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From Survival to Sustainability: Mareve Manpower's Strategic Crossroads

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Abstract: Mareve Manpower Services Company in the Philippines achieved steady revenue growth, reaching US$8.3 million in the first half of 2025, yet this performance masked deep structural weaknesses. The firm faced acute liquidity pressures due to long payment cycles, heavy dependence on four key clients, and thin margins. At the same time, informal operations, weak documentation, and the absence of formal HR systems exposed Mareve to legal risks, as evidenced by unfavorable labor rulings. Rising employee dissatisfaction and turnover further threatened service quality and client relationships. The founders had to decide whether to prioritize internal system strengthening, pursue client diversification, or implement financial reforms such as borrowing or receivables financing. Each option carried trade-offs given limited resources. The case highlighted a central dilemma of sequencing strategic priorities, as Mareve transitioned from a relationship-driven model to a more structured, resilient, and scalable organization in an increasingly competitive facility management industry.

Keywords: customer diversification strategy, business model transformation, operational scaling, liquidity and financing decisions, HR formalization and compliance.

1. Introduction

On a pleasant afternoon in July 2025, Marlyn Rabena, cofounder of Mareve Manpower Services Company (Mareve), was reviewing the company's half-yearly revenue. The company reported revenue of US$8.3 million for the first six months of 2025, with a growth of around 25% from 2024 (see Exhibit 1). However, she was concerned about liquidity issues, as most customers were paying after 90 days. Mareve faced persistent working capital challenges. Long collection periods meant that cash inflows lagged significantly behind payroll and operating obligations, creating recurring liquidity pressure despite the company's reported profitability (see Exhibit 2). In addition, she considered the business's heavy dependence on only four customers (see Exhibit 3). Losing just one customer can significantly affect a company's revenue and sustainability. Rabena's positive mood dissipated, however, when Evelyn Jose, cofounder of the company, walked into her office seeming extremely concerned. Rabena asked Jose, "Why do you look worried, Jose? Is anything bothering you?"

Jose's reply acquainted Rabena with a problem she had not been anticipating. "Have you seen the notice from the National Labor Relations Commission (NLRC), a reinstated case filed by a former employee ruled in the worker's favor due to a technical lapse in signature." The incident stemmed from an earlier dismissal for time fraud, where an employee allegedly asked a relative to clock in on her behalf. Despite what seemed like a straightforward violation, Mareve lost the case because a supervisor's pre-signed gate pass invalidated the evidence. The decision entailed a potential settlement cost of **US$**230,000. To put the figure into perspective, Mareve reported annual net income of only US$400,000 in 2024 (see Exhibit 1). The settlement would therefore consume nearly 58% of the firm's annual earnings, illustrating how a single compliance failure could significantly undermine profitability and strain an already fragile cash position. For Rabena, this was more than a legal defeat; it was a painful reminder of the company's vulnerability. Without formal HR procedures or proper documentation, Mareve repeatedly faced compliance risks. This was not an isolated event; an earlier Department of Labour and Employment (DOLE) case had also favoured an employee due to a lack of proper documentation.

As Rabena reflected on the intertwined financial and legal pressures facing Mareve, she faced strategic dilemmas that would shape the company's future. Should Mareve continue prioritizing revenue growth despite its dependence on a few key clients and delayed cash inflows, or should it rebalance its strategy toward diversifying customers and strengthening liquidity even at the cost of short-term expansion? At the same time, could the firm afford to invest in formal HR systems, compliance processes, and legal safeguards when margins were already strained, or would postponing such investments expose it to even greater operational and reputational risks? With rising revenues on one hand and mounting vulnerabilities on the other, Rabena had to decide whether Mareve would remain a lean, relationship-driven enterprise or evolve into a more structured and resilient organization capable of sustaining long-term growth.

2. Company Background

Mareve Manpower Services Company was founded in 2017 by colleagues-turned-business partners, Marlyn Rabena and Evelyn Jose. Marlyn brought decades of corporate experience, having served as the Executive Secretary to the president of the JG Summit Group, rebranded as Gokongwei Group, one of the Philippines' largest conglomerates. Her long tenure in the organization allowed her to understand business professionalism and client expectations, as well as to build valuable relationships that helped Mareve secure its first major contracts. It began as a manpower and support services provider. Mareve operated as a service company that supplied staffing and support personnel to other businesses, including cleaning staff, utility workers, and other on-site support roles. It