

SUCCESS IS IN THE DETAILS:

LEARNING FROM COERPA'S ORGANIZATIONAL MODEL



COERPA TAKES BOTH THE CHALLENGE OF BEGINNING A STARTUP IN THE PHILIPPINES AND ADDRESSING THE CALL FOR GROWTH AND CHANGE NOT JUST IN THEIR SUCCESS AS COMPANY OWNERS, BUT ALSO WITH THEIR BUSINESS PARTNERS AND EMPLOYEES IN MIND.

One of the many struggles that both long-standing companies and startups alike face is the hurdle of adapting to the times. Organizational models are changing both to address the customers' and the employees' needs, which makes achieving success in these competitive times challenging to achieve.

A business can no longer simply offer a unique selling proposition to its customers as competitors in the market are quick to take notice of adapting products and services to their own brand. With startups popping up left and right, it can be difficult for a business owner to succeed with a unique product alone, but what trumps a stellar product is a forward-thinking mindset and a drive for growth. COERPA's organizational model took years to develop as founders Marco Gerardo H. De Vera, Erwin Joseph M. Juan, and Paul Andrew G. Tumalak took their time to blend the right recipe for success by curating an environment that encourages their employees to be their best selves in the work that they do.

INVESTING IN STARTUPS IN THE PHILIPPINES

Building startups have become a popular trend for many would-be entrepreneurs in recent years. From providing motorcycle ride-hailing platforms to humble food carts, just about anything can be the roots of a promising business venture. But the road to success is a bumpy ride, not only for local competition but also because of international perspectives.

Angel investor and entrepreneur, Gregory Kittelson, believes that the Philippines has always been noted internationally for its strong economic growth, but lag behind compared to its local neighbors. Much of the ire about foreign investors refusing to take a second look at the country's potential is due to negative views trumping the silent successes that it achieves in the market.

But Kittelson sees a promising future starting with 2019 onwards, as investors from Asia such as Singapore, Hong Kong, and even international partners are directly reaching out to promising business opportunities in the Philippines.

UNDERSTANDING ORGANIZATIONAL CULTURE

One of the many contributing factors that make or break a modern employee's appeal of a promising business opportunity is its focus on organizational culture. Employees aren't just after a high salary, but also a chance to grow and learn in their chosen industry. Strong company cultures such as Chevron and SquareSpace are prime examples of cultivating positive organizational models. Employees want to feel valued while knowing that their time in the company will be rewarded both by fair monetary compensation and a supportive learning environment.

COERPA takes both the challenge of

beginning a startup in the Philippines and addressing the call for growth and change not just in their success as company owners, but also with their business partners and employees in mind.

TAKING LEAPS OF FAITH

COERPA's early beginnings came from an unlikely start – in an unsuccessful isaw stand venture. The street food did not need an introduction to local buyers and appeared to be a viable first step to growing a business in Paul's vision. After inviting his two friends, Erwin and Marco, the trio agreed to the seemingly no-risk foolproof enterprise. Unfortunately, the street food business turned out to not be for the three as they weren't gaining the traction that they expected.

Opportunity came knocking in the form of a phone call from Erwin's friend who needed a finishing supplier for one of Omicron's projects. With the potential of gaining a huge payday and the chance to land more clients of their own, the three discussed the possibility of starting their own manufacturing company. The three friends spent one of their longest nights of their lives considering whether or not it would be the right choice to accept their first potential client with a company that hadn't existed yet at the time.

As any startup would know, it's not easy to build a business from the ground up with one's own money. With no investors to back them up, De Vera, Juan, and Tumalak knew what they wanted to be, but didn't have the resources to start with. Instead of focusing on manufacturing, the trio landed a deal by outsourcing local products directly from the supplier to their clients. The risk of creating a company overnight is filled with many fears and pitfalls. They could've lost their client to another supplier with more experience in the industry, they could've invested a lot of money on purchasing materials that their first-time client wouldn't buy, and more importantly – they could've lost two ventures twice in a row.



With a leap of faith, the three jumped headfirst together into a risky business venture, eventually landing the deal with Juan's client creating a renewed sense of victory and enough money to rent a plant of their own for their future projects. In 2011, on the very month that they made their first deal, they set themselves up as COERPA Builder's Corporation., a joint venture of Marco, Erwin, and Paul's partnership and their namesakes.

Using the money they earned from their first project, the three then set out to build a 300 sqm lot fit for a small office space and a production plant. Starting with nine employees, including the three of them serving as chairmen and the inclusion of Erwin's long-time colleague, Gilda Gomez, COERPA began making a name for themselves as they developed hand-crafted moldings for big names in the industry.

SETTING SIGHTS FOR SUCCESS

As with any burgeoning business, COERPA had to have its unique selling point. Realizing that most

construction projects lag behind their deadlines due to inefficiencies in finishing and detailing, COERPA answered the need for optimizing production calendars by offering EIFS, or Exterior Insulation Finish System, to developers.

As a non-load bearing, its lightweight and moldable quality make it a versatile fit for any project. Its moist resistant quality allows for quick and easy installation of insulation, plastering, and decorative finishing to any project. Due to being prefabricated-molding, EIFS molds can be preordered and made simultaneously. It can cut back as much as two months down on production by being made offsite, reducing construction times, and installation costs dramatically. COERPA chose to market EIFS as their feature product and has slowly secured the spot to be one of the leading suppliers of customized EIFS in the local market.

After four years of building contacts and providing quality service to various players in the industry, the company moved on to a 1,000 sqm office and manufacturing plant to extend its internal departments and production capacity in 2016. Not one to back down from reinventing their services,

COERPA invests in the latest in equipment such as GFRC spray coating and EPS coating machines that are capable of producing 1000 linear meters of standard size customized EIFS per week

COERPA currently has a wide variety of collaborations with developers by supplying EIFS in their projects, such as Phinma Properties' Hacienda Balai, Huayou Corp's La Nobleza Terrazas, and Synergos Construction and Development Inc.'s San Juan Hall of Justice., Aurora Suites, Subic.

DEVELOPING A GROWTH-ORIENTED MINDSET

The Devil is in the details, and similar to any work of art, it's the little things that can make or break a company. Making a seemingly small change in the company motto allowed COERPA to realign their company objectives to build a better work environment for their employees. It was during their seventh year, in 2018, when they realized one of the biggest hurdles of every startup – dealing with expansion.



Jumping up from ten to thirty employees is a huge leap. Inefficiencies with regards to communication, honesty, and motivation became the leading obstacle for the company. "At this point, it's not about the projects and sales anymore. When your company is growing, its growth depends more on the people who run the company. We were challenged by handling the people inside our company." Juan says. The three chairmen realized that their newer employees didn't have the same work attitude and urgency in COERPA's vision of 'becoming the leading architectural manufacturer and supplier in the Philippines'.

They then realized that it's a matter of perspective and simplicity. "It's not about a good sounding vision or mission. It's not just about the money, motivation, or company rules. It's about a clear, simple purpose," Tumalak adds, "It's about the why's of everyone." It was then that they decided to simplify their motto to 'Grow and change lives.', which applies not just to their clients, not only to them as owners, but also to their employees. From the most complicated tasks in their departments to the most menial tasks of production, the motto rings true to spark purpose to the work that they do.

De Vera reiterates that as a member of the COERPA family, "Growth is not an option; it's a requirement." COERPA's rebranding enabled them to optimize their business operations and has allowed them to land projects in Luzon, Visayas, and Mindanao in line with their goal of expanding their reach nationwide. They moved forward from their setback by learning to grow and innovate their product and their business processes side-by-side.

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BUILDING BONDS AND CONNECTIONS

COERPA's goal for the future is to bring in both local and international partnerships to grow their brand. Turkey-based global finishing supplier, BAUGRUP, reached out to COERPA in the hopes of expanding its reach in the local market, inspiring competition with other players in the scene. BAUGRUP's products, systems, and machinery have been implemented for the past 20 years in 57 countries located in Europe, North and South America, Africa, Middle East, Gulf Countries, Australia, and Russia. BAUGRUP's latest partnerships are focused in Asia, starting with a contract in India and now in the Philippines with the young team of COERPA.

CEO and founder of BAUGRUP, Emine Aydin saw COERPA as a compelling fit for an international partnership. After successfully developing, testing, and implementing the products in various markets, they made their products accessible to local manufacturers. "Our main principle of interaction with partners is P2P (People to People) as we are proud to refer to it inside the BAUGRUP community," said Aydin. These partnerships are made with the goal of strategically developing local manufacturers' finishing technologies to a higher grade of quality and sustainability.

"Following the Open Source principle, we gave the possibility for literally anyone eager to improve the production and construction practices on home markets to do so at minimal costs." Aydin adds, "We license our partners to resell the technology inside their country, creating a network of sub-producers and dealers that can coexist and sustain each other on the market."



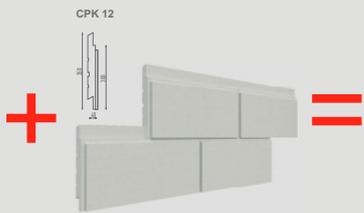
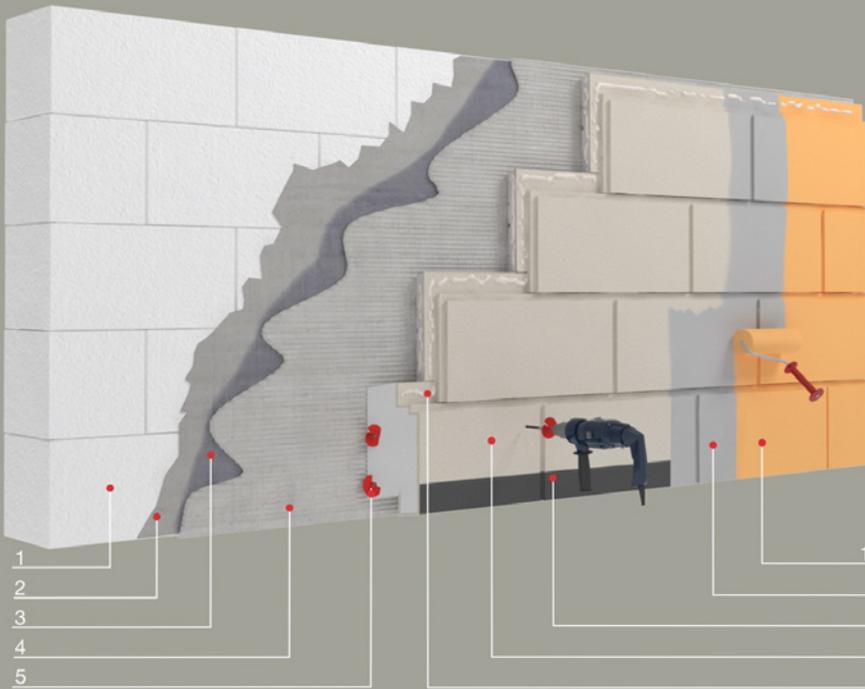
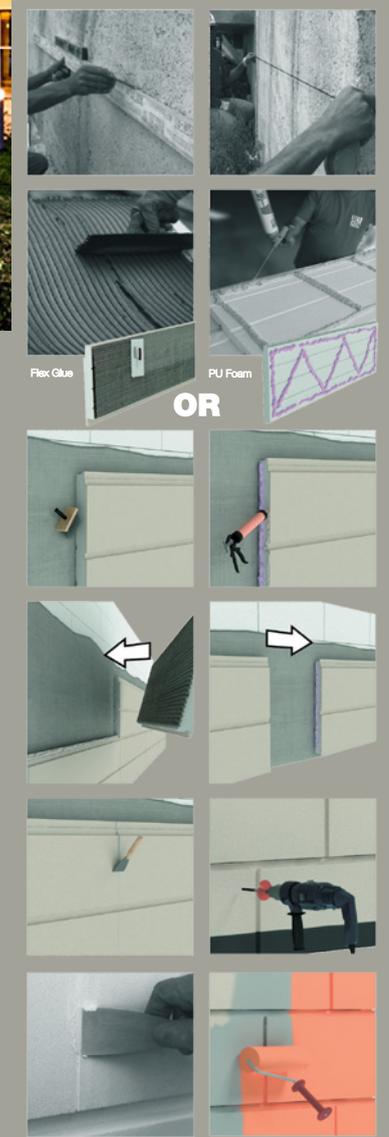


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Managing partner of BAUGRUP India, Vinay Menon, had discussions with Tumalak on integrating the goal of BAUGRUP in creating a Nationwide Development Network possible for both producers and dealers in providing topnotch products to the local industry. As the first partner to be made by BAUGRUP in Asia, he's positive to the change that international relations can do in sharing the technological advances of alternative manufacturing solutions across the globe.

As Managing Partner of BAUGRUP INDIA, where BAUGRUP is a shareholder I came to share my consideration that the implementation process and partnering with an international company became much easier in case of partnering with BAUGRUP and I do believe the COARPA team will make the first steps rapidly into this cooperation.



"It has been our strength, through the years, to gain leverage in the market through our partnerships." Tumalak adds, "And this year, we are excited to improve our product through innovation by collaborating with BAUGRUP." By sharing their patented unique meshless BAUCOAT Performant System designed for the automated coating of EPS foam, they hope that their partnership with BAUGRUP will further innovate their base coat recipe to match international standards.

In terms of working with the local market, COERPA's DIT program, or Do it Together, is an initiative that they hope will bring together the untapped market of home renovations and residential house development. By bringing in small independent contractors to allow them to collaborate on their personal projects, COERPA hopes to connect with these contractors by providing access to EIFS products in providing customized wall cladding and architectural moldings to provide a fast solution to their projects.



GROWING FROM 'STARTUP' TO 'ENTERPRISE'

Expansion can be a startup's greatest downfall if mismanaged. Though the road to growth may be littered with risks and challenges, strengthening internal operations is the key to overcoming any obstacle that the future might bring. COERPA's success story can be attributed to curating an environment that begins with its employees in mind. Far from being the ragtag trio of friends who built a company overnight, Tumalak and De Vera realize how much they've matured from their company's beginnings.

BAUGRUP's Overseas Development Director, Paul J. Gherman, saw potential in the tenacity of the company's rapid growth alongside their impressive handling of business operations. "We have chosen the young team of COERPA for partnering as they are fit the fundamental principles of our presence overseas – professionalism, energy, dynamics, openness to new technologies and business practices, and eagerness to make this world a better place to live in." said Gherman. Based on what they've experienced as young entrepreneurs and what they're handling now as chairmen of COERPA, they feel the need to expand their priorities in planning the company's future. They've grown from thinking merely about their own success, but also about the future of their employees' well-being and how they can help them achieve their best.

COERPA devoted their efforts in polishing their business models while hiring and cultivating passionate employees that can develop their own personal growth with them while helping the company fine-tune their products and services. By delegating the right people for the right job, they were able to fit the best of both worlds by understanding each others' goals and perspectives. **D+C**

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