



25 March 2020

MS. BLESILA A. LANTAYONA

*Undersecretary, Department of Trade and Industry (DTI)
and SBC Acting Chairperson*

MS. MA. LUNA E. CACANANDO

President and CEO

SMALL BUSINESS CORPORATION (SBC)

17 and 18th Flrs., 139 Corporate Center,
139 Valero St., Salcedo Village, Makati City

RE : TRANSMITTAL OF 2020 PERFORMANCE SCORECARD

Dear Undersecretary Lantayona and PCEO Cacanando,

This is to formally transmit the 2020 Charter Statement and Strategy Map (**Annex A**) and 2020 Performance Scorecard (**Annex B**) of SBC.

The SBC-proposed Performance Scorecard submitted through its letter dated 30 October 2019¹ was **MODIFIED** based on the discussion made during the technical panel meeting (TPM) held on 05 December 2019 and evaluation of revised documents submitted through its letter dated 29 January 2020².

We take this opportunity to inform SBC that Item 5 of GCG Memorandum Circular No. 2017-02³ mandates GOCCs to submit Quarterly Monitoring Reports and upload the same in the GOCC's website within thirty (30) calendar days from the close of each quarter. SBC is requested to submit its revised Quarterly Targets based on the attached scorecard upon submission of the 1st Quarter Monitoring Report for 2020.

Finally, with the declared State of Public Health Emergency,⁴ and State of Calamity,⁵ throughout the Philippines due to COVID-19, and the issuance of the Memorandum from Executive Secretary dated 16 March 2020, as well as the public address by President Rodrigo R. Duterte, rest assured that the Governance Commission is evaluating the impact of the current situation on the accomplishment of the GOCCs' targets under their respective 2020 Performance Scorecards. If necessary, the Governance Commission shall issue the corresponding memorandum at the proper time taking into consideration the current situation and factors involved. For the time being, all Circulars and Orders involving the Performance Evaluation System subsist.

¹ Officially received by the Governance Commission on 04 November 2019.

² Officially received by the Governance Commission on 31 January 2020.

³ INTERIM PES FOR THE GOCC SECTOR, dated 30 June 2017.

⁴ Presidential Proclamation No. 922, s. 2020.

⁵ Presidential Proclamation No. 929, s. 2020.

FOR SBC'S COMPLIANCE AND GUIDANCE.

Very truly yours,



SAMUEL G. DAGPIN, JR.
Chairman



MICHAEL P. CLORIBEL
Commissioner



MARITES C. DORAL
Commissioner



VALUE PROPOSITION 1/
 Building financing alternatives for unfinanceable segments of Philippine MSMEs

VISION
 By 2025, we will be the leader in building financing alternatives for Philippine MSMEs, putting them at the forefront of inclusive economic growth.

Our **MISSION** is to relentlessly champion the neglected business segments of the country to get them to access the capital needed to grow successfully.

VALUES
 Matapat sa Bayan
 (faithful and trustworthy service to the country)
 Magaling at Maabilidad
 (competent and innovative)
 Bayanihan
 (community in unity)



To Cause Prosperity among MSME Segments Traditionally Considered Unfinanceable, thereby Increasing Economic Diversity and Inclusion

Good Governance and Cost Efficiency in the Management of Stakeholders' Investment Observing Both Financial and Social Returns

Effectiveness and Efficiency of Delivery of Services to MSMEs Confirmed by Supported Enterprises and Partner Institutions

Create an Organizational System that Supports Agile Innovation and Roll-Out

Enhance the Competencies of SBCorp Workforce to Further Develop Existing and Come Up with New Financing Models for Neglected Segments

SERVICE PHILOSOPHY: Ferocity in the mission, kindness towards each other

1/Unfinanceable segments refer to MSMEs that operate as an on-going business yet not able to access finance at non-usurious rates.

SMALL BUSINESS CORPORATION (SBC)

Component					Baseline Data		Target		
	Objective/Measure	Formula	Weight	Rating System	2017	2018	2019	2020	
SOCIAL IMPACT	SO 1	To Cause Prosperity among MSME Segments Traditionally Considered Unfinanceable, thereby Increasing Economic Diversity and Inclusion							
	SM 1	Increase Total Financing Portfolio	Year-End Loan Portfolio (Gross Amount)	15%	(Actual/Target) x Weight If below ₱2.99 Billion = 0%	₱2.987 Billion	₱4.659 Billion	₱5.50 Billion	₱7 Billion
	SM 2	Increase Number of Micro and Small Enterprise Borrowers	Absolute Number of New Micro and Small Enterprise Borrowers	12.5%	(Actual / Target) x Weight	N/A	41,254	40,000	40,000
	SM 3	Spread Distribution of Financing Portfolios	Number of Small Island Economies (SIE) ¹ with at least ₱10 Million Financing Portfolio	10%	(Actual / Target) x Weight	N/A	NA	N/A	Four (4) Small Island Economies with at least ₱10 Million Financing Portfolio
	SM 4	Percentage of Borrowers in Identified Business Segments with Increased Sales	Number of borrowers in SIEs with at least 10% Increase in Sales / Total Number of borrowers in SIEs	10%	(Actual / Target) x Weight	N/A	N/a	N/A	25%
		Sub-total		47.5%					
FINANCE	SO 2	Good Governance and Cost Efficiency in the Management of Stakeholders' Investment Observing Both Financial and Social Returns							
	SM 5	Improve Net Operating Income	Operating Income – Operating Expenses	15%	(Actual / Target) x Weight	₱13.04 Million	₱13.67 Million	₱20.85 Million	₱23.16 Million

¹ Small Island Economies as part of the unserved or underserved MSMEs refer to communities that are isolated or marginalized from the national economy due to their remoteness from large/traditional markets and high economic vulnerability and natural distresses. Island economies may include those in remote areas and are classified as 3rd, 4th, or 5th class municipalities.

Component					Baseline Data		Target		
	Objective/Measure	Formula	Weight	Rating System	2017	2018	2019	2020	
	SM 6	Improved Past Due Rate	Value of Past Due Loan Accounts / Total Financing Portfolio	10%	$1 - [(Actual - Target) / Target] \times Weight$	N/A	18.21%	16.40%	16.40%
		Sub-total		25%					
CUSTOMERS	SO 3	Effectiveness and Efficiency of Delivery of Services to MSMEs Confirmed by Supported Enterprises and Partner Institutions							
	SM 7	Percentage of Satisfied Customers	Number of Stakeholders who gave a Rating of at least Satisfactory / Total Number of Respondents	5%	$(Actual / Target) \times Weight$ If Less Than 80% = 0%	Customer Satisfaction Survey conducted for P3 Clients Only	95%	90%	90%
		Sub-total		5%					
INTERNAL PROCESS	SO 4	Create an Organizational System that Supports Agile Innovation and Roll-Out							
	SM 8	Improve Percentage of Loan Applications Processed within Prescribed Turnaround Time	Number of Applications Processed within Applicable Turnaround Time / Total Number of Applications	5%	$(Actual / Target) \times Weight$	N/A	49.22%	100% of Applications Processed Within Prescribed Turnaround Time	100% of Applications Processed within the Prescribed Turnaround Time ²

² The applicable time for the processing of loans should be consistent and in compliance with Republic Act No. 11032, otherwise known as the Ease of Doing Business and Efficient Government Service Delivery Act of 2018

Component					Baseline Data		Target		
	Objective/Measure		Formula	Weight	Rating System	2017	2018	2019	2020
INTERNAL PROCESS	SM 9	Automate Existing Systems and Processes	Actual Accomplishment	7.5%	(Actual / Target) x Weight	N/A	ISSP submitted to the DICT for approval	Implementation of the Following Information Systems: <ul style="list-style-type: none"> • Loan Origination System • Loan Disbursement System • Loan Collection System • Business Performance Indicator Profile • Procurement Management System Account Management System 	100% Attainment of 2020 Deliverables (based on DICT-Approved ISSP or ISSP as submitted to DICT)
	SM 10	Attain ISO 9001:2015 Certification	Actual Accomplishment	5%	Maintain ISO 9001:2015 Certification or ISO 9001:2015 Certification of at least One (1) Regional Lending Group = 2.50%; Maintain ISO 9001:2015 Certification and ISO 9001:2015 Certification of at	Maintenance ISO 9001:2008	ISO 9001:2015 Certified	Maintain ISO 9001:2015 Certification	Maintain ISO 9001:2015 Certification of at least One (1) regional Lending Group

Component					Baseline Data		Target		
	Objective/Measure	Formula	Weight	Rating System	2017	2018	2019	2020	
				least One (1) Regional Lending Group = 5%					
		Sub-total	17.5%						
LEARNING & GROWTH	SO 5	Enhance the Competencies of SBCorp Workforce to Further Develop Existing and Come Up with New Financing Models for Neglected Segments							
	SM 11	Percentage of Employees Meeting Required Competencies	Competency Baseline in 2020 – Competency Baseline in 2019	5%	All or Nothing	Identified Competency Areas with the Highest Gap Addressed	Competency Assessment of 100% of Employees was conducted by a Third-Party Competency Baseline of the Organization Re-established	Improvement in the Competency Baseline of the Organization	Improvement in the Competency Baseline of the Organization ³
		Sub-total		5%					
		TOTAL		100%					

³ Improvement in the competency baseline of the organization shall pertain to the average percentage of required competencies met which can be computed using the following formula:

$$\frac{\sum_{b=1}^B \left[\frac{\sum_{a=1}^A (\text{Actual Competency Level})}{(\text{Required Competency Level})} \right]_a}{B}$$

where: a = Competency required, A = Total number of competencies required of position, b = Personnel profiled, B = Total number of personnel profiled