

Conference Paper

Luntiang Basura (Green Wastes): A Case Study of Three Filipino Ecopreneurs in Upcycling

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Abstract

Currently, the Philippines is facing the challenges of devastating disasters brought about by accelerated global warming that continuously fuel the unthinkable climate change problems. Pollution has been identified as one of the major contributors to global warming. In the light of this gargantuan problem, alternative business processes must be resorted to for humankind to continue our existence in this planet.

This paper aims to show, by way of a case study, that engaging in upcycling business, a more creative and upscale recycling, can be financially rewarding, socially responsible and at the same time help protect the environment by impacting the zero-waste campaign in a major manner – i.e., helping solve the solid waste problem. The case study features three well-known, passionate ecopreneur/upcyclist subjects who concretize and attest to the sustainability of the environment by using wastes as primary raw material inputs in their production process, producing beautiful artisan goods that command high price in the market; thus, providing desired profitability for the company.

Keywords: ecopreneurs, green wastes, upcycling.

1. Introduction

One of the major contributors to climate change is the mounting problem of solid wastes. While the traditional ecological solid waste management solutions of reduction, segregation and recycling are practiced, economic solutions to the garbage problem need to be explored. While recycling aims to produce new products from recycled materials so that they become raw materials to new products, increasing the value of waste materials while being recycled or reused, can be done by upcycling.

A green entrepreneur or ecopreneur is one who creates and sells environmentally friendly products and services (such as organic food, recycling efforts, green construction [1]). The ecopreneur described in this study is specifically involved in the business

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of upcycling. The ecopreneur will be considered in two levels: as an individual such as the founders and leaders, and as a business enterprise.

2. Objectives of the Study

The study aims to determine the success factors and characteristics in the upcycling of recyclable wastes that is already being effectively done by three (3) noted Filipino ecopreneurs: KILUS Multipurpose Cooperative, Yadu, Papemelrotti.

Specifically, the study seeks to find out:

(1) the outstanding characteristics that define the success of a green ecopreneur, (2) the factors that contributed to the passion of the green ecopreneur to be an environmentalist, (3) the family or filial background of a green ecopreneur have something to do with his/her success in business (4) other 'trade' secrets does the green ecopreneur has that enables him to be profitable and sustainable in his/her green business (5) the support from the government, if any, does a green ecopreneur need (6) aspirations of the green ecopreneurs (7) future plans for his/her green upcycling business.

3. Materials and Methods

3.1. Research design

The research is basically descriptive and narrative. Conclusions are derived from common themes discussed by the three case studies.

3.2. Research methods

Through the case study research method, an empirical inquiry that investigates a contemporary phenomenon with its real-life context (Yin, 1984), the proponents wish to show through green entrepreneurship, a green advocate/green /ecopreneur, concerned about the well-being of Mother Nature, can have a profitable and sustainable business by engaging in upcycling of wastes as its main line of operation.

The research utilized the multiple case study method. By employing multi-subjects, the researchers interviewed and observed three very interesting and successful local upcyclists:

1. **Yadu.** a one-of-a kind bag manufacturer of backpacks, slingbags, computer bags, etc.;

2. **PAPEMELROTI**. a family corporation engaged in the production of upcycled gift items and decorative accessories since 1967; and
3. **KILUS Foundation Environmental Multipurpose Cooperative (KILUS)**. a community-based organization in Santolan, Pasig City, engage in the manufacture of sewn and handwoven bags and other home and fashion accessories uniquely and primarily fashioned from recycled doy juice packs.

The measures of success are in the context of sustainability and the triple bottom line approach:

Planet: Kind and amount of solid waste retrieved and upcycled

People: increasing the quality of life of employees, loyalty of employees, values of employees as manifested in their organizational culture; fair income to employees

Profit: Increased income and longevity of company (Results: due to low cost of materials inputs, reduced tax); equitable sharing of profit (Results: follow labor rules on compensation and benefits, profit sharing in the case of Kilus); plans of expansion [3].

For sources of case study data, the researchers:

1. Conducted interviews of the leaders and employees of the ecopreneur enterprise;
2. Did direct observations;
3. Used financial and archival documents of the case subjects to help triangulate and collaborate the findings and evidences from the multiple sources.

4. Selecting the Case Subjects

The case subjects were selected based on the following criteria:

- Must have been in the upcycling industry for at least three years;
- Entity is deemed profitable and sustainable by its continued active presence in the business environment;
 - Formally registered with government authorities;
 - With reported financial statements and
 - With identified business outlets

Further, the three ecopreneurs were interviewed using a set of questions consisting of:

1. What are the management/business practices of the green ecopreneurs leading to sustainability?
2. What motivated them to pursue upcycling as a business?
3. What kind of organizational culture exists in the enterprise managed by the ecopreneurs?
4. What are the challenges faced by ecopreneurs in the context of sustainability?
5. How do they define success?
6. What are the aspirations of the ecopreneurs?
7. What government support do ecopreneurs need?

The Data gathering techniques include:

1. Key informant interview: Persons interviewed were the founders and owners of these corporations:
KILUS Foundation Environmental Multi-Purpose Cooperative – founder of the cooperative, current manager, President Editha Santiago
Yadu – Dhanvantari Saulo, son of owner and current General Manager of the family-owned company.
Papemelroti – Patricia Joy (Patsy) Alejandro Paterno, Managing Director, of the family-owned corporation.
Also interviewed were employees of the business enterprises,
2. Observation of factory line and stores
YADU – The production lines, raw products, finished products were observed in their factory in Antipolo City. The marketing of products in SM North EDSA, Glorietta 5 in Makati, and Internet were observed.
KILUS Multipurpose Cooperative – The researchers visited their factory and store in Barangay Ugong, Pasig City.
Papemelroti – Various store outlets in SM North EDSA, Ali Mall and Gateway in Cubao, UP Town Center and main branch in Korben Place, 91-A Roces Ave., Q.C.
3. Gathering of financial records of the companies from the Securities and Exchange Commission (SEC) and Cooperative Development Authority offices in Aurora Blvd. and Grand Residences along EDSA, Q.C.
4. Observing the marketing websites of the companies.

4.1. Analysis of data

1. **Comparisons of commonalities** – Data were collated, analyzed and triangulated. Similar character traits and other commonalities among the three green entrepreneurs were noted and processed using the Word Cloud, a method of visually presenting text data through spotting word frequencies. The more frequent the word is used, the larger and bolder it is displayed [2].
2. **Analysis of financial records of companies** – the researchers obtained and analysed the Statement of Financial Condition and Statement of Income of Papemelroti and KILUS. To simplify the financial data, the researchers translated the financial statements to common-size statements using percentages for a better understanding. For YADU, which is in the process of incorporation, after previously integrating with NAMASTE Inc. (due to the health issues of Mr. Edwin Saulo, founder of the company), the researcher based the viability of the business on its ability to sustain its rent over the 3-year period in various SM malls and Glorietta, its consistent presence in Global Pinoy and Yabang Pinoy bazaars and further on its consistent online presence, particularly in Facebook. The average daily rent per square meter in the malls ranges from Php500-1,000 depending on the location [4].

5. Results and Discussion

The green advocates selected were PAPEMELROTI, KILUS Multi-Purpose Cooperative and Yadu. Discussion focused on: (1) the upcycled products produced and sold, (2) length of time/experience in the business, (3) brief history (founder, legal for, business classification in terms of capitalization), (4) marketing vehicle/medium, and company's outstanding features (principles used for success, how they address challenges, motivating factors and awards and recognitions received). A table summarizes the profile of the green advocate followed by a more descriptive narration.

5.1. Papemelroti

5.1.1. Company background

The business started as a hobby of Corit Alejandro, matriarch of the family. She made cute stuffed toys and dresses for her children and for friends while her spouse and

partner Benny engaged in wood furniture making. He made furniture for their home and playhouse from wooden crate for the children. The couple opened their first gift shop in the first floor of their house in Tomas Morato. Corit loved to interact with customers and would even cater to personal requests and orders. Soon the children themselves were making paper dolls, decorating box doll houses from old catalogs and doing lots of other crafts such as making ‘antique’ looking plaques. In 1976, the family enterprise opened their first formal shop in Ali Mall, Cubao. All the children helped in running the store, especially during summer breaks, and the rest is history with their numerous chains of outlet in SM malls and Gateway. PAPEMELROTI is on the way of celebrating its 50th foundation in 2017.

PAPEMELROTI makes unique and beautiful product lines that reflect their artistry and themes, as well as their life values – ‘a commitment to and love of God, family, home and country’, said Ms. Patsy Paterno, the company’s Managing Director.

TABLE 1: Summary of PAPEMELROTI.

1. Upcycled products produced	PAPEMELROTI is a specialty company that carries a wide variety of gifts and decorative accessories such as stuffed toys, jewelry, paper products (greeting and gift cards, notebooks, quaint boxes, decoupage), figurines, religious articles, wooden furniture, etc.
2. Number of years in the upcycling business	Founded 49 years ago on October 13, 1967.
3. History	
a. Founders	The husband-and-wife team Benny and Socorro Alejandro founded ‘KORBEN’ Gifts in 1967 which later on metamorphosed in 1976 to PAPEMELROTI (the acronym of their five children PATSY, PEGGY, MEDLY, ROBERT and TINA).
b. Legal form	A closed-family Corporation
c. Business classification (MSME)	Medium scale enterprise with networth at Php76.0 million pesos.
4 Marketing vehicle	A brick-and-mortar company. The company currently has 17 outlets in malls, mostly in SM with five more to open in 2016-2017. Maintains a website: www.papemelroti.com
5. Outstanding features	<ul style="list-style-type: none"> • Waste material inputs – assorted recyclable trash
a. Principles used for success	<ul style="list-style-type: none"> • Conservative, slow-but-sure growth for almost 5 decades • Strong belief in God • High moral values • Faith in one’s ability, innate talent and creativity • Family members have strong filial ties • Always refer to the LORD business decisions for guidance • Parents and children are hardworking and thrifty
b. How they address challenges	<ul style="list-style-type: none"> • Siblings work together, running the business in harmony in harmony. Contribution is according to the family member’s talent and skills

	<ul style="list-style-type: none"> • The company help employees’ spiritual development
	<ul style="list-style-type: none"> • Hands on supervision
c. Motivating factor to pursue the upcycling business	<ul style="list-style-type: none"> • Stewardship of the environment. The family believes that the environmental thrust of PAPEMELROTI is not separate from the Christian and Filipino values and themes.
d. Awards and ecognitions received	<ul style="list-style-type: none"> • SM Green Retail Award, October 22, 2015
	<ul style="list-style-type: none"> • Ramon Magsaysay Person of the Year Posthumous Award given to Corit Alejandro on March 15, 2015.
	<ul style="list-style-type: none"> • Cited in many print, online and broadcast media
6. Waste material inputs	Plastic bottles, eggshells, button, felt, cloth scraps, paper, carton, leather, wood, iron scraps
7. Sources of wastes and volume of trash upcycled	The company buys recyclable wastes from independent picker-sellers and also directly from MRFs.
	The company has not formally measured the volume of wastes upcycled. The assumption is that they are continuously helping reduce solid wastes from their long years in the business.

5.1.2. Organizational culture

The Alejandro siblings attribute their success to their mother’s love of making something out of things that people would throw away. The family believes that being in the business is not just about making money but an expression of one’s self that should be shared with others.

PAPEMELROTI is very conservative in the way they operate their upcycling business. Incurred liabilities are used for investments, like the purchase of a land in the Roces District and the construction of their own 5-storey building, as well as for investments in other financial assets. In fact, the company’s realized earning of Php1.6 million and Php2.0 million from their investments (rent and interest incomes) in 2014 and 2015 respectively were reinvested.

Two-thirds of the company’s total assets are owned by the family members, reflecting modest leveraging. For the past immediate four years, 2012 to 2015, company’s total assets increased by an average of 18.23%. Liabilities were gradually paid off in 2012 and 2013 with another borrowings in 2015 (mostly advances by the shareholders themselves to the family corporation at a very low interest rate) reflecting a net increase in liabilities of 6.7% only. Shareholders’ equity, on the other hand, increased consistently at an average of 26% per year. The company makes sure that they stay liquid by maintaining an average ratio of Php1.70:Php1. Leaving a comfortable 0.70 cents available for other business opportunities after current liabilities had been settled.

Considering the company's assets, liabilities and equities, we can say the company is in very good financial position.

Performance wise, for the past four years, the company achieved a consistent increase in sales at 13.25% with a modest net return on its income at 5.25% on the average. Cost of sales has been very impressive at 31.63% of sales. This was made possible by using wastes as raw materials in the production of goods, affording an average gross profit of 68.38%.

Although, total operating expenses averaged at 62.25% of sales, one-third of this was actually spent on providing employees' compensation and statutory benefits, proving that PAPEMELROTI takes good care of its personnel.

As regard to support the company wish to have from the government, Ms. Patty Paterno lamented that the government should make the annual business registration process less tedious and less costly.

Truly, the Alejandro siblings had adhered to the advices of their parents particularly with regard to money matters. They continuously stick to their mother's favorite adage of "Yard by yard, life is hard. Inch by inch, it's a cinch." The parents started their upcycling business from a modest tiny store and over the five decades, built a profitable and sustainable corporate entity.

When asked as to what keeps the family members going with the family business, Ms. Patsy Paterno answered that they have always maintained their unwavering belief in the Lord - bravely facing all business challenges, including the sad demise of their mom in 2013. In fact, if you visit any of their outlets or the PAPEMELROTI's main office in Roces District, you will see a plaque visibly hanging on the wall that reads psalm 127:1 - "Unless the LORD builds the house, they labor in vain who build it".

5.2. Kilus foundation environmental multi-purpose cooperative (KILUS)

5.2.1. Company background

KILUS, a multi-purpose cooperative, is engaged in the manufacture of sewn and hand-woven bags and other home and fashion accessories. KILUS is differentiated from other upcyclers because of its consistent use of recycled doyo juice packs as primary material inputs.

First in 1997, as Samahan ng mga Kababaihan ng Ugong (or SKU), a volunteer group of housewives and mothers of Barangay Ugong, Pasig City, organized by Mrs. Editha

Santiago in order to assist her husband Barangay Chairman Alejandro Santiago, the organization implemented the Clean and Green projects of the Barangay Council. Working closely together, the community was declared the Cleanest and Greenest Barangay along Pasig, Marikina and San Juan rivers in 1997, and was awarded Php1.0 million pesos by then First Lady Ming Ramos.

The Santiago husband-and-wife team then thought of providing livelihood to the women who had helped clean and green their Barangay. The idea of producing sewing bags from recycled doy juice packs came through a seminar conducted by Dra. Meliora of Zero kalat sa Kaunlaran (or ZKK). In November 1999, they registered the organization with SEC as KILUS Foundation and then as a cooperative with the CDA in 2001. KILUS members contributed whatever amount they could afford to start and come up with the required stating capital. The Coop obtained technical, training and financial assistance from TESDA, DTI through CITEM, and from the Pasig local government.

KILUS' bags were featured in various media outlets. The Coop was invited by DTI and CITEM to join its first Manila FAME show and this led to orders from international buyers. To date, KILUS products are exported and delivered to 18 countries worldwide, with Japan as its biggest client.

TABLE 2: Summary of Kilus Foundation Environmental Multi-Purpose Cooperative (KILUS).

1. Upcycled products produced	Assorted products from doy juice packs such as handbags, shopping bags, backpacks, slippers, folders, envelopes, lunch kits, bag tags; home decors like picture frames, placemats, trash cans, etc. Presently, KILUS also produces beaded costume jewelry and accessories made from colorful pages of magazines (neclace, bracelets, earrings, key chains and bag-hang decors).
2. Number of years in the upcycling business	19 years
3. History	
a. Founder	Mrs. Editha C. Santiago, wife of then Barangay Chairman Alejandro E. Santiago of Brgy. Ugong Pasig.
b. Legal form	<ul style="list-style-type: none"> • Aug. 1997 – started simply as Samahan ng mga Kababaihan ng Ugong (SKU) as partner organization of Brgy. Ugong Council for its Clean and Green project. • Nov. 19, 1998 – 'KILUS' short for Kababaihan lisang Layunin Umunlad ang Sambayan, was registered with SEC as a foundation composed of more than 200 strong women workforce. • Feb. 19, 1999 – KILUS launched its pet project "Bawas Basura, Dagdag Kita (BBDK), a community livelihood project. • 2001 – KILUS Foundation Multi-Purpose Environmental Cooperative is registered with the Cooperative Development Authority (CDA).
c. Business classification (MSME)	A medium scale cooperative entity in terms of its net assets worth just a little over fifteen million pesos and with over 500 member-employees.

4 Marketing Vehicle	Joins trade shows and bazaars such as Manila Fame and the American Women Club of the Philippines (AWC), and other markets coordinated through the Pasig Mayor's Office and Council. aintains a website: www.kilus.org
5. Outstanding features	<ul style="list-style-type: none"> • consistent use of trash (particularly doy juice packs) as primary material inputs • makes use of financial grants and technical assistance and training provided by CDA, Pasig LGU, TESDA, DTI's CITEM and Manila Fame
a. Principles used for success	<ul style="list-style-type: none"> • Founders' strong faith in God – that the spiritual formation of individual members and their families forge moral upliftment and promotes belief in one's capabilities • Economic empowerment of the 150 family members (consisting of over 200 people) • Founders themselves wear and model their own upcycled goods
b. How they address challenges	<ul style="list-style-type: none"> • By keeping a strong and cohesive community grass root base of committed members • By maintaining a well-organized and structured workforce (consisting of 10 zone coordinators or leaders that monitor and lead in the cleanliness drives and community projects, 'pulot' brigade, 'linis' brigade, 'mananahi' brigade (the cooperative makes sure that it taps the interest and potential of each member). • Founder and coop management listen to peoples' voice • Founder and members are persevering and hardworking • Consistency in distributing to members their share in profits
c. Motivating factor to continue the upcycling business	<ul style="list-style-type: none"> • The coop management is happy to see the 'fruits' of what they have sown grow • Realized clean and green environment
d. Awards and recognitions received	<ul style="list-style-type: none"> • KILUS is a multi-awarded organization, no less than 40 awards, citations, and recognitions by government authorities and private organizations have been bestowed to KILUS since its inception in 1997.
6. Waste material inputs	Doypack (juice tetra packs, pouches made of triple laminated aluminum cellofoil), discarded magazines and newspapers, plastic bottles, used clothings particularly Maong and other pants materials, etc.
7. Sources of wastes and volume of trash upcycled	Direct sourcing of recyclable wastes, especially doy juice packs, from schools in Metro Manila, funeral homes, independent collectors, pickers and sellers.
	As of 2001 to 2009, KILUS have already upcycled and processed 96 tons of solid wastes.

5.2.2. Organizational culture

KILUS women members are proud to produce beautiful upcycled bags and other fashion accessories crafted with much love. The organization, through the tireless efforts of its President Editha Santiago, develop and mold their members into individuals who care for and love God, themselves, their families, their co-worker and members, and

the environment. The members, mostly housewives and mothers, feel proud of the work and the fact that they are able to provide for the basic needs of their families, and at the same time help care for Mother Nature.

Mrs. Santiago believes in harnessing the potential of her members, first and foremost, through fellowship with our Lord. Mrs. Santiago believes that craftsmanship is a result of love and concern of family and this is the secret of the sustainability of their cooperative.

Despite the successes gained, the cooperative is currently challenged by the dwindling number of skilled weavers, sewers and designers. It is funny to note that since member-families were able to send their children to school, the children have chosen careers different from their mothers. Currently, the cooperative also has 'homestay' foreign students who are immersed in Brgy. Ugong community (living with the members' families), doing and learning upcycling projects.

KILUS Multi-Purpose Cooperative believes in investing in human capital – that is, its members – than investing in building an impressive office structure. Their office is still situated at the back of the Alejandro's family lot. The Coop is able to sustain a monthly payroll of not less than one million pesos (Php1.0 million). Further, the Coop consistently gives out as patronage share of at least five (5) kilos of rice per member-worker every week. As a cooperative, KILUS enjoys a lot of tax perks/shields and other financial and non-financial assistance from government agencies.

With much artistry and patience in producing beautiful handmade upcycled products, KILUS women have indeed found a very effective way of lessening solid wastes that go to the drainage systems and water bodies and usually fill the dumpsites – this is KILUS women's 'little way of helping save Mother Earth'.

6. C. Yadu

6.1. Company background

YADU, the youngest of the three green advocates in terms of length of experience, started as a single proprietorship in 2010 and morphed to a close-family corporation when the children of Edwin Yadu Saulo, Sr. grew up and started helping in the family business.

According to Dhanvantari Saulo, eldest son and operating manager of YADU, making denim bags was actually an accident, a 'result' out of necessity when his father Edwin did not have enough money to buy his travel bag and his parents would not give him

money so that he would not leave and go travelling places. Edwin started cutting his denim pants and piecing them together and make practical, sturdy and unique denim bags. When his classmates and friends saw the bags and started ordering, he realized that making bags could be a profitable business.

YADU has its roots in Khumbela, Edwin Yadu Saulo, Sr.'s first bag venture and one of the pioneer Philippine bag manufacturers in the 90s. While Khumbela bags are made from new raw synthetic materials, fabrics used in every YADU bag is carefully hand-picked from Ukay-ukay shops. Except for the straps and other hardware like the zipper, everything in a YADU bag, including the lining, is recycled material. Thus, each YADU bag has its own combination of patterns and colors, a unique handmade creation, making it truly a one-of-a kind upcycled bag.

Although the name YADU has Sanskrit root, the Saulos have no Indian blood at all. Edwin Yadu and his entire family are avid and faithful followers of Chaitanya Mission, an Indian origin world-wide organization. It is a non-sectarian, non-profit organization that is mostly involved in spreading peace, love for environment, and practice of meditation. The mission members go around the different barangays to educate young kids, especially street youths about the beauty and peacefulness of the Chaitanya community. All the Saulo children have Indian names like Dhanvantari. They are also products of home schooling.

Although fairly new in the business, the Saulo family actually started conceptualizing YADU bags back in 2008. Much as they would like to mass produce the denim bags, it is not possible because of 'raw' materials constraint; making it difficult to meet volume orders. Thus, Dhanvantari decided to revive his father's old product line Khumbela to cater to volume orders. Unlike YADU bags, Khumbela is not established as an eco-friendly brand. It is a brand that caters to the active lifestyle of sportsmen like the cyclists. Edwin Yadu and his sons are active cyclists themselves. On the other hand, YADU line is eco-friendly catering to lifestyle of local artists and people who love the environment.

TABLE 3: Summary of YADU.

1. Upcycled products produced	One-of-a kind upcycled cloth/denim bags such as organizer bags, handbags, patented hoodie backpacks, laptop bags, cycling bags, wallets and pouches.
	The company has two product lines: YADU and Khumbela
2. Number of years in the upcycling business	5 years
3. History	
a. Founder	Edwin Yadu Saulo, Sr., family patriarch
b. Legal form	2010 to mid 2013, a single proprietorship

	2014, the company was a unit of NAMASTE Group Holdings, Inc.
	2015, applied for registration as a close family corporation.
c. Business classification (MSME)	Small scale entity with net assets of not over Php15.0 million yet and a workforce of 70 employees, consisting of crafts men and women (designer, cutters, sewers, sales staff and company ambassadors)
4 Marketing Vehicle	YADU rents floor and wall selling spaces in SM malls, Glorietta and Bratpacks. The company regularly joins Global Pinoy and Yabang Pinoy bazaars. The family members join and hold cycling events. YADU maintains online presence through a facebook account and sells online through ZALORA.
5. Outstanding features	<ul style="list-style-type: none"> • The Saulo company, although non-Catholic, strongly believes in one God Almighty
a. Principles used for success	<ul style="list-style-type: none"> • The Saulos have very strong family ties and are committed to work together harmoniously • They have strong environmental values and consider this as a way of life
b. How they address challenges	<ul style="list-style-type: none"> • They do a lot of research for their bag designs • Use of clothing trash materials as primary inputs to reduce production costs • They capitalize on the uniqueness of their one-of-a kind bags • The company gives life-time warranty on their products • They cater to custom-made orders, creating personal appeal • The company maintains good work and credit relationship with suppliers • The family exercises close/hands-on supervision of their employees. • Sustainability of their family business and the environment
c. Motivating factor to continue the upcycling business	<ul style="list-style-type: none"> • The management is happy to see that customers love their bags
d. Awards and recognitions received	None yet so far. Although its forerunner Khumbela was recognized by the Intellectual Property of Madrid as the brand that has the most unique brand name and equity.
	YADU has been featured in several talk and trade shows.
6. Waste material Inputs	Scraps of fabrics, denims, corduroys, leather scraps
7. Sources of wastes and volume of trash recycled/upcycled	<p>The company buys –</p> <ul style="list-style-type: none"> • Second hand or pre-loved pants and clothes from ukay-ukays and • Surplus fabrics and leather scraps from textile and shoe factories <p>The company has made no accounting of waste materials processed yet.</p>

6.1.1. Organizational culture

Dhanvantari Saulo, son of the founder and current general manager, related that at first, the company did not market YADU bags as an eco-friendly brand right away. It was only after Ondoy's onslaught and they saw so much trash/garbage lying around that they thought of making YADU totally out of recycled clothing materials. Due to the horrific effect of the Ondoy disaster (their family being one of the victims as they were residents of Pasig), their environmental consciousness, as Chaitanya mission members, kicked in. Members of the Saulo family love the environment. It is a way of life for them. They are vegetarian and actively practice solid waste management, particularly recycling of things.

Edwin Yadu, the founder and an engineer by profession, designs all the bags, especially YADU's one-of-a kind eco-friendly appeal. His artistry and skill in bag making are passed on to his children. Dhanvantari used to be an apprentice of his father and now his brother, Yadu Jr., is undergoing training from their father.

The family members contributed money to start the bag business. They give time, their talents, skills and efforts to help run the business. His sister, Nitya Lila, a singer helps to promote YADU by singing environmental songs onstage. She is the company's foremost product ambassador. Nitya Lila even joined the Philippine delegation to COP 21 held in Paris.

Another factor that helps the company grow is their good relationship with their suppliers. Edwin Yadu Sr. has always maintained good credit record with all his Khumbela suppliers in the 90s. Unfortunately, Khumbela had to close shop due to a conflict with Edwin's business partner. When the suppliers learned that Edwin Yadu is into bag making again, they approached him and offered financial assistance giving him reasonable credit line. His former employees, the cutters, sewers and designers whom he trained himself, also came back to work with him.

For the recycled primary material inputs, aside from Ukay-ukay outlets (Dhanvantari said that they usually go to Baguio's ukay-ukays), YADU gets the excess and old fabrics from textile factories in Bulacan. During lean off-season months, the textile factories would rid their warehouses of old stocks rather than spend money on storage costs. The company gets its leather scraps from shoe factories in Marikina. For good fabric designs, Dhanvantari have started getting ukay-ukay clothings directly from Hongkong garment suppliers.

The Saulos love to see their customers happy with their bag products. Edwin Yadu would even personally attend to repairs of a bag from a client himself. The company

accepts custom-made orders especially when there is a beautiful personal story behind the order. Dhanvatari related that one time, a young lady brought her mother's dress and requested them to make a bag out of it so that she would always have her deceased mother's memory with her. So their father designed a functional tote bag for her and the customer cried when she saw how beautiful the cloth bag turned out.

As for tips to young entrepreneurs who would like to embark on bag upcycling, Dhanvantari advised that if one intends to go into the business, the person must do a lot of research first. Find out everything about the target market, meeting the demands, design and correct pricing, sourcing and more importantly research about processes so as not to end up wasting fabrics and other materials because this would be totally contradictory to what upcycling and recycling advocate. He cautioned buying from illegitimate sources. Dhanvantari emphasized that for the company to be a going concern, ensuring its sustainability is very important. Dhanvantari advised following EPL consistently. EPL is environmental profit and loss (similar to accounting's TBL – triple bottom line approach to doing business). He said that business owners must always match their operating expenses with sourcing of materials to reduce impact on the environment. Dhanvantari looks forward to passing on the baton of managing the company to young Saulos, even to his own son, in the future.

In the early marketing days of YADU, when they used to join the Magallanes flea Market, it was the foreigners who appreciated and bought the YADU bags. But now, since more Filipino customers have become environment conscious, YADU now has a faithful, environment-loving clients. The company regularly joins Yabang Pinoy and Global Pinoy bazaars. Dhanvantari said that he himself supports Filipino-made products. He added that he wished the government would give more support to green entrepreneurs - coming up with measures to help in exporting and also in giving tax reliefs.

YADU bags are available for sale in some SM malls and Greenbelt (although the family goes back to selling at Magallanes flea Market whenever possible for sentimental reasons). They also sell online through ZALORA. The company have filled orders from abroad but their exports are still minimal compared to the local markets. Further, as Dhanvantari had said, they have difficulty meeting volume orders especially for export. Although, YADU bags' selling price is higher than the average ordinary bags, YADU has developed a market of faithful customers. In fact, majority of their buyers are young people who just love the one-of-a-kind eco-friendly appeal of YADU bags.

6.2. Finding commonalities among the three green advocates

Using Word Cloud, the following were the noted commonalities among the PAPEMEL-ROTI, KILUS and YADU:

The common words are listed according to the frequency they appear in the replies of the green advocates.

1. Common sterling character traits that define the green advocates from ordinary entrepreneurs
 - (a) Strong sense of spirituality
 - (b) Strong sense of filiality or family ties

Sterling character traits



2. Common strategy employed in handling difficulties
 - (a) Family support
 - (b) Praying
 - (c) Hands-on running the business
3. Common motivating factor
 - (a) SUSTAINABILITY of the company and the environment
4. Common marketing strategy employed
 - (a) Online presence/selling
 - (b) selling in bazaars/trade shows (for KILUS and YADU)
5. Common waste material inputs

- (a) denims
 - (b) leather scraps
 - (c) paper (for PAPEMELROTI and KILUS)
6. Common source of waste material inputs
- (a) ukay-ukays (YADU and KILUS)
 - (b) independent pickers (PAPEMELROTI and KILUS)

6.3. Implications

The case studies and upcycling can be incorporated in the curriculum and school operations, such as the following:

1. The case studies can be incorporated in the curriculum of CBEA and also EPM as well as Senior High School and Tech Voc;
2. Upcycling can be incorporated in the curriculum of the Senior High School
3. Upcycling can be recommended as a theme for the Innovation Center;
4. Scraps of the school such as the fabric of the Sewing Center can be upcycled; and
5. Upcycling can be pursued in service learning and community extension of HEU.

7. Summary, Conclusion and Recommendations

7.1. Conclusion

Engaging in UPCYCLING impacts both profitability and sustainability of the company and the environment by:

- reduced raw material inputs
- healthier bottom-line figure
- happy human capital
- and more importantly, helps in the reduction of solid waste

The upcycling trend is here and growing. It is doing something good for the environment. It raises people's awareness about the growing trash problem and motivating them to have a more proactive attitude towards finding a fast solution to the main

problem – that is, to address the worsening climate change and its disastrous effects to the environment and man's very existence.

The good news for the environment is that as more trash is upcycled, the less trash ends up in the landfill. Upcycling lowers consumption of the limited raw materials, it reduces air, water and land pollution and more importantly, it reduces methane gas emission to the atmosphere. Hopefully, this would impact the alarming global climate warming. (<http://www.triplepundit.com/201/04/cash-trash-innovative-companies-profitably-upcycle-recycle-reduce-wastes/>).

The researchers, however, noted that except for KILUS Multi-Purpose Cooperative, YADU and PAPEMELROTI are not aware of the benefits an upcycler can obtain from RA 9003 that could help them save in taxes and avail of financial, as well as non-financial, assistance from the government particularly with regard to simplified export procedures.

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