

Pusit (Squid) Chicharon as an Enterprise Development Project

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ABSTRACT

This enterprise development project on pusit chicharon is an academic study that focuses on determining the feasibility of the new product in Barangay Central, City of Mati, Davao Oriental. Pusit Chicharon is a product that could serve as an additional source of income for fisherfolk, women, and entrepreneurs in the locality. This product also aimed to provide employment to the community and to understand the impact on the customer of the new product. For every 1 kg of dried pusit, it produces 40 packs of 25 g of pusit chicharon. Therefore, to produce 200 packs at 25 g per pack per operation, it needs 25 kg of fresh pusit, which is equivalent to 5 kg of dried pusit. The shelf life of the product is about 14 – 16 days for human consumption at a room temperature of 30 °C. To achieve the desired volume of the product, it is best to operate 4 times a week. The volume of production is 200 packs per operation, and produced for about 38,400 packs annually. The initial annual return on investment has 110%, a unit variable cost of Php 14.70 per 25 g packs, a net profit margin of 32%, and 9,477 packs of break – even volume of production. Therefore, it is profitable to produce Pusit Chicharon in the locality since it has a higher potential return on investment, and the price is acceptable in the market. Hence, processing of Pusit Chicharon is a feasible business.

Keywords: Enterprise Development, Human Consumption, Profitable, Return on Investment, Pusit Chicharon

INTRODUCTION

The Enterprise Development Project introduced a new product that can potentially provide additional income/livelihood to enterprising people who want to establish, expand, or improve their business. Any enterprise can greatly help the local economy in terms of employment and economic growth and development, and it has the opportunity to enter the market to enhance the value of pusit (squid) or even the ordinary dried pusit (squid) product.

Dried squid are first cleaned and salted, then sun-dried, resulting in a flattened, dehydrated squid body, which is commonly done by fisherfolk to save their extra catch, and add value to their catch by selling it to residents, walk-in tourists, and local traders. The squids, when consumed is nutritious and contain sufficient copper minerals that fulfil the 90% requirement of the body. Proteins, found in squids, are also extremely beneficial for the healthy functioning of the human body. Consumption of seafood is highly recommended to keep the skin, muscles, hair, and nails in good shape. Squids also contain a large amount of phosphorus, which is similar to fish and shrimps, a necessary mineral for stimulating calcium and building the bones and teeth (Boyer, 2012).

Pusit chicharon was first introduced in Mati, Davao Oriental, as a new livelihood for the fisherfolk, jobless, and agribusiness entrepreneurs. It serves as a new type of snack or viand for consumers who love resting, bonding with family, bonding with friends, and loved ones. Pusit chicharon is unique from the existing chicharon in the locality because of its delicious taste and nutritious content for the human body. It is skinless, curly, and thinner compared to other chicharon products. With its nutritious content and affordable price, it can create demand. The product greatly helps the fisherfolk to generate higher income, thereby improving their quality of life.

The study was conducted to provide information to fisherfolk, women, and any other individual/entrepreneurs to earn a higher income. This project can contribute to the economic growth, particularly in the employment of fisherfolk, willing entrepreneurs, in reducing unemployment, taxes, etc. In this study, pusit chicharon was served in another variation of fresh pusit to enhance its shelf life and to satisfy the consumer. Thus, it aimed to project, conduct a market survey, and analyze its financial viability.

METHODOLOGY

An enterprise development project implementation is a crucial part of any business undertaking. The consideration of all aspects in the business environment must be given attention in this project to ensure the establishment of the business being established. The implementation of this will depend on the factors to be practiced. Manpower for the implementation will be needed for the business operation to be a success, to obtain the desired outcome, which is profitable, even in the long or short term.

The implementer of this study expected that the project would result in a business undertaking. It was expected that the result of the study would lead to earning additional money and a livelihood for interested individuals. Since the proponent improved the technical procedures in processing pusit chicharon, the proponent expected to attain the satisfaction of the potential customers of the product not only by selling it but by marketing the product to make the customer satisfied. Different duration of activities was done to make the business successful. The first activity performed was planning, which took a month and was the hardest and most crucial part in establishing a business. A second activity was the accumulation of capital to sustain the needs of the project, as this was the lifeblood of the business. This took almost two months. The third activity took one month of procuring of materials and equipment needed for the operation. The hiring of labor needed a large amount

of time to select the best qualified applicant to meet the needs of the firm and to conduct an orientation for the selected workers. After the firm finished formulating and evaluating the necessary activities, the operation started in marketing the product to the target market.

Conceptualization of the project

The Enterprise Development Project of Pusit chicharon was conceptualized based on the schedule of activities that was taken from pre – implementation until the actual implementation. The project was focused on the processing and marketing of pusit chicharon in Mati, Davao Oriental.

The pre – implementation was the first activity, which consisted of different ideas to conduct the actual implementation, like project planning, project location, procurement of funds, procurement of materials and supplies needed in the project, hiring of laborers, and planning of the operation when it would start. In the actual implementation of the project, the proponent was marketing the product within five months from January 2017 to April 2017, which was spent on the whole operation.

Project implementation was the realization of an application or the execution of a plan, idea, or policy. It was also the act of implementing or the fulfilment of the project that was planned during the pre-implementation. Besides, the implementation will carry out the planned and accomplish the aim or execute some order of the project. Furthermore, implementation was defined as a specified set of activities designed to put into practice an activity or program of known dimensions.

The conceptual framework shown in Figure 1 indicates the Input, Process, and Output of the operation. All the material/utensils needed for the operation, like dried pusit, palm oil, salt, frying pan, ladle, strainer, and big bowl, were components of the input of the project. After the inputs were gathered, the processing operation started. The first procedures were heating the frying pan with palm oil within 20 – 30 minutes then after that deep frying of the dried pusit. If the dried pusit turns brown, this is now cooked, and then strained, which is followed by the cooling process. Since the product is packaged and labelled with a price, it is now ready for distribution or marketing to the potential customer.

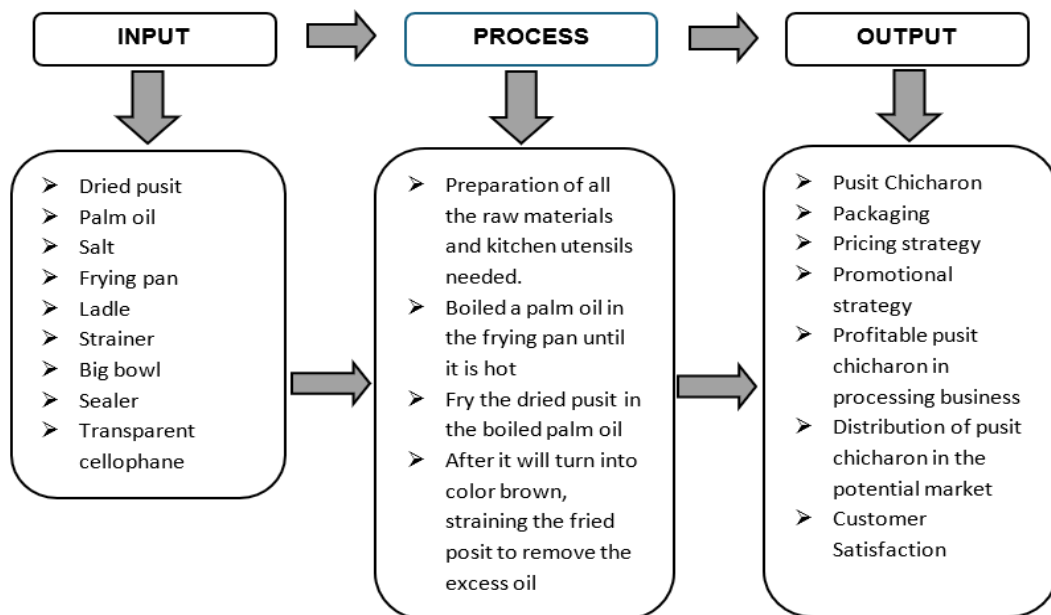


Figure 1. The conceptual framework

Marketing aspect

The study also used primary data, such as a market survey questionnaire, which will serve as the source of pertinent information that supports the attainment of the objectives of the project.

Due to the results of the market survey questionnaire, the proponent determined the target market and its required characteristics to accept the product. From this aspect, it includes the demand analysis, supply analysis, product description, packaging, labelling, market strategy, pricing strategy, promotional strategy, product strategy, potential market, product testing, and the shelf life of the product.

Market strategy

Market strategy serves as a guide for the Enterprise Development Project to achieve its marketing goal. It is an essential aspect in the project that defines the success or failure of its operations. In selecting the most appropriate strategy in marketing, the enterprise considers the 4 p's in marketing, namely price, promotion, product, and the potential market or people.

Promotional strategy

The proponent primarily used the word-of-mouth strategy, conducted free taste tests, and did personal selling and direct marketing. The proponent also sold the product to potential institutional buyers and other markets that determined the consumer's degree of likeness and preference.

Product strategy

Since the product has a competitive advantage among the other chicharon displayed in the market because it is innovative and not yet available in the market, the product uses an attractive packaging. The product was packaged in transparent cellophane with a label named MJP Enterprise, which was the proponent's name of business.

Potential market

The potential target markets of pusit chicharon are the local buyers in the city, ranging in age from five years old and above, either female or male, businessmen, employed, students, and all residents in the locality.

Product testing

The proponent conducted a free taste test to evaluate the reactions of the customers to the product. This strategy helped the proponent to gather more information, comments, suggestions, and feedback. The product was packed into small cellophane used for product testing. After conducting the free taste of the product, the proponent conducted a direct interview with the potential market to determine the acceptability, likeness, or preference, and satisfaction of the customers/consumers.

The shelf life of Pusit Chicharon was determined through food action experiments. A sample of Pusit Chicharon was placed at room temperature at 30 degrees Celsius. The sample was observed daily. Based on the observation, the product is no longer suitable for human consumption after 16 days. The shelf-life of Pusit Chicharon is less than a month because it does not contain any preservatives (Table 1).

Table 1. Food Action Experiment on the Shelf-Life of Pusit Chicharon.

Trial		Taste		Odor		Color	Appearance
		Good	Bad	Good	Bad		
Room	Days						
Temperature (30 °C)	2 – 4	✓		✓		Brown	Good
	6 – 8	✓		✓		Brown	Good
	10 – 12	✓		✓		Brown	Good
	14 - 16	✓		✓		Brown	Good
	18 - 20		✓		✓	Dark brown	Bad/Oily

The product was distributed directly to the local buyers (wholesalers and retailers) and directly to the consumer. The flow of distribution is from the processor, then sold to the local buyers and to the customer (Figure 32. The consumers purchased the product directly from the processor and are also allowed to have special orders directly to the processor, such as fast food, tourism, and any other buyer institutions.

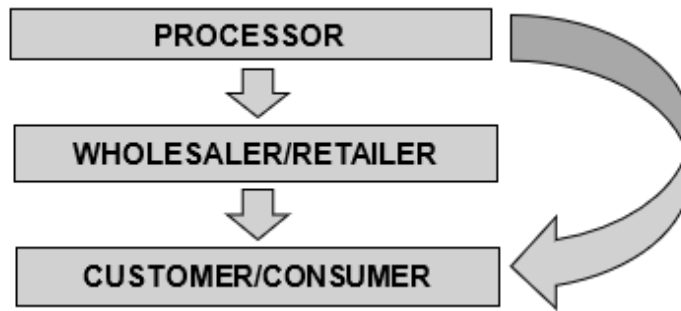


Figure 2. The Channel of distribution.

Actual market

The actual market of pusit chicharon was the children aging form 5 years old and above, it’s either female or male, employed, businessmen, workers, students, and any group of people in society. The actual market of pusit chicharon was held at the Barangay Central, Mati City, Davao Oriental, and any municipalities, barangays in the locality.

Technical aspect

Opening a project needs more consideration in technical practices to be performed in order to attain the future goals of the project that continue into the long run. The technical aspects to be considered are the project location, utilities, ingredients, production flow chart, and labor requirements for the successful operation of the business itself.

Profitability index

It measures the rate or returns of the sales and the net operating cost and expenses. Net Profit Margin (NPM) – Measures how much profit is left after the costs are recovered from the sales revenue.

$$\text{Profit Margin} = \frac{\text{Net Income}}{\text{Sales}} \times 100\%$$

Net profit margin was used in this study to measure the amount of net income per peso of sales. It also showed the proportion of net income after tax to the firm's sales revenue.

RESULTS AND DISCUSSION

Pusit Chicharon is newly entry in the market; it is difficult and almost impossible to introduce this to the market. Then, the proponent relies on a statistical analysis through a market survey of Pusit Chicharon through experiments to confirm the potential customer base of the product. The total population of Barangay Central, City of Mati, is 36,485 for the year 2015, based on the historical demand of the Philippine Statistics Authority. This number may be a potential customer of the product.

Demographic profiles support the business in determining the different characteristics that help the business attempt to identify a market segment. The characteristics profile includes the age, sex, occupation, household size, income, and education. The study has 100 respondents, which categories in gender, occupation, and age of the respondents. It has 50% of female respondents and 50% of male respondents. The occupation of the respondents has 15% is employee, 8% of businessman, 57% of students, and 20% for the other types of occupations. The age bracket is categories | 5-10 years old is 8 respondents, 31 for 11 – 20 years old, 16 for, 21-30 years old, 14 for, 31- 40 years old, 15 for 41-50-year-old, 7 for 51-60 years old, 7 for 61 – 70 years old and 1 for 70 years and above (Table 2. The result of the market survey indicates that there are about 50% of female and 50% of male for different specifications. In addition, it shows that the number of males in the target market is equivalent to the number of females based on the samples.

Table 2. Demographic profile of the respondents.

	Variable	Frequency
Gender	Male	50
	Female	50
Occupation	Employee	15
	Businessman	8
	Student	57
	Other	20
Age	5 – 10	8
	11- 20	31
	21 – 30	16
	31 – 40	14
	41 – 50	15
	51 – 60	7
	61 – 70	7
	71 and above	1

The proponent identified that the different occupations of the respondents is 57% for the students, 20% for the employed respondents, 8% for the businessman respondents, and 15% for the respondents in other occupations.

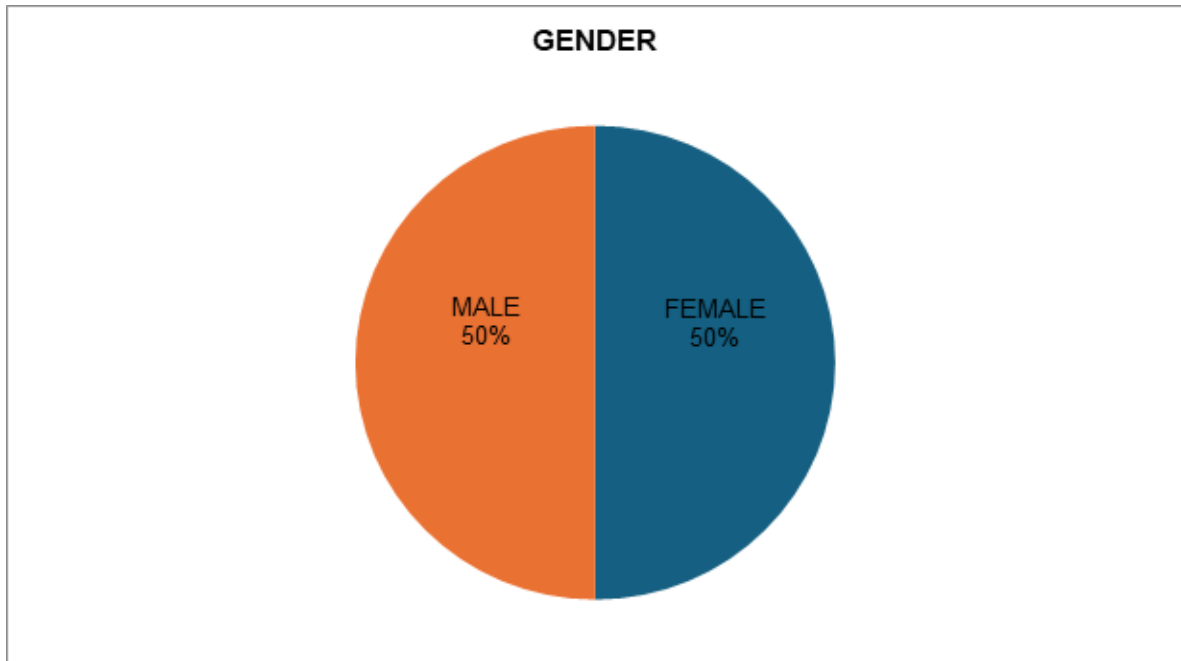


Figure 3. Demographic profile of the respondent.

The proponent identified that the different occupations of the respondents is 57% for the students, 20% for the employed respondents, 8% for the businessman respondents, and 15% for the respondents in other occupations (Figure 4).

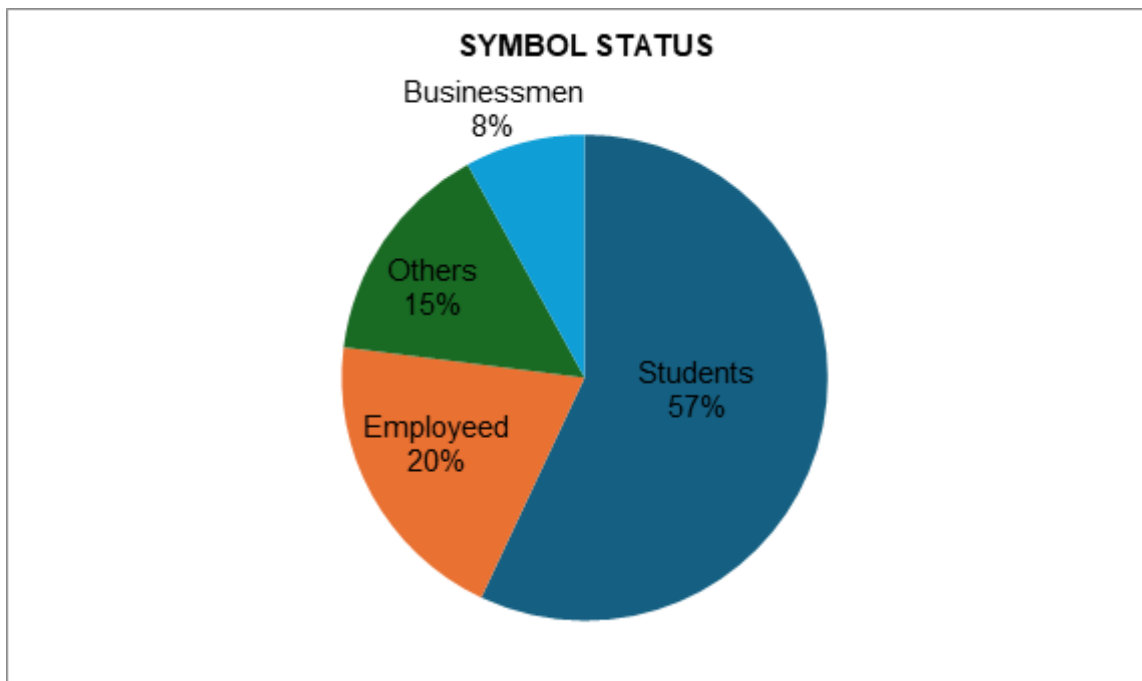


Figure 4. Symbol status of respondents.

The result of the figure shows the percentage distribution of the age bracket of 100 respondents (Figure 5). It was shown in the graph that the respondents' age bracket is a possible target market for the product. It implies that there is 40% for 20-year-olds and below, 30% for 21-40-year-olds, 22% for 41-60-year-olds, and 8% years and above.

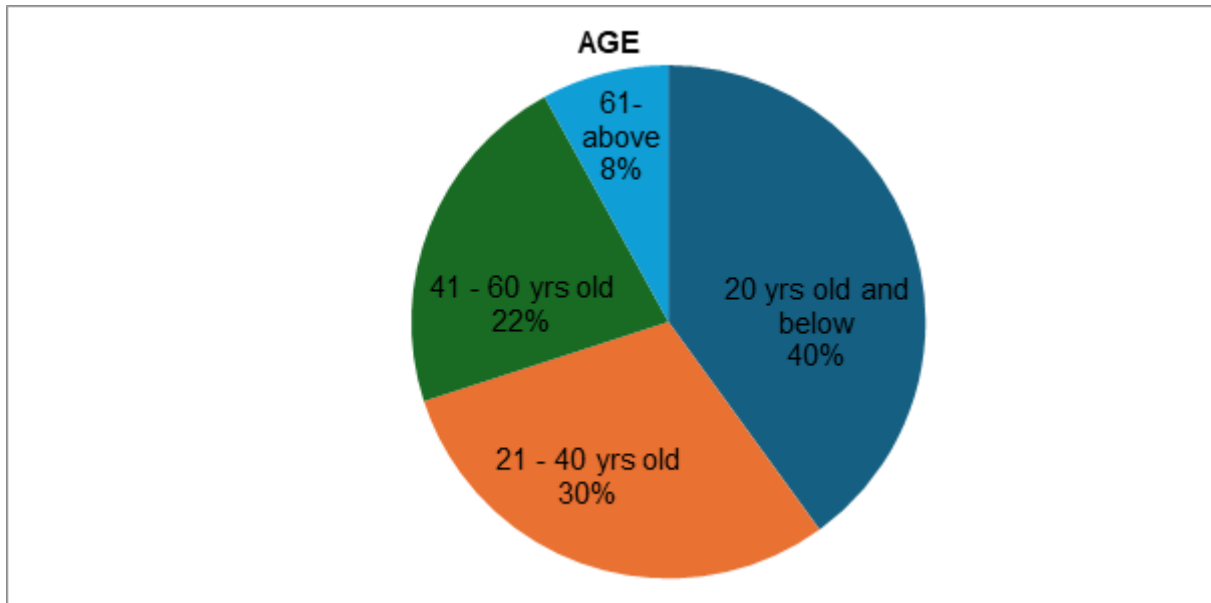


Figure 5. Age percentage of respondents.

The proponent conducts product testing on the 100 respondents of the study to determine the general acceptability of the product by the customer (Table 3). With the use of the Hedonic scale and some questions, the proponent came up with different results.

Table 3. Consumer reaction survey.

Scale	Quality				
	Appearance	Taste	Color	Aroma	General Acceptability
9 -Like extremely	38	35	28	27	28
8 -Like very much	39	36	36	32	42
7 -Like moderately	13	21	26	27	21
6 -Like slightly	6	4	6	8	5
5 -Neither like nor dislike	3	2	2	4	4
4 - Dislike slightly	1	2	2	2	2
3- Dislike moderately	0	0	0	0	0
2- Dislike very much	0	0	0	0	0
1- Dislike extremely	0	0	0	0	0
Total	100	100	100	100	100

Statistical results of market survey and hedonic scale of pusit chicharon

Before the operation, enclosed were the results of the market survey questionnaire and hedonic questionnaire that the proponent conducted in the City of Mati, particularly in Central, City of Mati, Davao Oriental. The target of the proponent was 100 respondents.

Hence, a hedonic scale was also used for the 100 respondents of the survey; the demand for the product was determined by gathering its information from the market survey that was conducted. Furthermore, the highest score was eight, which was “like very much”, while the lowest score was “dislike extremely”. The following is the entire result of the survey (Table 4).

Table 4. Likert scale.

Numerical rating	Descriptive rating
9	Like extremely
8	Like very much
7	Like moderately
6	Like slightly
5	Neither like nor Dislike
4	Dislike slightly
3	Dislike moderate
2	Dislike very much
1	Dislike extremely

Based on the consumer reaction survey table, the proponent arrived at the following data used in the statistical table (Table 5). Where X is the class mark of the product, F is the number of respondents, then Fx is the result of multiplying X by F. To calculate the mean average of product quality tested, the total of class mark (fx) is divided by the total frequency (f). Hence, the mean is determined, and the results for the appearance tested of the product is 7.55, 7.47 for its taste, 7.31 for its color, 7.19 for the aroma, and for the general acceptability of the product is 7.47. Thus, with the general average of 7.40, the result shows that the product is 'liked moderately' by the consumer/customer.

Table 5. Statistical analysis for the sensory evaluation survey.

Scale	X	Quality									
		Appearance		Taste		Color		Aroma		General Acceptability	
		F	Fx	F	Fx	F	Fx	F	Fx	F	Fx
8.1 - 9.0	8.55	38	324.9	35	299.25	28	239.4	27	230.85	28	239.4
7.1 - 8.0	7.55	39	294.45	36	271.8	36	271.8	32	241.6	42	317.1
6.1 - 7.0	6.55	13	85.15	21	137.55	26	170.3	27	176.85	21	137.55
5.1 - 6.0	5.55	6	33.3	4	22.2	6	33.3	8	44.4	5	27.75
4.1 - 5.0	4.55	3	13.65	2	9.1	2	9.1	4	18.2	4	18.2
3.1 - 4.0	3.55	1	3.55	2	7.1	2	7.1	2	7.1	2	7.1
2.1 - 3.0	2.55	0	0	0	0	0	0	0	0	0	0
1.1 - 2.0	1.55	0	0	0	0	0	0	0	0	0	0
1 - 1.0	0.55	0	0	0	0	0	0	0	0	0	0
Total		100	755	100	747	100	731	100	719	100	747.1
Mean Average			7.55		7.47		7.31		7.19		7.47

As shown in the table below, it showed the frequency distribution of questions (Table 6). Question 1 was familiarization with Pusit Chicharon; it was presented in the figure below, that 98% of the respondents answered yes, while 2% of them answered no. Question 2 was "Are you willing to buy Pusit Chicharon?" The figure also shows that 90% of the respondents answered yes and 10% answered no. Question 3 was "If Pusit Chicharon is sold at PhP34.00 per pack, will you buy the product?" It was presented that 87% of the respondents said yes, and 13% said no. Therefore, the customers are willing to buy the product.

Table 6. Consumer food action scale for pusit chicharon.

Consumer Food Action Scale	Preferences		Total
	Yes	No	
Do you usually eat Chicharon?	98	2	100
Are you willing to buy Pusit Chicharon?	90	10	100
If Pusit Chicharon is sold at PhP34.00 per pack, will you buy the product?	87	13	100

The Table 7 below shows the results of the comments of the respondents about the product. The result of the survey has 7 respondents says that the product is “The product is so delicious and affordable”. It has 3 respondents has a comment of “it is so crunchy out of 100 respondents. And most of the respondents have no comments, and it has 90 out respondents have no comments about the product.

Table 7. Consumer comments and suggestions for pusit chicharon.

Comments and suggestions	Respondent
The product is so delicious and affordable	7
It is so crunchy	3
No comment	90
Total	100

Conclusion

Based on the results of the objectives, the product is moderately liked by the customer, and the customers are willing to buy the product at the price of PhP34.00 per pack. Since the product is accepted, the business has an initial investment of PhP375,809.00 to produce 38,400 packs of Pusit Chicharon annually. Meanwhile, the net income of the business is 32%, so the proponent concluded that the business is profitable and feasible. Moreover, the ROI implies that for every peso invested, there is PhP1.10 or 110% as return on investment.

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