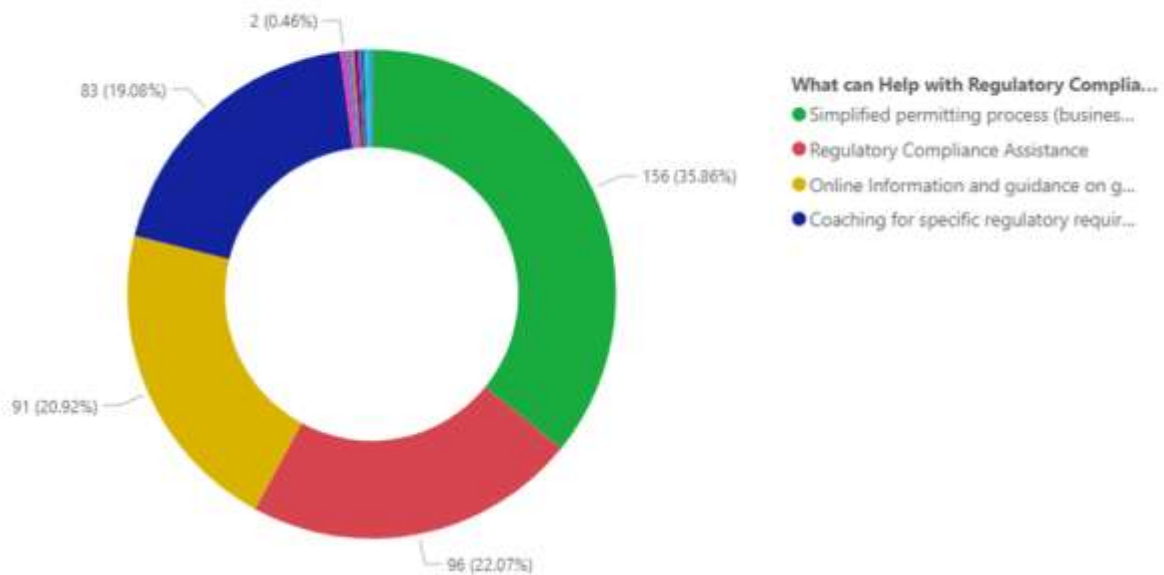


Figure 29: Suggested Government Programs and Policies to Improve Regulatory Compliance of MSMEs



Number of Mentions by Interested Modes of Participation in Govt Processes

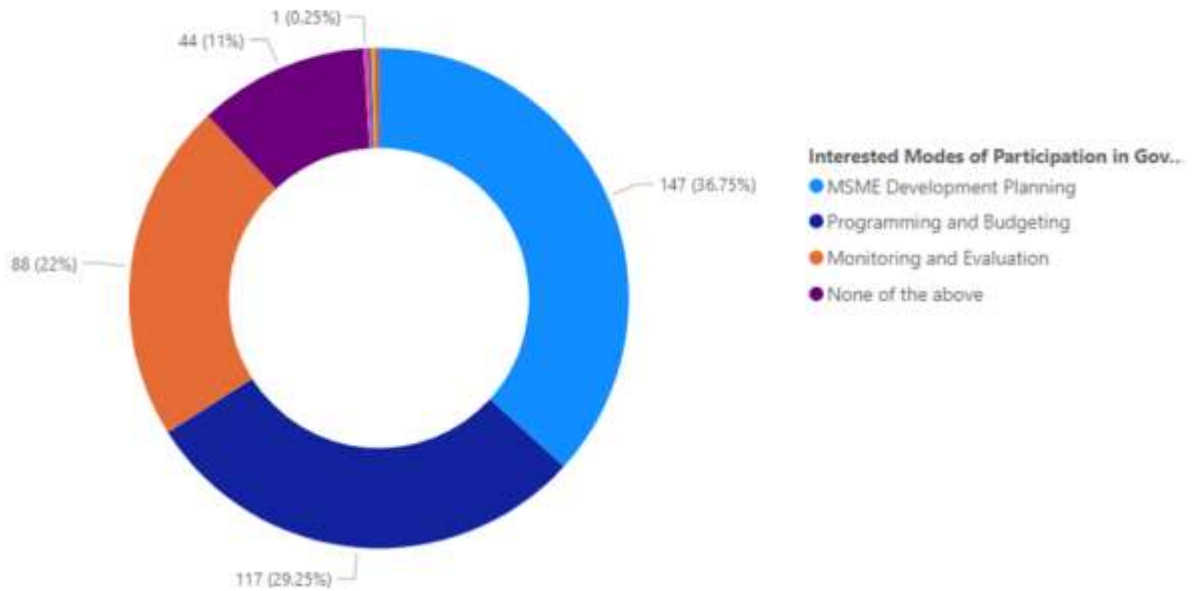


Figure 30: Government Processes Where MSMEs are Interested to Participate

Responses by Preferred Training Mode

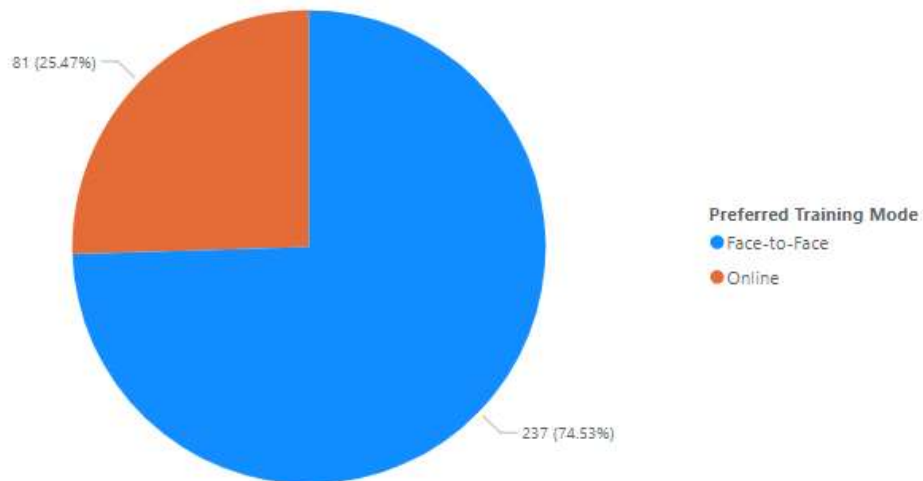


Figure 31: Preferred Training Modes of Respondents

Number of Responses by Preferred Comms

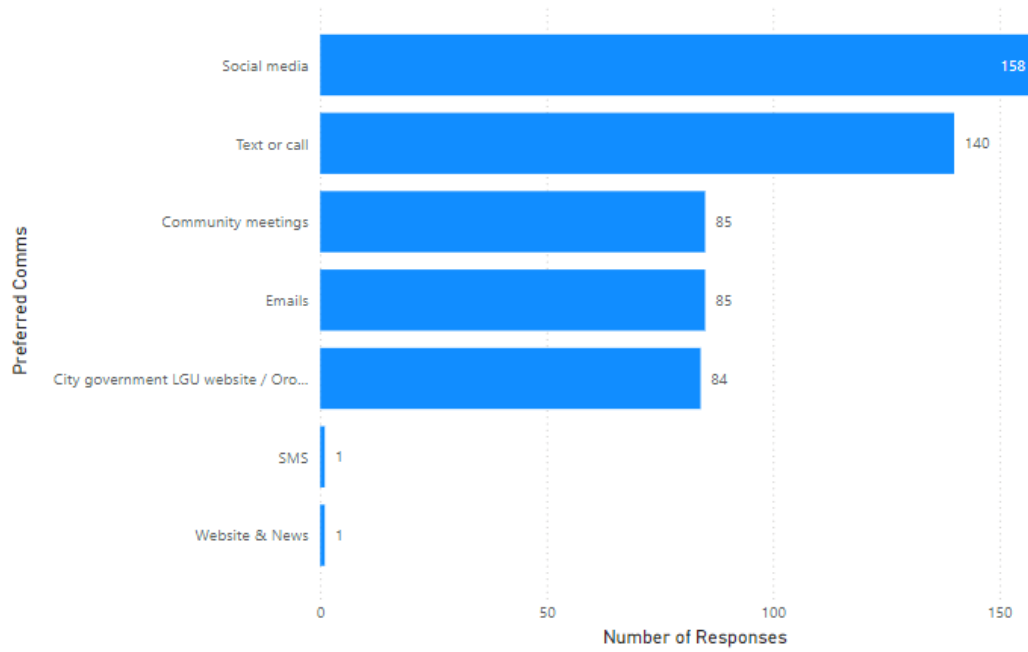


Figure 32: Preferred Communication Channels of Respondents



## PART VII – Recommendations for CDO-LGU

- Majority of respondents are not members of any professional or business organization. **Encourage MSMEs to join business organizations to increase awareness in government programs for MSMEs.** Business chambers and other civil society organizations helps individual businesses participate in government decision-making and programming through the organizations.
- Use more aggressive Information Education Communication (IEC) to announce MSME related opportunities and programs. Leverage social media and SMS, as it is the main source of information of the respondents.
- Streamline and simplify the process of participating in LGU programs.
- Further streamline, simplify, and improve regulatory compliance processes.
- Conduct regular trade fairs and exhibits, both in-person and in online platforms to encourage expansion to online markets.
- Conduct regular trainings and workshops, particularly on streamlining operations and market expansion. Watch out also for sector-specific trainings that are in demand. Collaborate with local DTI and DICT for a wider pool of training experts.
- Suggested skills development programs for MSMEs are:
  - Financial literacy and financing opportunities
  - Streamlining business operations (specifically on how to lower operating costs and maximizing productivity)
  - Digital marketing and digital payments.
- Lack of funds and high cost of operations is a common challenge. Programs that link MSMEs to financing sources and how to avail these financial opportunities may be beneficial.
- Continue to monitor MSME response to new programs and activities and make sure to close the feedback loop.

**END OF REPORT**  
**September 7, 2024**