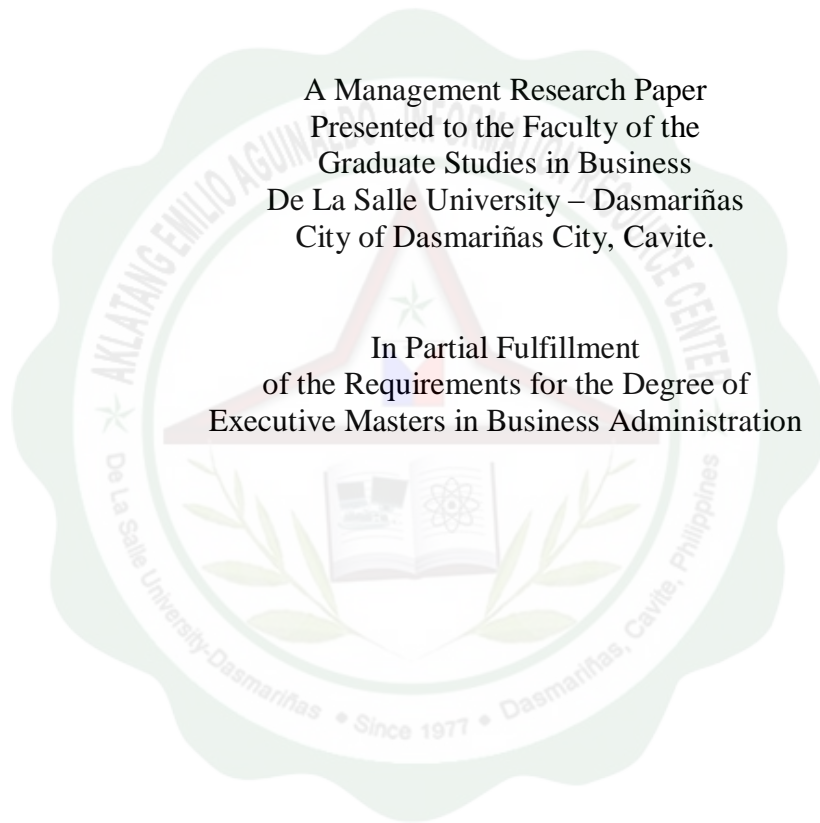


**STRATEGIC MANAGEMENT PLAN
FOR SOUTHWEST LUZON POWER
GENERATION COPORATION**

A Management Research Paper
Presented to the Faculty of the
Graduate Studies in Business
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EXECUTIVE SUMMARY

Energy is the life-blood of the economy. It is indispensable in achieving economic growth and critical in sustaining the country's progress and prosperity. Insufficient energy supply has long been identified as the Philippines stumbling block in achieving growth and development despite positive economic outlook for more than two decades. The DMCI Group via its wholly-owned subsidiary, Sem-Calaca Power Corporation (SCPC), proposed an additional 1,200 MW electric power generating capacity. Implemented in several phases over several years to keep pace with the country's increasing demand for electricity, Southwest Luzon Power Generation Corporation was incorporated on August 31, 2011 to acquire, design, develop, construct, expand, operate electric power plants and engage in the business of generation company according to Republic Act No. 9136 (Electric Power Industry Reform Act of 2001). Southwest Luzon Power Generation Corporation, a new and start-up company presents a lot of great opportunities and challenges everyone for strategic management research.

The author prepared the strategic management plan to provide added insights that will be beneficial to:

- Provide stakeholders with the up-to-date information about the organization's current position and to predict the organization's direction in future. This will address the question "What business should we be in?" and "How shall we compete in this business?"

- Align leaders and team members and allow them to collaborate and synergize in analyzing and addressing the organization's issues and concerns related to external and internal environment and be able to translate it into workable agenda.
- Establish SLPGC as an excellent organization with a sustainable business framework.

Descriptive research design was used in this paper. It is applied to arrive at a proposal for the company's profile, mission-vision, organizational structure, financial plan, operational process and procedures, and strategic directions in relation to its competitors, market, economy, technology, environment, socio cultural, political, and the industry it belongs.

The strategic management process used for strategy formulation, implementation, and evaluation model was adapted from Egypt's Management and Development Center.

The study is limited to Southwest Luzon Power Generation Corporation's open data. Some operational factors of the company were not disclosed due to confidentiality since the project is now at critical stages and may be under close scrutiny of shareholders, government, and other external factors. However, undisclosed confidential issues will not affect the results of this study.

In order for SLPGC to move forward in pursuing its direction, organizational baselines must first be in place in establishing and implementing a strong business framework. Recommendations are: to use the Malcolm

Baldrige Excellence Framework as benchmark for the guidelines in starting the organization the right way. It will start by evaluating current performance, assessing what improvements or innovation are most needed, and achieving results. By adopting the systems perspective and other concepts from the Baldrige framework, it will ensure that it has long-term strategies in place to make it an excellent organization.

This will not cost the organization anything but aims to improve the financial positioning in the process of establishing the business framework and achieve its financial plan.

The criteria will help SLPGC establish competitiveness by focusing on two goals: delivering ever improving value to customers and improving overall organizational performance.

Other strategies identified below will simply follow based on the results of meeting the Malcolm Baldrige Excellence criteria. SLPGC still has enough time to set things in place once the organization is ready to apply for an award.

Identified benefits for implementing the Malcolm Baldrige Business framework at SLPGC are reduced recruitment costs to almost 30-50% and marketing costs by 20-40%; Time benefits equivalent to cost equivalent to 10-20% for communication, paper, printing, costs that will likewise reduce operating cost, high retention that would save the company from buying new talents which

costs almost 400% of a highly skilled performer employee; financial strength; strong credit rating of "A"; and competitive financial position.

Southwest Luzon Power Generation Corporation, based on the matrices analyzed recommends that it should pursue an aggressive business strategy. This means a strong position in the market place for SLPGC. However, SLPGC is a startup and will very much benefit with a step by step action plan to be undertaken to progress the implementation of the strategic plan was prepared and Objectives, Targets, and Programs Performance Monitoring (OTPPM) where leaders determine whether the chosen strategy is achieving the organization's objectives, targets, and programs using a scorecard. Performance will be appraised twice a year (every March 31 and September 30) followed by rewards and recognition. Financial audit will likewise be conducted once a year to check the company's financial wellness.

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