

# POWER CLUB

A MERALCO PUBLICATION | MARCH 2014

## ANALYSIS:

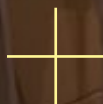
### Who's Ready For **AEC 2015?**

## Industry Trends:

### **TAPPING INTO THE HEALTH FOOD HABIT**

## ON PROFILE:

- > MAKATI MEDICAL CENTER
- > THE MEDICAL CITY
- > PASCUAL LABORATORIES



## Health Feature:

### ASIAN HOSPITAL TAKES ON **MEDICAL TOURISM**

## RESUSCITATING PHILIPPINE

# HEALTHCARE

**Alfredo R. A. Bengzon, MD**  
The Medical City's President and CEO,  
and former Health Secretary



## MORE EFFICIENCY MEANS BETTER SERVICE

**T**he Filipino executive today is confronted with a busier and diverse business environment – especially with the Asean Economic Community looming ahead. That means more pressures and challenges at every level – government and private, professional, and personal.

While every top decision-maker must strive to maintain a vigorous bottom line, the stresses associated with work can pose a serious personal health risk – regardless of which industry you are in or where you are working.

It's a reality which our own company has long recognized, with its tradition of caring for the health and overall well-being of employees. It's an approach which the Manila Electric Co. (Meralco) takes to maintaining its competitive edge. By providing our employees with optimal health programs through health cards, wellness and exercise facilities, we build on their strengths and reduce their health risks. Ultimately, having strong and fit employees enable all of us serve our customers in the best way possible.

We are also very much concerned with the health of the nation. Although we face 2014 with cautious optimism, we are keenly aware that there may not be enough capacity to meet the rising demand for power.

In response to this, our chairman, Manuel V. Pangilinan, has declared that Meralco is committed to making the capital expenditures required. Likewise, we will continue to upgrade our operating efficiencies and customer service to meet market needs. This, according to our chairman, "is our contribution to supporting the higher growth trajectory expected of our national economy. We are determined to serve."

Meralco remains committed to continue to meet our clients' expectations and do our part in helping our economy grow. This is our continuing mission. This is who we are.



**Alfredo S. Panlilio**

Senior Vice President and Head of Customer Retail Services and Corporate Communications



### THE ANVIL AWARDS

We are pleased to announce that the Meralco Power Club received an Award of Merit in Public Relations Tools (External Publications – Magazine), at the 49th Anvil Awards on February 26, 2014. The Anvil Awards is conducted annually by the Public Relations Society of the Philippines, and recognizes outstanding public relations programs.

## A HEALTHY PEOPLE IN A HEALTHY ECONOMY

**T**he Asean Economic Community (AEC 2015) is coming to life next year.

The key question is: have the proper foundations been laid that will allow the Philippines to compete with its neighbors in the Association of Southeast Asian Nations (Asean)?

The increased competition that AEC 2015 brings isn't necessarily a bad thing though; it will push businesses everywhere to step up, do better, and move up the value chain. Unfortunately, businesses lacking awareness or confidence may find themselves in for a struggle.

Meralco has not been standing still. Cognizant that the Philippine economy will continue to grow by 6 to 7 percent over the next three to five years, we are keenly aware that competitively-priced power will be needed to fuel that pace. Through our subsidiary MGen, Meralco is entering into power generation and - regulatory processes notwithstanding - build three power plants well before 2019.

Just as we are involved with maintaining our country's economic health, Meralco is also concerned about the state of healthcare in the Philippines.

Having been based in other countries, I have seen glaring differences between healthcare here and more progressive countries like Singapore or the United States. The fact that Filipino healthcare providers are in demand worldwide means that we possess skills and know-how that are at par with global standards; indeed, we have private hospitals that are internationally certified.

Yet the public healthcare system struggles to service the poor. The reasons are many: financial constraints, archaic medical equipment, expensive medicines, and an inequitable distribution of doctors and specialists (most of whom are concentrated in key cities). Without changes in policies, laws, and the mindset of private and public health sector leaders, universal healthcare will continue to be unattainable.

The cost and deficiencies of our healthcare system aside, many Filipinos have begun to take an active role in living a healthier lifestyle. This is most evident in the growing health food market, with retailers and manufacturers trying to keep up with the demand for foods and beverages that keep us fit and trim. This certainly appeals to me; as a foodie, I find diets tough to follow, but it's simply so much easier to eat healthy.



**Victor S. Genuino**

Vice President and Head, Corporate Business Group



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### **ERRATUM**

In the Q4 (December) 2013 issue of the Meralco Power Club, some photos for the Yolanda Relief story, "Light of Recovery" were erroneously credited to another photographer. All photos were taken by Candice Ann L. Reyes and the Meralco Corporate Communications team.

In the Events section of the same issue ("Power Swings"), Dr. Steven Dekrey was erroneously designated as GM of the Asian Institute of Management; his correct title is President.

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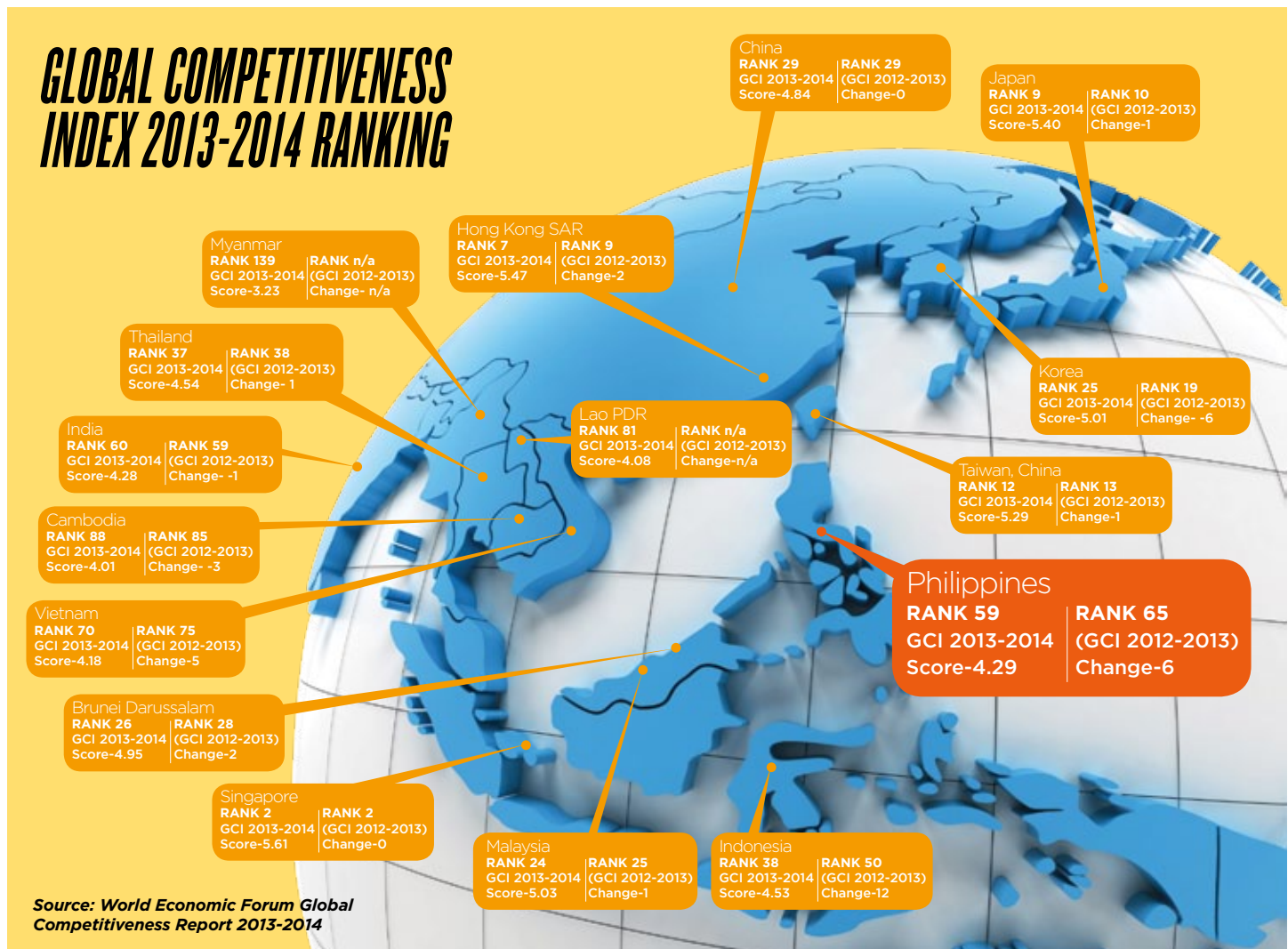
Engineering company Miescor stretches its wings.



# ACTIVATING FOR AEC 2015

## ARE PHILIPPINE INDUSTRIES READY FOR ASEAN REGIONAL INTEGRATION?

BY IRIS C. GONZALES



Inside the glittering ballroom of Manila's posh Diamond Hotel, a man in a crisp blue barong and salt-and-pepper hair assures a crowd of nervous businessmen. The doomsayers have it all wrong, he says.

"If you hear that the world will change or the sky will fall in 2015, it's not going to happen," declares Adrian Cristobal, Jr., Undersecretary of the Department of Trade and Industry's (DTI) Trade and Investment Promotions Group, talking about the much touted Association of Southeast Asian Nations (Asean) Economic Community, or AEC 2015.

Such assurances are needed to allay the fears of Filipino businessmen, worrying that AEC 2015 could send their businesses crumbling.

The AEC is nothing new, says Cristobal, because this has been talked about for three decades.

"In fact, 98 percent of our goods entering and leaving our country are at zero-percent tariff already. Those tariffs have been going down gradually," Cristobal points out in a forum on AEC 2015.

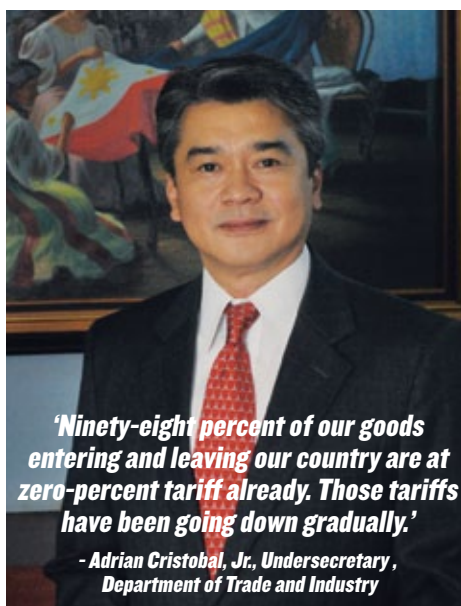
The forum, held last January 24 and organized by the DTI and the Philippine

Chamber of Commerce and Industry (PCCI), aimed to raise awareness on AEC 2015 among the business community.

### A REGIONAL FREE-TRADE ZONE

Long ago, the 10-member Asean had realized that integration was the best way for the region to become a major economic bloc, similar to the European Union.

Thus, Asean leaders adopted the Asean Economic Blueprint at the 13th Asean Summit on November 20, 2007 in Singapore to serve as a coherent master plan guiding the establishment of AEC 2015.



According to the Asean web site, the AEC is envisioned to be a single market and production base for its members, with an estimated consumer base of 600 million people and free movement of goods, services, investment, and skilled labor.

The areas of cooperation include human resources development and capacity building; recognition of professional qualifications; closer consultation on macroeconomic and financial policies; trade financing measures; enhanced infrastructure and communications connectivity; development of electronic transactions through e-ASEAN; integrating industries across the region to promote regional sourcing; and enhancing private sector involvement for the building of the AEC.

Asean economic ministers, during a summit in Phnom Penh in September 2012, agreed that Dec. 31, 2015 would be the official launch date of AEC 2015.

#### JITTERS AMONG THE GIANTS

While Asean leaders remain optimistic about the upcoming community,

businessmen here at home are jittery.

Jollibee Foods Corp., a Filipino-owned multinational fast-food chain, warned way back in August 2013 that AEC 2015 won't be easy.

"There will be realities in the streets for industries who will suffer. I am not sure that Asean countries are really politically ready to suffer the consequences. Asean 2015 is hardly discussed intensely," said Ysmael Baysa, Jollibee's Chief Finance Officer, during the ING-Economic Journalists Association of the Philippines business forum last year.

"Agriculture will probably get hit. We lack fertilizer, *palay*, etc. What happens when farmers in the provinces become uncompetitive? There are some moves to delay the implementation for some of the sectors because of the lack of readiness. It's better to delay implementing something which we are not ready for and which we do not know the consequences," Baysa points out during the forum.

#### PREPARE BY BEING AWARE

According to the Management Association of the Philippines (MAP), AEC 2015 is not just about tariffs and trade barriers going down.

"Tariffs are just one part of the AEC," says MAP 2013 President Melito Salazar, Jr. in an interview.

He adds that a lot of work that needs to be done before the Philippines and local businesses can be totally ready for AEC 2015.

One of the main problems is the lack of awareness among local businesses of what AEC is and what it can bring to the country, an issue he and the MAP were trying to address last 2013. With enough awareness, Salazar says businesses can identify which

products have competitive advantage.

"Businesses should build networks in the region too and spot opportunities. For example, if you are making medicines, find out what's needed in other countries," he says.

He advises businesses to look at the pricing strategies of their counterparts in other Asean countries to be able to compete with them.

Businesses should also attend government seminars and conduct training seminars for their employees, to prepare for AEC 2015.

With enough government support, the MAP identified the following sectors that could be competitive in Asean: agriculture, tourism, information technology services, logistics enable sector, electronics, mining products, health and welfare and manufacturing.

In the area of services, the Philippines can fill an expected surge in demand for engineers, doctors and architects.

#### AFFECTED SECTORS

At present however, Salazar concedes that many local industries are not ready for the planned integration; these include agriculture and manufacturing.

"Agriculture has not been given enough attention. There's lack of investments that would boost agricultural productivity such



## WEAKNESS AND CHALLENGES

Corruption

High rate of poverty

RED TAPE AND BUREAUCRACY

Vulnerable to natural calamities such as floods and earthquakes

Inefficient infrastructures

LOW RATES OF INVESTMENTS TO GDP

Low Foreign Direct Investments

Tribal conflicts in Mindanao



as irrigation and post-harvest facilities.”

Salazar adds that local manufacturers need to closely study the region and find out what products are in demand. Manufacturers also need to keep skills up-to-date and costs down to stay competitive in the global market. Here, government can help the industry with skills support training and productivity enhancement. In addition, the government needs to bring down power costs, and improve infrastructure, like roads, bridges, seaports and airports.

It was the same advice given by no less than Asean Secretary-General Le Luong Minh, during the 11th MAP International CEO Conference held last September in Manila.

“[The private sector] should no longer limit its sights on the investment opportunities in its own home country but also explore the possibilities in the other member-states. The private sector should carry out in-depth market analysis of the

region to identify potential markets and challenges, given the diversity in language, culture and development gaps between Asean member-states,” he said at the time.

Some Filipino-owned companies are doing just that.

#### WE CAN COMPETE

Figaro Coffee Co. Chairman Crismel Verano points out the benefits of knowing the marketplace well.

The coffee company is continuously studying how to improve the quality of its products and service through constant dialogue with its suppliers and consumers, and also by constantly studying the coffee market in countries where Figaro operates.

“We continue to train our employees. We also attend trade fairs and exhibitions in Asean countries. It is important to raise awareness on your brand,” Verano declares.

Raising brand awareness helps Figaro



compete with its Asean counterparts, showing consumers that they have more options for coffee, and how Figaro can be different – or better – than the other coffee brands.

To date, Figaro has eight stores abroad: two in China, two in Malaysia, two in Port Moresby, and two in Saudi Arabia.

Verano reveals there are plans to set up shops in Asean countries such as Thailand and Myanmar, for which talks are currently taking place with prospective partners.

Figaro’s regional successes demonstrate that a Filipino company can do more than thrive in a market dominated by many local and international brands; it can also be poised to take advantage of the coming regional integration.

Another company whose operations and profitability aren’t threatened by AEC 2015 is Cirtex Electronics Corp.

Anthony Buyawe, Chief Financial Officer of Cirtex, says: “Cirtex, as an independent assembly and test company, has been competing with other international companies, so economic integration in 2015 will not significantly affect our business model.”

Established in 1984, Cirtex is a privately-owned subcontractor for semiconductor devices, which provides assembly and packaging and final testing of semiconductor devices, and is located inside the Laguna TechnoPark.

“Package offering ranges from simple single integrated circuit to multiple die

## AEC WINNERS &amp; LOSERS



assembly and from simple components assembly to complex networks multi-component devices. Package outlines are either customer specific and/or compliant to the Jedec standard," Buyawe adds.

The Jedec standard is a global standard for the microelectronics industry.

Cirtek is preparing for the challenges or opportunities offered by regional integration, especially in terms of investments.

"Our goal is to upgrade our assembly. We are also actively participating in investment missions into the Philippines from other Asean countries to explore the various forms of partnerships," Buyawe says.

### POWER PLAYS

Crucial to the competitiveness of Philippine businesses is the availability of stable, and reliable power.

The Department of Energy (DOE) is cautiously optimistic that power supplies in Luzon and Visayas will continue to be stable, with new power plants coming online this year through to 2016.

The DOE also hopes that the long-term issue of affordable energy will be addressed by the retail competition and open access (RCOA) scheme. The RCOA allows large-scale customers (i.e., those that have an average monthly demand of one megawatt to buy electricity directly from retail suppliers or from the wholesale market). This is intended to induce power producers and distributors to compete in offering the lowest possible prices.

However, the Manila Electric Co. (Meralco) remains concerned that the Philippines is not building power plants fast enough to sustain its current level of economic growth. Insufficient power supply could also weaken RCOA, because buyers will have scant leverage in what is essentially a seller's market.

To secure adequate power supply for AEC 2015 and beyond, Meralco has gone back to the power-generating business through its fully-owned subsidiary, Meralco PowerGen Corporation. (MGen). MGen is building a diversified power portfolio to generate up to 3,000 MW from now until 2020.

### PLANTS IN THE PIPELINE

One ongoing project is the US\$1.2-billion 600-MW power plant inside the Subic Bay Freeport Zone. The plant is being built by Redondo Peninsula Energy Inc. which is co-owned by the Aboitiz Power Corp. and Taiwan Cogeneration International Corp., with MGen having majority control. This power plant will employ state-of-the-art circulating-fluidized-bed technology.

Last year, MGen signed a Joint Development Agreement and Shareholders' Agreement with New Growth BV, a wholly-

owned subsidiary of EGCo of Thailand, paving the way to start development activities for a 500-megawatt coal-fired power generation facility in Mauban, Quezon. Province. The facility will be the country's first power plant to use supercritical efficient technology.

Despite all the promises and the perils, Philippine businesses need to accept that the Asean Economic Community is going to be a reality. And, ready or not, it's happening in less than 20 months.

DTI's Cristobal may be correct in saying the world isn't coming to an end with AEC 2015, and there may well be many opportunities to flourish and profit in the new economic alliance. But, as MAP's Salazar points out, fortune favors the prepared. And those who have taken the pains to get ready are the ones most likely to find their efforts rewarded.

(For more about the AEC 2015, visit: <http://www.asean.org/communities/asean-economic-community>)



**'Our goal is to upgrade our assembly. We are also actively participating in investment missions into the Philippines from other Asean countries to explore the various forms of partnerships.'**

**-Anthony Buyawe, Cirtek Chief Financial Officer**

**F**or much of the 1990s, Harvard-trained economist Dr. Bernardo M. Villegas was affectionately called the “Prophet of Boom” for stubbornly keeping to his bullish outlook on the Philippines, at a time when his colleagues preferred to take a more conservative and cautionary tone.

These days, however, he is no longer the lone voice in the wilderness. With the Philippine gross domestic product (GDP) expanding by 7.2 percent in 2013 - the second fastest growing in Asia after China - a fair number of economists here and around the world are now singing its praises.

The economy has indeed remained resilient, as Villegas predicted last year, even after the devastation wrought by natural calamities like the earthquake and supertyphoon Yolanda (international code name Haiyan). Not even the tapering of the stimulus program in the United States, which has prompted foreign fund managers to pull out their money from emerging markets like the Philippines, will dampen the country's prospects.

A Visiting Professor of the IESE Business School in Barcelona (Instituto de Estudios Superiores de la Empresa), Professor at the University of Asia and the Pacific, and Research Director of the Center for Research and Communication, Manila, Villegas believes that the growth seen in recent years is not a mere flash in the pan.

#### THE INGREDIENTS OF GROWTH

At a briefing with officers and staff of the Manila Electric Co. (Meralco) at the Meralco Theater last November, Villegas cited several factors that will continue to drive the growth of the Philippine economy in the near term. Factors like a stable democracy. Improving governance. Strong macroeconomic fundamentals. Labor peace. An educated, English-speaking labor force. Strategic geographic location. A renaissance in manufacturing. Increasing rate of savings due to remittances from overseas Filipino workers.

Adding it all up, he predicted a full-year economic growth of 7.5 percent for 2013 (the actual growth was 7.2 percent).

Villegas expected the economy to get a jolt from the increase in government spending on infrastructure, from 2 percent of GDP to the target of 5 percent of GDP by 2016.

In a recent article posted on his web site,

he stated that the Philippines is in a strong position to handle the devastating impact of supertyphoon Yolanda, which struck late last year.

“Without trivializing the loss of even one human life, one can be glad that the tragedy that struck the islands of Central and Eastern Visayas in the Philippines last November 8 happened in 2013 when the country had finally shed its notoriety as the ‘sick man of Asia’.”

Villegas continued: “The Philippine economy is in a much better position to

employment to 1.3 million and foreign exchange earnings close to US\$20 billion annually by 2016, almost equal to the OFW remittances.”

#### THE RISKS THAT REMAIN

His glowing forecast for the Philippine economy notwithstanding, Villegas conceded that risks still remained and so much work still needed to be done to ensure the sustainability of the growth.

He pointed out that President Benigno Aquino III should learn from Indonesia, where the administration first got rave reviews for its anti-corruption stance but then lost the momentum along the way.

“Corruption is now seen to have intensified in Indonesia. Hopefully, President Aquino will learn from that lesson, and that in the next two and a half years, we will not see a deterioration in the fight against corruption. The indicator will be how many top officials will be put in jail. Otherwise, people will say that it has all been talk,” said Villegas.

The fact that the growth has only been felt so far by the top and middle classes is also a cause for concern. “The growth is not trickling down,” he stressed. “We have to help those below the poverty line.”

Another issue raised is the cost of power in the Philippines, which has remained high compared to that of its neighbors in the region. This, Villegas said, was largely so because, “most other governments subsidize their country's electricity costs, but the Philippines does not.” However, even this situation has a hidden advantage.

“Governments cannot continue subsidizing power forever. At some point, the subsidies will stop, causing economic disruption in those countries. We, on the other hand, are already used to buying power at market rates, so we are in a better, stronger position to adapt.”

Villegas also said it was about time to study the laws preventing foreigners from engaging more fully in the country's resurging manufacturing sector.

“We have to remove the Filipino-first mentality so as not to discourage foreign investments. Let us open up so that we can precisely have that inclusive growth.”

Despite these lingering concerns, Villegas assured that the best is yet to come for the Philippines, likening it and other emerging markets such as Indonesia as “eagles” just waiting to soar high. 🦅

# HERE COMES THE BOOM!

**Economist Dr. Bernado Villegas  
on why the best is yet to come  
for the Philippines in 2014**

BY TINA ARCEO-DUMLAO

meet the challenge of helping the stricken communities in the arduous task of rehabilitation, reconstruction and recovery.”

He highlighted two areas - one public, the other private - to make his point.

“Already having demonstrated a track record for the rapid construction, repairs and maintenance of public works, the [Department of Public Works and Highways] can be expected to act quickly in the rehabilitation of the infrastructure damaged by the typhoon, with its budget greatly enhanced by what used to go to the so-called ‘pork barrel’ funds of Congress and, not to mention, the generous financial aid coming from foreign governments and international agencies like the World Bank and the Asian Development Bank,” he added.

Villegas cited the foreign exchange earnings of the Business and Knowledge Process Outsourcing (BPO) sector that employs an estimated 800,000 professionals, as another key ingredient of economic growth.

“In an international conference of the call center industry in Asia, I heard top officials of this sector, both foreign and domestic, arriving at the consensus that the Philippines will continue to enjoy double-digit growth rates of both revenues and employment for the foreseeable future, bringing total

***'The Philippine economy is in a much better position to meet the challenge of helping the stricken communities in the arduous task of rehabilitation, reconstruction and recovery.'***

***-Dr. Bernardo M. Villegas,  
Professor of the University of Asia and the Pacific***

### MACROMEDIA FORECASTS

|                                | 2010  | 2011  | 2012  | 2013             | 2014f            |
|--------------------------------|-------|-------|-------|------------------|------------------|
| Inflation Rate (ave % change)  | 3.8   | 4.5   | 3.2   | 3                | 4.3 <sup>+</sup> |
| Peso-Dollar Rate (yearend)     | 43.89 | 43.93 | 41.50 | 42-44            | 43-45            |
| Gross Int'l Reserves (\$B)     | 62.1  | 75.4  | 84.5  | 82.0             | 88 <sup>+</sup>  |
| GDP Growth Rate                | 7.6   | 3.9   | 5.8   | 7.5 <sup>*</sup> | 8                |
| Fiscal deficit as % of GDP     | -3.5  | -2.0  | -2.3  | 2                | 2 <sup>+</sup>   |
| External debt as % of GDP      | 30.09 | 26.89 | 24.11 | 20.5             | -                |
| Current Account as of % of GDP | 4.5   | 3.2   | 2.9   | 3.9              | 3.3 <sup>+</sup> |

*f-forecasts*

<sup>\*</sup> Villegas forecast of possible adjustment from actual 7.2% growth

<sup>+</sup> Forecast by the Development Budget Coordinating Committee

Sources: NSCB; BSP; Asian Development Outlook 2013; Dr. Victor A. Abola, *Fragile Financial Markets and Possible Asset Bubbles* 2013 Mid-Year Business Economics Briefing, University of Asia and the Pacific, Pasig City



# AND THEN COMES THE VOICE OF DOOM...

BY IRIS C. GONZALES

**T**he Philippine economy will likely grow by 6 percent in 2014, provided there are no severe calamities that could dampen growth and that the government implements its

infrastructure projects, according to former Budget and Management Secretary Benjamin Diokno, now a professor at the University of the Philippines School of Economics.

"Absent any severe weather disturbance in 2014, the Philippine economy will likely grow by 6 percent in 2014. But this prediction is based on the assumption that the government will be able to complete practically all the projects that are authorized in the budget, that the reconstruction effort will proceed with little delays, and that some PPP (Public-Private Partnership) projects will finally take off in the second half of the year," he adds.

While the trajectory of economic growth seems to be going up, he says it would be incorrect to assume that the expansion in gross domestic product (GDP) this year will be higher than in 2013.

"The trajectory of economic growth is up -- 3.8 percent in 2011, 6.8 percent in 2012, and 7.2 percent in 2013. However, it would be a mistake to extrapolate that GDP growth in 2014 will be higher than in 2013. There are signs that the economy was already slowing during the second half of the year. This is seen clearly in the case of construction, both public and private," stresses Diokno.

On the surface, the Philippine economy grew by 7.2 percent in 2013, exceeding the

expectations of government economic managers who predicted a 6- to 7-percent growth.

The National Economic Development Authority said last year's growth was fueled by the industrial and services sector.

Expectedly, growth in the fourth quarter of 2013 slowed down to 6.5 percent from the previous three quarters' 6.9-percent gain, as the devastation wrought by super-typhoon Yolanda impacted the overall economic output.

Meanwhile, the Asian Development Bank noted that the gains of 2013 have not translated into growth in jobs. Full-time employment rose only 0.5 percent, while the unemployment rate grew to 7.3 percent, and underemployment at 19.2 percent.

Another word of warning from Diokno: he says the problems in 2014 would be compounded by the Federal Reserve's decision to taper or phase out its loose monetary policy, by cutting its bond buying.

The Fed's Open Market Committee - the US equivalent of the Philippines' Monetary Board of the Bangko Sentral ng Pilipinas - said in January that it was trimming its bond purchases to \$65 billion every month, from \$75 billion. The committee said employment indicators were improving while economic growth "has picked up in recent quarters."

"The taper is seen as irreversible. The Philippine stock market and the financial sector will go through a difficult adjustment phase," Diokno concludes. 

## FIRST HALF PER CAPITA POVERTY THRESHOLD AND POVERTY INCIDENCE AMONG FAMILIES

|             | PER CAPITA              |       |        | POVERTY INCIDENCE  |      |      |
|-------------|-------------------------|-------|--------|--------------------|------|------|
|             | POVERTY THRESHOLD (Php) |       |        | AMONG FAMILIES (%) |      |      |
|             | 2006                    | 2009  | 2012   | 2006               | 2009 | 2012 |
| PHILIPPINES | 6,703                   | 8,448 | 9,385  | 23.4               | 22.9 | 22.3 |
| NCR         | 7,718                   | 9,456 | 10,084 | 2.8                | 3.7  | 3.8  |
| CAR         | 7,031                   | 8,492 | 9,734  | 25.6               | 22.7 | 22.6 |
| REGION I    | 7,086                   | 8,729 | 9,224  | 23.3               | 18.5 | 16.7 |
| REGION II   | 6,984                   | 8,566 | 9,503  | 22                 | 22.3 | 19.8 |
| REGION III  | 7,344                   | 9,251 | 10,121 | 13                 | 12.5 | 12.2 |
| REGION IV-A | 6,611                   | 8,481 | 9,601  | 10.1               | 10.8 | 11.2 |
| REGION IV-B | 6,238                   | 7,751 | 8,527  | 34.1               | 30.6 | 28.4 |
| REGION V    | 6,618                   | 8,420 | 9,022  | 36.2               | 36.5 | 34.1 |
| REGION VI   | 6,421                   | 8,153 | 8,957  | 27.5               | 26.7 | 24.7 |
| REGION VII  | 7,269                   | 8,648 | 9,296  | 35                 | 31.6 | 28.8 |
| REGION VIII | 6,266                   | 8,107 | 8,989  | 33.3               | 36.2 | 37.2 |
| REGION IX   | 6,159                   | 8,053 | 8,881  | 41                 | 41.5 | 36.9 |
| REGION X    | 6,450                   | 8,456 | 9,604  | 35.1               | 35.4 | 35.6 |
| REGION XI   | 6,721                   | 8,547 | 9,927  | 26.9               | 27.3 | 28.6 |
| REGION XII  | 6,619                   | 8,126 | 9,243  | 34.7               | 31.1 | 37.5 |
| CARAGA      | 6,996                   | 8,905 | 9,779  | 43.3               | 43.3 | 34.1 |
| ARMM        | 6,319                   | 8,257 | 10,027 | 43                 | 42   | 46.9 |

source: National Statistical Coordination Board

# Powering Up A Public School

Meralco volunteers renew educational energy for 150 students



**T**he future is a lot brighter now for almost 150 pupils of the Casili Elementary School in Rodriguez, Rizal. Last February 7, the Manila Electric Co. (Meralco) and its social development arm, One Meralco Foundation (OMF), installed a one-kilowatt photovoltaic system to equip the school with a source of electricity.

The solar-powered system was donated by Meralco as part of its corporate social responsibility (CSR) initiative - the School Electrification Program. The program is a partnership with the Meralco Networks group; MServ, a Meralco subsidiary; the Department of Education (DepEd); and local government units.

Officials from Meralco, DepEd, the local government of Rodriguez, Rizal, and the residents of Casili came together for a festive inauguration inside the Casili Elementary School grounds. The event also served as a formal turnover ceremony of the solar power equipment to the school officials who were given prior training on its proper use and maintenance.

*"Ang pinaka-major problem namin dito 'pag umuulan kahit alas-2 pa lang ng hapon o 10 o'clock ng umaga madilim na. Nagre-reklamo sa amin ang mga estudyante namin. Kapag nagsusulat kami sa blackboard, sinasabi nila 'Ma'am, 'di po namin makita' kaya nilalakihan na lang namin ang sulat namin para makita ng mga bata. Tapos 'pag nagkaroon naman kami ng reading, 'yung mga bata lumalapit na lang sa may bintana. (Our major problem here is that when it rains, even though it's only 2 pm or 10 am, it gets very dark. Our students complain that when we write on the blackboard, 'Ma'am we can't read it,' so we have to write in very large letters so they*

can see what's on the board. Then when it's time to read, the children just stand near the window so they can see what they're reading)," explained Sarah Abude, a Grade 3 teacher and the school's officer-in-charge.

The School Electrification Program provides students and teachers of far-flung public elementary and high schools with sufficient power to use better lighting, modern teaching

aids and educational tools like computers, printers, and audio-video systems. Since its inception in 2011, the School Electrification Program has already energized a total of 22 public schools all over the country and benefitted at least 5,330 students. This program is an offshoot of the foundation's flagship CSR program called the Meralco Community Electrification Program, whose goal is to provide marginalized communities with power.

"It's an honor for Meralco and One Meralco Foundation to be able to help communities and schools in the country gain access to electric power. Finally, school children in these communities are able to catch up in terms of technology, and since their classrooms are now equipped with adequate lighting, the students can focus on their lessons better," said Jeffrey Tarayao, Meralco's CSR chief and president of OMF.

As OMF looks forward to energizing more schools this year, Tarayao added: "As our guiding principle in CSR, we use our core competency and utilize our material resources and the expertise of our employee-volunteers to reach out to those who have yet to take advantage of electricity and improve their quality of life and rise from poverty."

To find out more about the School Electrification Program and Meralco's other CSR programs, visit OMF's web site at [www.onemeralcofoundation.org](http://www.onemeralcofoundation.org).



*Kiko Meralco leads Casili schoolchildren to the inauguration of their solar-powered electrical system.*

A pair of hands is shown holding a small, rectangular bandage with a yellow center and patterned edges. The hands are positioned as if about to apply the bandage. The background is a solid teal color with a fine, dotted texture.

# PHILIPPINE HEALTHCARE: STRUGGLING TO RISE FROM THIRD WORLD

Government and private institutions seek a comprehensive

## Dedicated to Health

*Healthcare is primarily a humanitarian concern. It touches everyone at the deepest, most personal level of their lives: births, wellness, sickness and death.*

*It is also an issue of national concern. The health of a populace affects the health of the economy, impacting productivity, prosperity, and the general sense of well-being. World Bank data showed that health expenditure in the Philippines stood at 4.1 percent of gross domestic product (GDP) in 2011, down from 4.2 percent in 2009. This is still below the 5 percent minimum allocation to healthcare as recommended by the World Health Organization (WHO).*

*Certainly, poor countries like the Philippines rarely make healthcare a budget priority, given other pressing needs like unemployment and infrastructure. But thanks to the current economic boom, the Aquino administration has put healthcare in firm focus, with the lofty goal of making medical services accessible to all Filipinos.*

*The burgeoning economy has definitely improved health services in the private sector; a June 2013 Senate report shows that, of the P4.31 billion spent on healthcare in 2011, P2.72 billion or 63 percent came from private and individual sources. This spending is most evident in the surge of new hospital buildings, renovations, and technology acquisitions at the country's top hospitals in Metro Manila, all of which are powered by the Manila Electric Co. (Meralco). These world-class health centers aggregately consume over 39.5 megawatts, enough to light up 197,000 homes with average monthly electric bills of P2,000.*

*Indeed, Meralco is keen to be more than an energy provider to the country's rising healthcare industry. The company constantly works in close partnership with public and private institutions, offering technical advice, engineering expertise, and other energy solutions. This integrated approach is a manifestation of Meralco's dedication to the highest level of service excellence, and its commitment to improving the health of the nation.*



The 3rd generation da Vinci Surgical System at St. Luke's Medical Center

## approach to cure the hemorrhaging system **BY VERONICA UY**

**P**alawan is no paradise to 38-year-old Dr. Moses Princesa, the lone doctor to 22,000 people in Busuanga, nearly 500 kilometers from Manila. A general practitioner trained for basic healthcare, he also handles "emergency cases that need hospital facilities."

"We lack frontliners. It's not just a brain drain, it's a hemorrhage: there are no labs, and there is no bridge to the nearest hospital 55 kilometers away," Princesa laments.

He once delivered a footling breech (the baby emerged feet first with the bottom at a higher position), coached over the phone by an obstetrician-gynecologist.

This municipal health officer can't keep regular office-clinic hours; he notes: "*Hindi namimili ng oras ang pasyente*" (patients

come at all hours)." Sometimes he would be fetched at home in the wee hours, finish at 7 am, then be back at the office for his 8-to-5.

The punishing schedule and its toll on his family life aside, it most pains him to see patients die from curable illnesses. "Studying at Philippine General Hospital (PGH), I've seen people die," he recalls. "*Ang pinakamalupit 'yung nakikita mong namamatay 'yung mga pasyente sa 'baba, 'yung mga walang pera. Ayoko masanay. Tao rin sila, buhay din 'yan, kailangan pa rin alagaan.*" (The worst is seeing the indigent patients downstairs die. It's not something I want to get used to. They are people, too, who must be cared for.)

### PARADISE IN PRIVATE HOSPITALS

Princesa's story contrasts sharply with the

experiences of many Philippine doctors and patients in urban centers, where world-class healthcare is readily available to anyone.

Anyone, that is, who can afford it.

In Metro Manila, one can find healthcare facilities of every size and in every location - even in shopping malls. Hospitals that feel more like five-star hotels, designed by internationally-recognized architects and world-famous interior designers. Clinics, staffed and equipped with the most advanced technologies. Specialists, blazing trails in modern medicine and performing surgeries taken for granted in the United States, Europe, and Asia.

One of the premiere private healthcare institutions is the venerable St. Luke's Medical Center (SLMC).



**DR. EDGARDO R. CORTEZ**  
**OF ST. LUKE'S MEDICAL CENTER IS PROUD THAT**  
**THE HOSPITAL PERFORMS THE MOST NUMBER OF**  
**GYNECOLOGIC ROBOTIC SURGERIES IN SOUTHEAST ASIA.**

Founded in 1903, the 650-bed SLMC Quezon City hospital has 10 Institutes, eight departments, and 23 centers of excellence. An acknowledged leader in cardiovascular medicine, neurology and neurosurgery, cancer, ophthalmology, and digestive and liver diseases, it cares for patients from all over the Philippines, as well as Asia, Micronesia, the Middle East, Europe, and the United States.

Yet for an institute that's 111 years old, SLMC is far techier than even today's most wired teenagers.

SLMC opened a 620-bed hospital at the Bonifacio Global City in 2010. This ultra-modern facility received a quality approval seal from the Joint Commission International in 2012, allowing it to receive overseas patients with treatments covered by their insurance companies.

According to SLMC President and Chief Executive Officer (CEO) Dr. Edgardo R. Cortez, the hospital has performed the most number of gynecologic robotic surgeries in Southeast Asia. It has also done the most number of trans-arterial valve replacements without open surgery in Asia.

While Cortez points out that SLMC is better equipped than 90 percent of all local hospitals, he firmly believes "instruments and machines do not cure people, it's the people behind machines, the experts who come from many places who do."

Recently, the hospital bought a virtual reality training system for medical procedures, to hone world-class surgical skills. "It is so real you can feel it. When you accidentally poke a blood vessel, it will bleed. It is the most advance in the field," he says.

#### **KEEPING THE BEST AT HOME**

SLMC also sends its doctors abroad for additional training and spends on the further education of all its middle managers - including nurses - at the Asian Institute of Management.

Indeed, the higher level of facilities - and pay - provided by the country's leading private hospitals are intended to attract the best doctors and personnel. Attractive benefits also enable these hospitals to keep their staff longer. Top hospitals like the Makati Medical Center (MMC) offers superior compensation packages for its specialist nurses to forego the exodus to higher-paying hospitals abroad. (*See "Back at the Center" on page 26.*)

While high-end medical centers strive for international excellence, their managers remain keenly aware of the country's dysfunctional healthcare system. Says MMC President and CEO Rose Montenegro, the present situation only "reflects the economic inequalities in the country."

According to Dr. Alfredo Bengzon, the Department of Health (DOH) Secretary to former President Corazon Aquino and now president and CEO of The Medical City (TMC), the system's flaws are worsened by "a fragmented and disconnected system that shapes the behavior of the supply and demand sides of industry. Health sector players and stakeholders, driven largely by self-interest, must instead be aligned in order for healthcare to be available to all Filipinos." (*See "Health in the City" on page 24.*)

These shortcomings are evident in a public hospital like the Dr. Jose Fabella Memorial Hospital in Sta. Cruz, Manila, where patients lie four or five to a bed.

#### **COUNTING ALL DOCTORS**

For Filipinos without means, just getting access to a doctor is enough of a challenge. Quoting Professional Regulation Commission figures, DOH Undersecretary and trauma surgeon Dr. Teodoro Herbosa says this country of 100 million has 70,000 licensed doctors. That's seven doctors for every 10,000 people, or "15 minutes per consultation," he points out.

The ratio climbs slightly in cities, where there can be one hospital every 500 meters. "There are 9.6 doctors per 10,000 in NCR (National Capital Region). *Kulang na kulang sa probinsya.* (There's a massive shortage in the provinces)," adds Dr. Antonio Dans of the University of the Philippines College of Medicine (UPCM).

In "very difficult communities" or "geographically isolated and disadvantaged areas," Herbosa and Dans agree that the ratio could drop to three doctors per

**'THERE ARE 9.6 DOCTORS PER 10,000 IN NCR. KULANG NA KULANG SA PROBINSYA.'**

**-DR. ANTONIO DANS,  
UP COLLEGE OF MEDICINE**



**'THIS COUNTRY OF 100 MILLION HAS 70,000 LICENSED DOCTORS. THE RATIO IS SEVEN DOCTORS FOR EVERY 10,000 PEOPLE, OR FIFTEEN MINUTES PER CONSULTATION.'**

**-DR. TEODORO HERBOSA,  
DOH UNDERSECRETARY**

10,000. The nationwide ratio is four nurses and two midwives per 10,000 people.

The challenge, says Herbosa, is to motivate more doctors to fan out to rural areas and encourage LGUs improve health facilities.

That's easier said than done though, given the shortage of doctors.

"I think 90 percent of my classmates work for Uncle Sam," he adds. "We here can't match their salaries, which are four to five times higher, so we must keep giving incentives to solve the doctor shortage and distribution problem."

To partly address this issue, doctors who graduate from the UP-PGH "iskolar ng bayan" (state scholars) program are now required to remain in the country three to four years after graduation. This works hand-in-hand with the DOH's "Doctor to the Barrios" program, which aims to "deploy competent, committed, community-oriented and dedicated physicians to serve inaccessible areas," according to the agency.

Shuffling more doctors to the countryside, though, isn't the sole answer to the question of providing universal healthcare.

#### ADDRESSING THE INEQUITY

The straightforward solution is, of course, to pour in more resources. This is exactly what the current Aquino government has done, allocating P83 billion to the DOH for 2014, the department's largest ever budget. Of this, P35.3 billion goes to the Philippine Health Insurance Corp. (PhilHealth), the primary pillar of the government's universal healthcare coverage program for the poor.

"The change is fundamental," Herbosa remarks, "and funding (for PhilHealth) will continue through the universal financing system."

The P30 billion funding for 2014 is mostly generated by taxes on alcoholic beverages and cigarettes - the so-called "sin tax".

According to PhilHealth President and CEO Alexander Padilla, this funding, which represent a 179-percent increase in its budget, allows PhilHealth to provide more than just basic services. Patients with coverage may get a checkup, diagnosis and treatment, all for free.

"That's the 'no-balance' billing service for the poor," Padilla explains. "The poor should not pay a single centavo for medicines nor professional fees."

At present, only 10 to 15 percent of transactions qualify for no-balance billing, but PhilHealth is tweaking the system. "We're moving up the numbers constantly," he says.

Part of the problem is the speed with which PhilHealth is increasing its coverage. In 2013 alone, PhilHealth enrolled about 14.7 million families, roughly 40 million members. These enrollees come from a list of indigents

CONTINUE ON PAGE 30

### PHILIPPINES: Life Expectancy And Mortality

|                                                                                                | Both Sexes |      |      | Male |      | Female |      |  |
|------------------------------------------------------------------------------------------------|------------|------|------|------|------|--------|------|--|
|                                                                                                | 1990       | 2000 | 2011 | 1990 | 2011 | 1990   | 2011 |  |
| Life expectancy at birth* (years)                                                              | 66         |      | 69   | 63   | 66   | 70     | 73   |  |
| Life expectancy at age 60* (Years)                                                             | 18         |      | 18   | 17   | 16   | 19     | 19   |  |
| Stillbirth rate (per 1000 total births)                                                        | (2009) 16  |      |      |      |      |        |      |  |
| Neonatal mortality rate (per 1000 live births)                                                 | 22         |      | 12   |      |      |        |      |  |
| MDG 4 Infant Mortality rate (probability of dying by age 1 per 1000 live births)               | 40         | 29   | 20   |      |      |        |      |  |
| Under-five mortality rate (probability of dying by age 5 per 1000 live births)                 | 57         | 39   | 25   |      |      |        |      |  |
| Adult mortality rate (probability of dying between 15 and 60 years of age per 1000 population) |            |      |      | 271  | 256  | 153    | 137  |  |

source: World Health Organization

# FROM ASIAN TO THE WORLD

*ONCE SEEN AS A COMMUNITY HOSPITAL FOR THE WELL-HEELED RESIDENTS OF ALABANG, ASIAN HOSPITAL SEEKS TO SERVE A MORE GLOBAL NEIGHBORHOOD.*

**By Neil Jerome Morales**

**B**ehind Festival Mall in Filinvest City, Muntinlupa, is an establishment where guests are greeted with a spacious lobby dotted with plush comfortable chairs and sofas, a dramatic high ceiling with warm wood paneling, floor-to-ceiling windows that let the healing sunlight pour in, calm welcoming tunes being played on a grand piano, and a concierge and welcome desk staffed with efficient and smiling guest service associates.

But what looks like an upscale hotel is actually an ultra-modern healthcare facility owned by the Metro Pacific Investments Corp. (MPIC), headed by business tycoon Manuel V. Pangilinan.

The brainchild of world-renowned cardiac surgeon Dr. Jorge Garcia, the 301-bed Asian Hospital and Medical Center began operations in 2002 with state-of-the-art facilities and top-notch specialists. Since then it has managed to build an excellent track record in orthopedics, joint replacement, spine surgery, and minimally invasive surgery. And now, it is even considered one of the leading centers for medical tourism in the country.

## **A HEALING ENVIRONMENT NOT JUST FOR THE PATIENTS**

"What differentiates us [from other hospitals] is the way we deliver patient care," says Andres Licaros Jr., President and Chief Executive Officer of Asian Hospital. "Nothing beats the 'mother-like care' our seasoned nurses provide."

As if having the biggest rooms available across all classes wasn't enough, the hospital also provides butler service for each room.

"Our employees are proud of the work they do and our doctor-partners take pride in providing quality healthcare. We guarantee that our patients will have a pleasant experience because of all the amenities," he adds, because the hospital seeks to make

them "feel better as we make them well."

The hospital has gone out of its way in making patients not just feel healthy, but comfortable as well. For its pregnant patients, for instance, pre-natal massages are available at the hospital's ReBirth Spa, giving them relief from backaches, headaches, shooting pains from the buttocks down to the legs, and leg swelling. But the Spa also offers other services such as manicure and pedicure, hair grooming, aromatherapy, body scrubs, and facials that can be availed of by family members and companions, ensuring that they are able to relax and de-stress to better care for their patients.

The caring doesn't stop at the door, either; Asian Hospital even provides home care services for the elderly and the chronically ill.

The hospital's location is also touted as an advantage. Amid green trees, open spaces with stunning views of Laguna de Bay, Asian Hospital offers an environment that Licaros believes is more conducive to healing. "We're ideally situated where there's less stress, and that's important for patients recovering from pain and illness."

## **IN THE SAME LEAGUE WITH THE WORLD'S BEST**

It isn't just local Filipinos who appreciate Asian Hospital's high standards. The hospital has been receiving overseas patients from the moment its doors first opened, thanks to the direct connections of Dr. Jorge Garcia and the late Dr. Roger Floro. These patients came from countries like Saipan, Guam, and Palau, seeking the best doctors and services for complicated procedures like high-risk pregnancy, open-heart surgery, joint replacement, surgical oncology, and chemotherapy. The growing community of foreign expatriates living south of Manila have also become regular visitors of the hospital, for the very same reasons.

In December 2013, the hospital's high standards and strict guidelines earned the Gold Seal of Approval from the Joint Commission International (JCI). JCI is a US-based international accreditation body that recognizes healthcare organizations that deliver the highest quality of patient-care services.

The JCI accreditation places Asian Hospital among the ranks of the world's top hospitals, allowing it to attract patients from abroad. In particular, it allows US citizens to use their health insurance here. It also enables Asian Hospital to be a player in the government's drive to increase medical tourism in the Philippines.

## **WELLNESS: MORE FUN IN THE PHILIPPINES**

In the National Tourism Development Plan 2011-2016, the government identified health, wellness and retirement as one of nine priority categories in the country's product portfolio.

For Department of Tourism (DOT) Assistant Secretary Arturo P. Boncato Jr., medical tourism is a potentially profitable venture for hospitals. "Medical tourism is still considered a sunrise industry in the country and it is, to a large extent, still an opportunity segment for internationally-accredited hospitals in Manila and Cebu," he says. He also notes that some hospitals with medical-tourism programs have enjoyed double-digit growth in investment and revenue.

The DOT continues to fine-tune the visitor data collection system from hospitals that are identified, vetted and positioned for medical tourism, and remains committed to its niche-marketing efforts. "We continue to participate in industry-specific fairs and congresses," Boncato remarks, "and to grow the number of tour operators and service providers in this field."

On Asian Hospital's medical tourism program, Licaros says: "The bigger [patient]



population should come from the US, like Filipino-Americans with the chance to go home."

To date, patients from Pacific islands like Micronesia, Palau, and Guam account for around 900 of 15,000 admissions per year in Asian Hospital.

"Once we are able to show good outcomes, it will encourage the other healthcare institutions in the US to pass on to us their backlog," says Licaros.

Asian Hospital's offerings to the foreign market aren't all about curing disease; it also has a thriving lifestyle medicine program and has a wide range of expertise in cosmetic surgery, offering services such as abdominoplasty, blepharoplasty, breast augmentation, face lift, forehead lift, liposuction, and rhinoplasty.

But he also points out greater opportunities in the chronic care of the growing aging population of our neighboring countries like Japan and Korea.

"Asian is completing its comprehensive and most modern facility in cancer care by mid-2015 and we foresee a significant increase in foreign patients," Licaros adds.

#### PARTNERING PEOPLE TO DO BETTER

Behind all the advanced medical technologies and skills, however, are the hearts and passions of the people who run the hospital.

In pursuing medical tourism and JCI accreditation, the doctors and staff at Asian Hospital are inspired to give their very best.

"Our unique experience in our journey was key in galvanizing the community to really work towards a common goal," explains Licaros, adding that doctors, nurses, housekeepers, security personnel and other employees worked even more closely together to meet stringent JCI standards. "The accreditation benefits the patients as well as the doctors who can do their work better and faster."

Another partnership that gives Asian Hospital an advantage is its membership in MPIC's hospital group, the largest healthcare chain in the Philippines.

"It is a beneficial set-up because it allows for a healthy exchange of best practices...and it makes it easy for us to share," Licaros says. "We also have a deeper pool of talent in

an environment where the turnover rate of nurses and young healthcare professionals is fast."

MPIC manages eight hospitals with a total capacity of 2,137 beds. The hospital group aims to hit P1.2 billion in earnings and as much as P17 billion in revenues by 2015. It also plans to reach a bed capacity of 3,000 by acquiring one or two hospitals each year.

Asian Hospital also has a healthy partnership with the Manila Electric Co. (Meralco), the country's largest power distributor.

The power company does more for its corporate clients that supply electricity, providing technical support, consultations and seminars to help customers improve their energy efficiency and optimize productivity. A recent program conducted for Asian Hospital is the Power Up forums, a series of one-on-one discussions with the hospital's key officers and Meralco specialists on a range of topics, including the retail competition and open access scheme and the importance of power factor and load factor.

Through its Meralco Managed Services (MMS), the hospital is also given the option to outsource operations and maintenance of electrical facilities to Meralco subsidiaries like MServ, which manages customers' load side requirements and offers services such as power quality monitoring and preventive maintenance.

MMS is presently proposing to Asian Hospital that it leverage MServ's vast expertise in power engineering to ensure seamless operations and address power quality issues. By doing so, the hospital can fully devote its attention and efforts to its core competence - excellent healthcare.

With partners like these, Asian Hospital pursues the kind of high quality healthcare that exceeds the expectations of its patients as it provides world-class services that every patient deserves.

"From the very start, the driving motivation is to make a difference in healthcare," Licaros sums up. 🍌



# Running high

**Sun Life's Rizalina Mantaring goes the distance on her focus on fitness.**

BY VICKY VIZCARRA

**R**izalina Mantaring has exercised her whole life - and it shows.

But it was only five years ago that the Chief Executive Officer of the Sun Life of Canada (Philippines, Inc.) group rekindled her love of running, not long after realizing that she'd plateaued with routine gym workouts. Though she enjoys exercising, to her, running is a completely different animal. "It's a challenge - not only to finish - but to get better every time you run," she says. "That's always been the goal: To do better."

This lifelong fondness for fitness came not by force of habit, but discipline. "I found through the years that if you really want to stick to an exercise routine, do it first thing in the morning, because something will always come up during the day," she says. "You have to schedule it the same way you would any of your appointments." Her daily exercise regimen has a 5 a.m. call time - earlier if she's training for a marathon - mixing core and strength training in between outdoor running sessions.

These days, she's more inclined to do her gym work at home, which is stocked with fitness staples like a stability ball, resistance bands and weights. "You still need conditioning even if you're running, because your core has to be strong," she explains. It's also crucial for her to strengthen the muscles supporting her knees, "otherwise you really start to feel it when you're running long distances - it's like your body's collapsing."

While she may not be a card-carrying gym buff, she still looks the part: Mantaring is clad head-to-toe in exercise gear even during her at-home workouts. "I make sure I'm wearing nice clothes *para ganado ako* (so I'm encouraged to work out)!" she laughs. "Once you're dressed you really have to do it, because then you can't go back to bed!"

One won't catch her counting calories—and it's not because of her naturally lean physique. The Sun Life exec doesn't follow a strict diet - though her appetite leans towards guilt-free fare like seafood and chicken over other meats. "I'll eat anything, but in moderation," she says. "It's



**At 51, Mantaring conquered her first long-distance route during the 2010 Quezon City International Marathon. Since then, she's graduated to more high-profile races like the Boston Marathon and the New York Marathon.**

a bit of listening to your body. I know to stop when I'm full." And she doesn't scrimp where good food is concerned, adding, "when you're training hard for something, you're more susceptible to sickness as your immune system tends to go down, so you make sure you're properly nourished."

After seeking the expertise of a running coach, Mantaring completely changed her running form - everything from her posture and arm movements, to her foot strike - turning her into a more evolved athlete. The injuries she often suffered as an unseasoned sprinter back in the '80s - way before running was the sport *du jour* - never resurfaced. "To me, that made a big difference," she says. "Try running with no shoes on. Your feet will land on your mid- or forefoot, because that's the natural way." Over the course of her training, a trip to the physical therapist sometimes becomes necessary to release tight muscles - an uncomfortable experience, but she swears by it.

Every year, Mantaring takes part in at least one marathon, as well as a couple of half-marathons and 10-kilometer runs to build up. As a rule, she spends six months rigorously preparing under a strict fitness program before she hits the running trail on a marathon. "I have to choose my races carefully because of all the training involved," she admits. "It's not easy to prep for one, especially if you don't have that much time."

At 51, she conquered her first long-distance route during the 2010 Quezon City International Marathon. Since then, she's graduated to more high-profile races like the Chicago Marathon and New York Marathon, where she clocked in a personal best of four hours and 48 minutes. But she doesn't need the lure of a finish line to start legging it. "Anywhere I am in the world, I'll run. Wherever I am, I'll find the time," says Mantaring, who's crossed distances in Russia's sub-zero temperatures, along the streets of Tokyo, and inside Beijing's Olympic stadium.

A little incentive doesn't hurt, either. She manages to make room in her busy schedule for pampering at a spa, indulging in the occasional massage or body scrub. "You have to reward yourself whenever you reach a milestone," she advises newbie runners. After crossing the finish line, she likes to indulge in a new outfit or pair of shoes. Today, her footwear collection includes around a dozen pairs of running shoes—two of them

customized.

Ironically, she's tagged as "the least athletic" in her own family, which includes three now-grown children. Did her daughter and two sons - all varsity swimmers who triumphed in their share of triathlons - take after her health-wise? "You imbibe the habits of your parents," she concedes. "Because they've seen my husband and I regularly exercise, my kids tend to do the same."

Unlike many veteran runners in her league, she's never cramped up or hit a wall. Maybe she was naturally hardwired for this endurance sport, but even so, running goes beyond physical fortitude. "In a way, it trains you for mental toughness," she says of that daunting 42-kilometer stretch. "There's real pride in finishing a marathon, because it's not easy. It's really very mental, even the training." 🏃

*'Anywhere I am in the world, I'll run. Wherever I am, I'll find the time.'*

## WHICH WORKOUT WORKS FOR YOU?

BY DONDI LIMGENCO

**Whether or not you've already got a regular exercise regimen, it's always good to know your options.**

Keeping fit does more than maintaining your weight and heart health - it also wards off a host of other ailments, like dementia, diabetes, and even cancer. While many take a stab at it (nagged, no doubt, by doctors and concerned spouses), not everyone is able to sustain a regular exercise habit. A common claim is the lack of time, but quite a few simply don't like the workouts they've tried.

To put an end to the latter excuse, we've compiled a list of workouts, with their corresponding pros, cons.



**WEIGHTS** are great if you're after rippling delts and massive pecs, but studies at the University of West Scotland show that, done correctly, the resistance training provided by weights can also benefit cardiovascular health. Lifting weights allows you to continue burning fat even when you're not exercising, because muscle requires more energy to sustain than other tissues. So, the more muscle you have, the higher your metabolic rate. Regular weight training can boost your metabolic rate by as much as 15 percent, according to the American Centers for Disease Control

### HOW OFTEN?

A minimum of two sessions a week, consisting of multiple sets, is recommended. Oh, and even carrying heavy weights - like shopping bags - count!

### PROS

Strength training can reduce the risk of diabetes, arthritis, and depression. It's also an important factor in aging, because it helps maintain muscle mass, which in turn, helps you keep your balance and grip strength.

### CONS

Requires a considerable amount of equipment. Risk of injuries like herniated disks in the back, muscle strains and tears, bone fractures, and cartilage damage if improperly conducted.



A long-term study of 20,000 people in Denmark found that those who ran lived on average, six years longer than those who did not. Moderate running or jogging not only improves cardiovascular health, it builds endurance and stamina. Obviously, it also burns mucho calories; intense or long-

distance running has been shown to regulate appetite hormones and decrease hunger.

### HOW OFTEN?

Minimum, about 75 minutes a week. Ideally, between one hour and two and a half hours a week, over two or three sessions. Run at a comfortable pace where you feel out of breath, but not too breathless.

### PROS

Cheap and easy to do. Ideal for quick weight loss.

### CONS

High impact exercise that puts a massive strain on joints.



The decaf version of running. Not an easy, loping amble either, but a brisk, sustained stride of between 100 to 120 steps per minute (the beat of a Sousa march). The pace should be sustained for 30 minutes or more (approximately 2.5 to 3 kilometers, if you prefer measuring distances). Listening to music helps.

### HOW OFTEN?

For beginners, a minimum of 3 days a week, gradually working your way up to 5 or 6 days a week (especially if you're after weight reduction).

### PROS

Easy to do, sustain and maintain. Ideal for less fit or older persons.

### CONS

Hardly any - most risks are environmental (passing vehicles, dog poo)



Studies in countries where commuting by bike is common show just how good regular cycling can be. A Danish study found a 28-percent reduction in mortality among adults who cycled to work and back, compared to those

who did not. Another study found that Chinese women who cycled to work were less likely to die from all forms of cancer than those who didn't. Spinning and stationary bicycle machines count.

### HOW OFTEN?

Depending on the terrain and intensity, anywhere from one to three hours a week.

### PROS

Builds muscles in the legs and improves cardiovascular fitness. Cycling is also low-impact, so it's easier on the joints than running.

### CONS

Not recommended for the totally unfit. High intensity bursts can even trigger heart attacks for those unused to such exercise or are already at risk of cardiovascular disease.



Doing laps in the pool non-stop for half an hour can make for a really good and intense workout. Swimming is seen as an ideal cardio exercise for those with injuries or weak/painful joints. That's because it's a non-weight bearing activity, meaning, your entire body weight is buoyed by water. Unfortunately, this very effect makes swimming less efficient as a weight-loss workout. In addition, studies show that people often feel hungrier after swimming, compared to other forms of vigorous exercise.

### HOW OFTEN?

For general fitness, three to four sessions a week, with each session lasting from 30 to 45 minutes.

### PROS

Very low-impact, easy on the joints.

### CONS

Not the fastest way to lose weight.

# HEALTHY PROFITS FROM HEALTHIER FOOD

ONCE A NICHE MARKET, HEALTH FOODS AND SUPPLEMENTS ARE GOING MAINSTREAM

By Tina Arceo-Dumlao

Just a decade ago, conversations about “health” and “wellness” primarily involved confinement in a hospital. Not any more.

These days, health and wellness are more about finding myriad ways to not just avoid getting sick but also having enough verve and energy to live life to the fullest.

The focus has shifted from cure to prevention, and the concepts of “health” and “wellness” now range from simple changes in diet and taking up exercise to taking in food supplements and herbal remedies.

Experts see the trend as irreversible. More and more people are aware that sensible diets and lifestyle choices can prevent life-threatening diseases like diabetes, atherosclerosis, cancer, and even obesity. Many are also seeking to look more

youthful, have more vitality or simply live longer — unburdened by hefty medical bills.

This shift is a welcome development for health advocates - and a profitable market for a number of companies in the Philippines. Among them are Healthy Options, a leading supplier of natural food supplements and just recently, organic produce; Universal Robina Corp., which started rolling out a line of healthy teas 10 years ago; Pepsi-Cola Products Philippines, which has produced a coconut water drink



‘By launching these [organic farm] products from our very own farm, we renew our commitment to giving our customers better choices for a better life.’

*-Romy Sia, Founder of Healthy Options*

**'C2 became the number one URC brand in about a year in terms of value sales.'**

*- Edwin S. Totanes,  
URC Vice President*

just in time to cash in on the global healthy beverage trend; and Nestlé Philippines, which has even taken on nutrition counseling.

#### **FROM FRUSTRATION TO FULFILLMENT**

Healthy Options was founded in 1995 by Romy Sia, who had been trying to find food with no artificial ingredients for his then three-year-old son, who suffered from a host of food allergies.

Sia, who previously lived in the United Kingdom, was appalled at the difficulty of finding "natural" foods; nearly everything available at the groceries and supermarkets here contained artificial substances.

"In the UK we just took it for granted, because natural food was readily available. That was when I thought of putting up Healthy Options," he shares, realizing there might be a market for people who preferred natural treatments instead of pharmaceutical cures.

Nearly 20 years later, the chain that was built "to empower people to take control of their health" has grown to a network of 22 stores located in the country's premier shopping centers.

Today, Healthy Options' offerings

include supplements, personal care items, and even health books, although grocery items remain the biggest category.

As part of its advocacy for healthy living, it has also expanded into fresh, organic produce sourced directly from farmers. The company invested an initial P3 million in a five-hectare organic farm in Majayjay, Laguna, in 2012, but has since expanded its network of suppliers of organic farm produce.

"By launching these products from our very own farm, we renew our commitment to giving our customers better choices for a better life. It is also a show of support to small organic farmers, and to healthy, humane and sustainable farming," according to Sia.

Aside from offering superior meat and vegetable produce, Healthy Options' farms do not cause excessive waste or pollution, resulting in a healthier ecosystem.

"I am happy that healthy food is becoming mainstream. The fight now is to teach people also about the quality of the food, the provenance, and the ingredients," Sia says.

#### **PROFITABILITY-TEA**

Food and beverage giant Universal Robina Corp. (URC) of the Gokongwei group, long known for its snack foods, made its foray into the health food market 10 years ago, with its now-hugely successful C2 Tea drinks.

Edwin S. Totanes, URC vice president and





**'We believe that Coco Quench is a good edge versus competition; plus, the market is changing, it is becoming more health conscious.'**

*-Beverly Po,  
PCPPI Product Manager*

#### USING THEIR COCONUT

Like their local counterparts, multinational food companies have also plunged into the health food trend.

Softdrink giant PepsiCo has fought back by investing heavily in the sports and healthy beverages sector, widening its portfolio to include non-carbonated beverages like Tropicana Twister, Gatorade and Sting, as well as coconut water, marketed under the Tropicana Coco Quench brand. Tropicana Coco Quench was launched in the Philippines in September 2012 by Pepsi-Cola Products Philippines Inc. (PCPPI)

Coconut water has long been known for its health benefits and natural hydrating benefits. It has zero fat, low calories, low sugar and is a good source of potassium and magnesium. Tropicana Coco Quench sources their all-natural coconut water from the southern Tagalog region, primarily Quezon and Sorsogon.

"We believe that Coco Quench is a good edge versus competition; plus, the market is changing, it is becoming more health conscious," says PCPPI Product Manager Beverly Po.

Tropicana Coco Quench relies on Tetra Pak packaging technology to preserve the goodness and nutrients of its product and extend its shelf life.

#### KEEPING THE ENVIRONMENT HEALTHY, TOO

In addition to supplying a healthy beverage for the market, PCPPI has also taken steps toward promoting environmental health by implementing sustainable water, land, and energy management practices.

group head for marketing, shares that the insight leading to the creation of C2 came from no less than the company's founder, John Gokongwei. Gokongwei noticed that in China, bottled tea seemed to outsell soft drinks, and believed that the same phenomenon could happen even in a non-tea drinking country like the Philippines.

This idea became a reality when URC launched C2 in October 2004, positioned as a "healthier" alternative to soft drinks.

From initial sales of 30,000 cases of 24 bottles every month, demand was up to 100,000 cases a month in just six months, and then 200,000 cases a month. The explosion in demand led C2 to expand its product line as well, with several flavor variants ranging from apple to peach, including sugar-free versions.

"It was our first foray into the ready-to-drink business and C2 became the number one URC brand in about a year in terms of value sales," says Totanes. He attributes C2's popularity to the demand for healthier beverage alternatives as more people adopt a healthier lifestyle.

Totanes reveals that the carbonated drink market remains large, outselling C2

at a rate of 15 to 1. However, the ratio was 25 to 1 when the tea drink was launched 10 years ago – proof that C2's growing market share comes at the expense of soft drinks, a trend that's not expected to change. To date, C2 is available in over 32 countries, and it was recently launched in Vietnam.

C2 is manufactured at URC's Calamba plant, which used to have its own power generating facility. However, URC decided to connect to the Manila Electric Co.'s (Meralco's) grid in April 2013, owing to the power stability and technical assistance provided by the distribution utility.



For almost 10 years Pepsi has been engaging in business practices with minimal impact on the environment such as rainwater harvesting, waste water treatment, watershed reforestation, and biomass or steam generation.

"This is a big help in ensuring that the business continues to contribute to the preservation of our natural resources," the company said on its web site.

In January, the company partnered with Filipino-owned electric tricycle (e-trike) manufacturer EMotors, Inc., integrating the use of these clean, green, zero-emission e-vehicles for its distribution fleet.

"This will enable us to deliver our world-class products to even more communities with minimum environmental impact," said PCPPI President Partho Chakrabarti in a news statement then.

PCPPI is the first multinational beverage firm in partnership with EMotors to incorporate the use of e-trikes in its daily operations.

#### FROM HEALTHY FOOD TO HEALTHY LIVING

For another multinational, health and wellness are no longer just as a series of products but a way of life.

As early as 2001, Nestlé Philippines Inc., the local subsidiary of the Swiss company, had predicted the consumer trend toward health and wellness. This is now articulated in a corporate vision raising Nestlé from being just a food company to a nutrition company that can make a difference in the lives of consumers globally.

That mission goes beyond marketing its line of healthy, nutritious products, including cereals, yoghurt, and well-known brands like Milo, Nido Fortified and Bear Brand milk powder.

Nestlé invests heavily in

nutrition science research through a vast network of 34 research and development facilities all over the world, continually improving the health benefits of its products without compromising taste.

The company also strives to encourage Filipinos of all ages to make the necessary shift toward a more healthy lifestyle. As of the latest count, Nestlé has been able to reach out to over 7 million Filipinos through its activities such as nutrition counseling and education tours, according to Leslie Go Alcantara, Nestlé Philippines' head for Nutrition, Health and Wellness. This

year, the plan is to add another one million to the count.

To meet the growing demand for its products, Nestlé has already established five manufacturing facilities in the country, three of which (Cabuyao, Laguna; First Philippine Industrial Park, Batangas; Pulilan, Bulacan) are powered by Meralco.

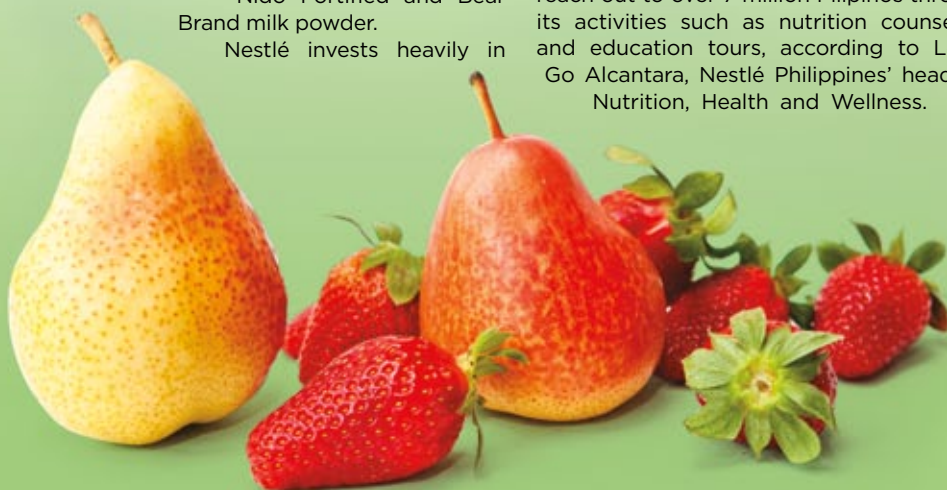
In the seven years since the nutrition, health and wellness campaign was rolled out, Alcantara says that the message is taking root. In the beginning, consumers attending these activities said they most appreciated the free products given out. But in 2013, for the first time, participating consumers ranked nutrition counseling as their most appreciated aspect of the activity, giving Nestlé hope that the health and wellness trend is here to stay.

These companies provide just a snapshot of the growing market for health foods in the Philippines. The rise of new manufacturers, producers, and retailers selling all-natural, transfat-free, preservatives-free, 100-percent organic food and beverages, even at premium prices, show that many Filipinos have an insatiable appetite for good health. *(With Stella Arnaldo)*



**'In 2013, participating consumers ranked nutrition counseling as their most appreciated aspect of the activity, giving Nestlé hope that the health and wellness trend is here to stay.'**

*-Leslie Go Alcantara, Nestlé's Head for Nutrition, Health and Wellness*





# HEALTH IN THE CITY

By IRIS C. GONZALES

**Dr. Alfredo Bengzon**  
*views healthcare from every angle.*

In the province of Abra, north of the country, worked a government midwife who braved long treks in the mountains to serve far-flung villages.

She lost a kidney, her spleen and her four-month-old unborn child in a crossfire between the military and militant New People's Army. Yet she soon rushed back to work as mothers and their children still needed her help.

She drowned four years later, crossing the swollen Abra River with a backpack full of vaccines for the children in her remote village.

The story of that midwife, Bing Magala, is one that Dr. Alfredo Bengzon often recounts to illustrate the commitment required of a health-service professional. He believes the work is all about service to people, and that health is a personal good, a national need, and a global issue.

"It's important that the many Bing Magalas in government are revealed to our people," says Bengzon, who as Health Secretary to the late Philippine President Corazon Aquino, found he had to fight many battles for his principles.

He found that health service is a delicately political yet unavoidable need, and that the right to healthcare sadly remains a partial reality - at worst, a total illusion - in many communities.

## THE DNA OF TMC

A neurologist and public educator, Bengzon is also the current Chief Executive Officer and President of The Medical City (TMC). Bengzon used his experience in the public and private healthcare sectors to position TMC as one of the country's premier hospitals with quality service.

"We passionately believe that the currency of the medical and healthcare professions is the relationship between the provider and the beneficiary."

At the core of TMC's service is the deeply held belief that health is a basic human right that significantly defines the quality of life among individuals and within society. Bengzon underscores how this ethos enables the men and women of TMC to take the lead in the challenge to turn that basic right into a living reality.

## A HUB OF EXCELLENCE

With over 40 years of experience in hospital operation and administration, TMC's flagship facility in Ortigas, Pasig has a staff of around 2,200 and 1,100 physicians serving about 40,000 inpatients and 400,000 outpatients yearly.

As a tertiary hospital, TMC offers a full range of services, from general medicine, pediatrics, and gynecology to surgery and organ transplantation. Highly-trained personnel operate advanced facilities such as Positron Emission Tomography (PET) scanners and even robotic surgery equipment.

As an institution, TMC treats health as a continuum to encompass health promotion, wellness maintenance, and early disease detection to arrive at an effective treatment, from the simple to the sophisticated. Its Center for Wellness and Aesthetics, for instance, offers health programs for young and old alike.

It connects patients to specialty units for proper treatment and early disease detection. Its integrated patient care serves as a hub for medical resources, facilities, technologies, personnel and expertise to speed up healing and recovery.

## FROM MACRO TO MOLECULAR

Recognizing that health and disease must be understood and acted upon at the molecular rather than at the macro level, TMC's services and program offerings are designed to be personalized and customized, and delivered accordingly.

This approach is exemplified by the Institute of Personalized Molecular Medicine, which offers comprehensive clinical and laboratory services in molecular and cellular therapeutics, including stem-cell therapies. The institute's Regenerative Medicine program engineers cells and other biomaterials to prevent disease, maintain wellness and restore or replace organ function.

To date, the Institute has served more than 500 foreign and local patients with conditions such as cancer, degenerative neurological diseases, and compromised immune systems. The influx of patients from developed countries is a testament to the program's adherence to global standards.

"I believe TMC to be the acknowledged expert when it comes to regenerative medicine, popularly known as stem-cell treatments," says Bengzon.

While the hospital frequently employs valuable, often life-saving technology, it is also alert to the burden of cost and inappropriate use. This is why Bengzon institutionalized multi-disciplinary teams to ensure the correct modes of treatment for its patients, especially those diagnosed with cancer.

TMC's Cancer Program employs this unique multi-disciplinary team approach to cancer prevention, early detection, diagnosis and management. It applies innovative molecular technologies in diagnosis and treatment for truly customized, patient centered care.

The Cardiovascular Program also follows this approach, covering a comprehensive range of state-of-the-art services including non-invasive diagnostics, minimally invasive interventional services, open-heart surgery and cardiac rehabilitation.

While TMC strives to raise the standard of medical care, it is also making its brand of healthcare available to more people in more places.

## A NETWORK OF CARE

"TMC sees itself as a national resource," Bengzon notes, "a role for which we continue to confront and challenge existing ways of delivering healthcare service."

Unlike stand-alone hospitals, TMC maintains a network of primary, secondary and tertiary hospitals and outpatient clinics throughout the country. It currently has 18 clinics in strategic locations in Metro Manila and key provinces, with eight more scheduled to open by yearend.

TMC-Iloilo is notable for having the region's only Cardiac Catheterization laboratory.

Meanwhile, the US\$40-million TMC-Clark, scheduled to open in January 2015, is intended to serve patients in Central and Northern Luzon. Its proximity to the Clark International Airport will also enable TMC to serve its growing portfolio of overseas patients.

## REACHING OUT TO THE WORLD

As its range of services increases, TMC sees itself growing bigger to reach more



*The Medical City boasts of the latest patient treatments as well as competent and caring medical professionals.*

people in the future.

"We continue to develop our network of hospitals and clinics to extend the reach and broaden the brand of The Medical City," Bengzon declares, announcing the opening of one international tertiary hospital in 2014.

Set for a mid-year opening, the \$219-million Guam Regional Medical City (GRMC) will be a 130-bed tertiary hospital with a medical workforce of about 400, including 53 physicians.

Accredited by the Joint Commission International (JCI) in 2006, 2009 and 2012, TMC meets the most exacting international standards of service quality and patient safety. This means, among other things, that US citizens can be treated at TMC under their health insurance plans.

This accreditation also places TMC in the best position to help Guam improve its healthcare system, dogged by poor public medical facilities and a shortage of qualified doctors. There is a particular need for practitioners specializing in cardiovascular diseases, cancers, and diabetes, which are the leading causes of death on the island.

"We will go where we are needed," says Bengzon, who is excited about these expansion projects.

## THE PATIENT AS PART OF THE CURE

"Hospital facilities and doctor expertise aside, a patient's health and recovery also rely on his understanding of his condition and his active participation in his place of care," Bengzon continues.

He passionately maintains that the most advanced medical treatment must be centered on a close relationship between patient and doctor, the bedrock of medical

and healthcare professions.

"The medical profession's currency is the relationship between the one who serves and the one being served," he explains. "We invest a great deal in service and in the real resources - doctors, nurses and staff -- who relate to patients."

In delivering service, Bengzon says TMC sees the importance of establishing a strong partnership with the patients.

"We are experts in our professional ability and skills and you, the patient, are the expert of your life, so we try to work together."

Bengzon adds that each individual must be co-responsible for his own health; hence, TMC's value proposition that "our patients are our partners." This philosophy is behind the creation of the Center of Patient Partnership, where patients and their families and caregivers can avail of easy-to-understand, easy-to-access health education and foundation.

"Each weekend, the Center mounts whole-day workshops that cover a whole slew of health concerns," he says.

## RELIABLE SERVICE WITH A RELIABLE PARTNER

Behind TMC's strengths are the solid infrastructure and support system that enables it to function at its best, 24/7.

Its 1.5-hectare Ortigas complex, for example, is structurally constructed 200 percent above the minimum Philippine building codes. "Seismic joints were used to protect the building from collapse or other earthquake damage," Bengzon clarifies.

TMC also has a continuous supply of reliable electricity, provided by the Manila Electric Co. It uses back-up generators with a four-day fuel supply to ensure the continued operation of all systems, in the event of a commercial power interruption.

Bengzon stresses that modern medicine cannot exist without electrical power, because all the technology behind it requires electricity.

## MEETING CHALLENGES YET UNANSWERED

Although medical care in the Philippines has undergone many significant advances in recent years, Bengzon notes that 21<sup>st</sup> century medicine - and even some rudimentary health services - remain unavailable to many Filipinos.

"Good health must be a fundamental human right which for many, and for reasons such as poverty, remains elusive," he repeats.

So long as this mismatch continues, Bengzon declares that TMC will continue its mission of providing a leadership role to develop, facilitate and install the necessary integration in the health care system - so that within our life time, the Filipino people can become more fully human. 

# BACK AT THE CENTER

How Rose Montenegro nursed Makati Med back into the pink of health

BY VERONICA UY

**W**hen Rosalie “Rose” Montenegro was named Makati Medical Center’s President and Chief Executive Officer in 2009, she became the 40-year-old hospital’s first female and first non-doctor chief executive. Initially, her non-medical background was of some concern to the doctors. “Don’t worry. I will not operate or prescribe,” she responded at the time.

What she operated on was the ailing medical facility itself. Founded in 1969 by prominent Filipino doctors, Makati Medical Center opened its doors to a city just beginning to rise as a commercial and residential center. The goal was to create a modern medical facility with advanced equipment and highly-trained specialists to service the community.

Over the years, MakatiMed became synonymous with world-class medical care. However, its luster dimmed in the 1990s when it became beset by financial difficulties.

In 2007, Metro Pacific Investments Corp. (MPIC), led by Manuel V. Pangilinan (MVP), invested in MakatiMed’s owner and operator, Medical Doctors, Inc. Pangilinan called Montenegro out of retirement, put her at the helm of the hospital and gave her a free hand to do what was needed to restore MakatiMed to its preeminent position.

## A SHOT IN THE ARM

When she first made the rounds of the hospital, Montenegro, who has vast experience in the automotive, financial, telecoms, and business process outsourcing industries, realized the extent of the work ahead. She saw vastly outdated hospital equipment. Long line waits. Admission delays. Elevators unable to service the volume of patients. Fuel-inefficient, 40-year-old boilers and chillers. Unsightly driveway, lobby, information, and waiting areas. Drab patient rooms. Old hospital beds. Insufficient parking.

Beneath all these lay a congested billings and collections system, revenue leaks, and unequal pay rates among nurses.

Montenegro hit the ground running. She began with major infrastructure changes, beginning with the organizational structure. She hired seasoned subject matter experts and created a position for Service Operations (now Service Operations and Quality Management) to help her run day-to-day operations.

Montenegro and her team also adopted Six Sigma, a set of techniques and tools for process improvement, to improve patient waiting times and service turnaround times. They initiated the automation of MakatiMed’s systems, beginning with the diagnostic laboratory.

Renovations commenced. Medical equipment were ordered and purchased.

Having been a former senior vice president of the Philippine Long



Photography by **Jun Pinzon** Hair and Makeup by **Fennie Tan**

Distance Telephone Co.'s (PLDT) call center group, Montenegro was appalled at the messy wiring at the Information Technology (IT) Department. However, thanks to the help of PLDT Executive Vice President Eric Alberto, MakatiMed's telecoms lines were sorted out, with affiliate pricing terms to boot.

### **PUTTING PEOPLE FIRST**

Other than the physical changes, Montenegro focused on the people, putting the patients at the "center of everything." She recognizes that – except perhaps for expectant mothers visiting their OB-GYNs – most hospital patients are not in a good mood.

"They're in pain. They're sick. They're worried about their health. They're worried about the price [of their hospital stay]. They're angry about why they have cancer. They are dealing with mortality. They're not happy to begin with. They want to get out of the hospital as soon as possible," says Montenegro.

She wanted patients, first and foremost, to experience compassionate and competent care. But she also invested in services that would make patients' (and their loved ones') lives easier, opening MakatiMed to new concessionaires like restaurants, salons, and banking facilities.

By the third quarter of 2009, MakatiMed had operationalized Tower 2, a new building that housed the bulk of diagnostic and ancillary services of the hospital. In the same year, nine Centers of Excellence were established.

### **HEALTH RESTORED**

In Montenegro's first ever year in MakatiMed and in the healthcare industry, MakatiMed saw its highest earnings in years.

Despite all the heavy lifting, these were just "baby steps", as Montenegro described in her President's Report that year. The facilities and service operations upgrades continued over the next few years. In 2010, MakatiMed implemented an integrated, fully digital web-based system called Radiology Information System and a Picture Archiving Communications System in the Department of Radiology. The new system makes it possible to view images and reports from anywhere, eliminating paper and film, thus saving on costs.

The year also saw the launch of the Strategic Hospital Alliance Program, strengthening MakatiMed's partnerships with hospitals throughout the country.

### **ACHIEVING GLOBAL STANDARDS**

Montenegro's vision went further than renewing MakatiMed; she wanted to achieve Joint Commission International (JCI) accreditation for the hospital. JCI is a worldwide body that recognizes and certifies hospitals that meet their high, strict standards in medical care, training and research. Getting JCI accreditation will not only attract patients from First World countries like the United States to MakatiMed, it would also deepen the hospital's institutional culture of safety and quality.

That goal was achieved in June 2011, when MakatiMed became the first hospital in the Philippines to be accredited by the JCI under its more stringent 4th edition requirements.

That same year, the Asian Hospital Management Awards (AHMA)

outpatient and inpatient systems.

The Integrated Hospital Information System is now used to handle services including patient administration, inpatient admission, discharge and transfer, appointment scheduling, outpatient management, and billing and cashing. This resulted in ease in managing payments and collections transactions, and reducing patients' waiting time prior to discharge.

### **ENERGY IN THE GREEN**

Aside from changes in management practices, Montenegro also adopted green practices for the hospital. Thanks to Smart Communications co-founder and current PLDT board adviser Orlando Vea, MakatiMed is the only hospital with wind-powered cellphone sites. MakatiMed also installed solar-powered airconditioning for the entire eighth floor.

The airconditioning project led to MakatiMed receiving an Excellence Award at the AHMA in September 2012.

MakatiMed also has a solar generator system located on the 10th-floor rooftop of Tower 1. It is the first installation in the country to use Solar DC Optimizers, which enhances the throughput of the systems even when the panels are in shadow.

The system has an annual production capacity of 56,000 kilowatt-hours (kWh). If a kWh costs P10, this translates to an estimated P560,000 in annual savings – funds which can now go to efforts and other initiatives that will serve more patients.

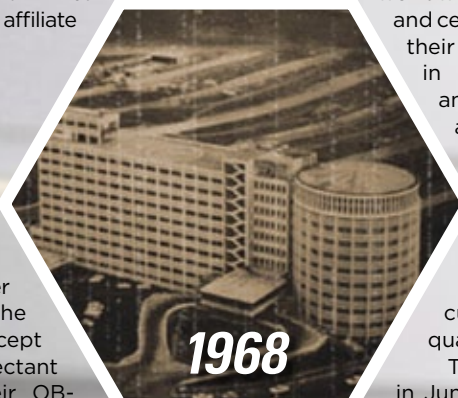
Other green technologies include LED lighting and a recycling system that loops the heat generated by the airconditioning system into the boilers, saving some P18 million in energy in 2013.

### **POWER TO REBOOT**

Meralco has played a key role in a number of MakatiMed's energy needs and upgrade programs. From the very start of the hospital's renovation, the distribution utility was instrumental in relocating power lines to help speed up MakatiMed's expansion. The hospital also contracted with MPower, Meralco's own local retail electricity supplier, to further secure a reliable source of power.

To further help boost MakatiMed's energy efficiency, Meralco conducted Power Up consultations to guide the health facility through the transition to the retail competition and open access scheme. Through Meralco Managed Services, the hospital offered the assistance of MServ, a Meralco subsidiary which specializes in power quality monitoring and preventive maintenance.

Five years after Montenegro accepted the job, MakatiMed is back in the pink of health, continuing its tradition of excellent health service with a heart. 



**1968**



**MakatiMed today**

honored MakatiMed with "A Decade of Achievement" special award, a distinction only MakatiMed, among all the hospitals in the Philippines, has received.

By 2012, all the changes over the past three years began bearing fruit. MakatiMed inaugurated two world-class medical services - the Cellular Therapeutics Laboratory and TomoTherapy Radiation Treatment.

To better support the increase in the volume of hospital patients and transactions, MakatiMed entered into an agreement with leading information technology company Indra, to develop an integrated system that will replace MakatiMed's 15-year-old

Jose Augusto Pascual,  
President, PascualLab

# A FAMILY TRADITION OF HEALTHCARE

AN ALL-FILIPINO PHARMACEUTICAL COMPANY BLENDS PASSION,  
SCIENCE, AND BUSINESS SAVVY TO IMPROVE THE QUALITY OF LIFE.

BY EXCEL V. DYQUIANGCO

**A** country's healthcare system is one that should constantly improve year after year. As the population grows, technology, innovations legislation, facilities – and medicines – must try to keep up.

Pascual Laboratories is one of those institutions which strive to do more than stay abreast of present needs. As the President and Chief Executive Officer Jose Augusto Pascual says, their role in the healthcare industry is to provide consumers and doctors with quality and affordable medicines that are

not just effective, but also safe.

## AN OUNCE OF PREVENTION

“Our passion as a company is to really know what our stakeholders need, so that we can provide them with products that don't just cure, but care, don't just prolong, but also help to improve their quality of life,” he says. “Alongside this commitment to provide quality and affordable medicines is the duty to inform. When we introduce a new product, it is also our responsibility to educate the public about its benefits through the different forms of

advertising, PR, and below-the-line marketing initiatives as well.”

Pascual prefers to encourage people to invest in healthier living, to help prevent illness in the first place.

“I still believe that prevention is really better, so most of our consumer products have been launched with this thinking in mind,” he says. “Most of our products in Pascual Consumer Healthcare, for example, are supplements that are intended to enhance lifestyle practices, and to help people live healthier. It's a good thing that there is a trend towards healthier habits

as well, so it definitely makes sense for our company to continue to be strong in the area of preventatives.”

Still, the need for cures will always be there, and the demand will always be huge, even among those who can least afford them. To satisfy this need, PascualLab markets its generic medicines under the Pharex brand, to help put ethical (i.e. prescription) medicines well within reach of most Filipinos.

## A LEGACY OF HEALTH

This mission of making medicines accessible is one that literally spans generations.

Founded in 1946 by Isosceles S. Pascual and Leonora F. Pascual, the then fledgling pharmaceutical company made its first home on Balut Island, in Tondo, Manila. By the mid-1950s, PascualLab had expanded its manufacturing line to include antibiotics and cardio-vascular medicines. During the 1960s, it formed its own Product Research and Development division, enabling it to create its own formulations and medications.

Fast forward to the 21<sup>st</sup> century and PascualLab is now a Good Manufacturing Practices-certified corporation, run by a team of professional managers alongside the third generation of the Pascual family. With products that range from generic drugs and over-the-counter remedies to a line of herbal medicines, the company has branched out to a number of subsidiaries.

With growth and expansion come the ability and a sense of obligation to play a greater role in the nation's health.

## WORKING WITH THE RIGHT PARTNERS

One of PascualLab's allies in promoting health on a national level is the government, with both parties sharing research and other clinical studies.

“The initial clinical studies for our research on Lagundi (Chinese chaste tree) and Sambong (elumea) were licensed from the government, specifically from the Philippine Council for Health Research and Development (PCHRD) and University of the Philippines Manila,” he says. “The government also does research on other herbal plants and we do benefit from that information. Likewise, I believe they also benefit from us through royalty payments coming from the sales of our herbal cough remedy ASCOF, so it's a two-way partnership.”

Pascual says they contribute to the Aquino administration's universal healthcare program by making quality medicine as affordable for the consumers as possible. The government's legislation on the Cheaper Medicines Act of 2008 has, in fact, helped doctors and patients become more aware of the generic names of pharmaceuticals. Patients these days are better informed about choices between branded medicine and generic drugs. There still remains, however, room for more improvement in the implementation of this law.



In the Philippines, the cost of marketing and promoting products to increase sales in a very competitive landscape can become quite expensive. These costs, in turn, are tacked on to the price of medicines. “Maybe IF the local pharmaceutical industry would be ready to adopt a policy implementing a cap on promotional budgets like what is being practiced in some other Western countries, then the selling price [of drugs] could also be reduced,” Pascual stresses.

Looking ahead, Pascual also says the government can help reduce the costs of medicines by providing incentives for local pharmaceutical companies to strengthen their research and development efforts.

He says, “Currently, there are no pharmaceutical companies in the country that locally manufacture raw materials for synthetic medicine. Everything is imported. Should homegrown pharmaceutical manufacturing companies be provided with incentives by the government that will help them to strengthen their R&D capabilities, then maybe one day we can develop our potential as an alternative source for raw materials that are at par with international standards. This can help lower the price of finished goods. However, for something more immediate, if importation costs on raw materials could be reduced, then that could significantly lower the price of medicines as well.”

Another key ingredient in the manufacture of pharmaceuticals is electricity, which PascualLab reliably sources from its other key partner, the Manila Electric Co. (Meralco).

“If power is not stable or is inconsistent, it hampers the production of medicine,” Pascual says. “If the power interruption is long, it will compromise the quality of the batch being produced. In some instances, the batch would have to be remade, leading to wastage, which will increase costs. Also, if the price of electricity goes up,

then that's also factored into our cost of goods.”

Meralco's Energy Solutions Team recently held a Power Quality and Energy Efficiency improvement study with PascualLab, which lasted from November 2013 to January 2014. The team recently presented their results and recommendations to PascualLab's Engineering Team in early March 2014. Meralco's key recommendation called for resetting PascualLab's protective relays to avoid nuisance tripping due to voltage sags. Other suggestions covered Energy Efficiency initiatives like Demand Management, studying the conversion chillers from air-cooled to water-cooled units, use of High Efficiency Motors, and transition to Inverter-type air conditioners for offices.

## THE ROAD AHEAD

Does Pascual see the local pharmaceutical industry growing on the manufacture of existing (foreign) drugs and medicines, or is it in the area of indigenous medicines, herbs and the like?

“We definitely see the local pharmaceutical industry growing on both counts,” he says. “Many multinationals have given up manufacturing here, so it is the local companies that do that. Since people are looking for cheaper medicines, it would make sense to manufacture here than to import. So definitely I see it growing.”

He also expects PascualLab to grow in both the production of synthetic and natural medicine, especially the latter as there are so many herbal plants with healing qualities that still remain untapped. Lagundi and Sambong, for example, are only two of the top 10 medicinal plants approved by the Department of Health along with tsaang gubat (wild tea), yerba buena (mint), acapulco, ampalaya (bitter melon), garlic, guava, niyog-niyogan (Chinese honeysuckle), and pansit-pansitan (pepper elder).

“As PascualLab has pioneered the commercialization of natural medicines, I see us as continuing to be the forerunner in the development of indigenous phytomedicines that could help improve the health of Filipinos,” he says. ☺



supplied by the Department of Social Welfare and Development; some members may not be aware they're already enrolled.

It's not just expanding the number of covered patients that PhilHealth is focused on. Already, 97 percent of government and private health facilities have become PhilHealth-accredited.

As its doctors see, serve and cure more PhilHealth patients, a hospital earns more money. "We are biased toward government hospitals that use reimbursements to upgrade facilities, buy medicines, and offer its services to more people," discloses Padilla. "This takes time, but we want government hospitals to be at par with private hospitals, competitive with prices and services."

Won't that overwhelm public hospitals? It's already happening: Padilla picks Jose Fabella Memorial as an example. He adds the



**THE CHEAPER MEDICINES ACT OF 2008 HAS ALREADY 'CREATED AN AWARENESS OF - AND DEMAND FOR - GENERIC DRUGS.'**  
- ATTY. JOSE MARIA OCHAVE, UNILAB SENIOR VICE PRESIDENT



hospital's sheer number of patients would allow it to get full reimbursement, which should go towards buying more beds.

"The old system was about patronage," Herbosa claims, "and the noisiest or loudest, or had strong Senate or Congress connections, got healthcare access. Today, people get healthcare service when the local government unit (LGU) refers them to its hospitals and other health units, which are reimbursed. Now it's performance-based."

## LOWERING THE COST OF MEDICINES

What about the high cost of medicines, which is one other issue plaguing Philippine healthcare?

The Cheaper Medicines Act of 2008 has already "created awareness of generic drugs" and given consumers various options, says lawyer Jose Maria Ochave, Senior Vice President for the legal services group of United Laboratories (Unilab).

The leading local pharmaceutical company with a consistent 20-percent market share, Unilab set up RiteMED in 2002 to manufacture off-patent pharmaceutical drugs, priced 20 to 70 percent less than branded medicines.

From an initial 20 essential drugs, RiteMED now sells 76 generic medicines for hypertension, high cholesterol, diabetes, cardiovascular diseases, common allergies as well as antibiotics, analgesics and cough remedies. It expanded into herbal medicines with StopCough Lagundi.

To further slash medicine costs for indigents, Ochave suggests the government can be "a major third-party payor, directly through the DOH or LGUs, or indirectly through a drug price-reference scheme by PhilHealth."

## A DREAM THAT SLOWLY COMES TO LIFE

Despite all the major flaws in the system,

free, quality healthcare for all remains the goal. Many stakeholders like government hospitals, private doctors, pharmaceutical companies, and even public schools continue to take up their share of the burden to make quality healthcare more accessible.

Large private hospitals, for instance, already implement social-service programs. SLMC allocated over P300 million for indigent patients to receive 60- to 70-percent discounts for hospital services. MMC writes off the costs of emergency cases that come from the city's poor communities. TMC established 18 countrywide satellite clinics to make high-quality healthcare more accessible and affordable.

Even private health maintenance organizations (HMO) are pitching in.

MediCard, for instance, now offers a more budget-friendly health plan such as RXer, where members - just for P1,998 a year (or P166.50 a month), can get unlimited free consultations with primary care physicians and specialists, as well as discounted lab fees in MediCard free-standing clinics.

In the end, however, healthcare is all about people - those who are sick and those who care for the sick. It all boils down to the men and women who give their time, expertise - and even their lives - to improve the health of others.

Remember Dr. Princesa of Palawan?

He became a doctor because he wanted it all: a good successful practice that will give him and his family "material blessings" as well as help the poor in the far-flung provinces. Although he pledged to serve for only two years, he has worked as a rural health doctor since 2008. He hopes the government's universal healthcare program succeeds in a few years to sustain him and his dream for his family and his people. With everyone pitching in, perhaps that dream will soon be a reality. 



**'THE POOR SHOULD NOT PAY A SINGLE CENTAVO FOR MEDICINES NOR PROFESSIONAL FEES.'**

-ALEXANDER PADILLA, PHILHEALTH PRESIDENT AND CEO

# BRIGHTENING HOMES, RE-ENERGIZING INDUSTRY

## RECONDUCTORING OF THE BALIBAGO-CANLUBANG, 115-KV LINE

On Nov. 25, 2013, Meralco enhanced the Balibago-Canlubang 115-kilovolt (kV) line which increased line capacity and system reliability in the cities of Sta. Rosa, Cabuyao, and Calamba in Laguna, and Sto. Tomas, Batangas. Also benefiting from the improvements are the area's industrial parks, including the Laguna Technopark, Inc., Laguna International Industrial Park, Carmelray Industrial Parks 1 and 2, Light Industry and Science Parks 1 and 2, and First Philippine Industrial Park.

## COMMISSIONING OF THE NEW CIP2-FPIP 115-KV LINE

The Carmelray Industrial Park 2 (CIP 2) in Barangay Tulo, Calamba City, Laguna and the First Philippine Industrial Park Inc. (FPIP) in Barangay Sta. Anastacia, Sto. Tomas, Batangas, both received additional boosts to their power source when Meralco inaugurated a new 115-kV line on Nov. 30, 2013.

The new line serves as an additional source of power to the FPIP Substation, benefitting manufacturers like SunPower Philippines Manufacturing Ltd., Ibsiden Philippines Inc., Philippine Manufacturing Co. of Murata, Brothers Philippines, B/E Aerospace, NEC Tokin Electronics (Philippines) Inc., Philip Morris Philippines Manufacturing Inc., Honda Philippines Inc., Canon Business Machines (Philippines) Inc., Nestlé Philippines Inc., Strategic Silicon Services Philippines, Inc., and Hysonic Philippines Inc..

## COMMISSIONING OF THE FILINVEST 115 KV-34.5 KV GIS SUBSTATION

Work and leisure activities for residents, businesses, and mall-goers in Alabang, Muntinlupa have been invigorated, thanks to a new gas-insulated switchgear (GIS) substation that came online on Dec. 12, 2013. This substation provides additional capacity to meet the increasing power requirements of the Filinvest City in

115 KV LINE  
BALIBAGO-CANLUBANG

Alabang, and addresses the critical loading of the adjacent Ayala Alabang and Gardner substations, which also service the needs of Asian Hospital, Festival Mall, Entrata Towers, and Civic Prime, among others.

## COMMISSIONING OF THE HILLCREST 115 KV-34.5 KV GIS SUBSTATION'S SECOND POWER TRANSFORMER BANK

The growing energy needs of the booming, bustling cities of Pasig and Mandaluyong have been answered with the launch of a second Power Transformer Bank, located in Barangay Oranbo, Pasig City on Dec. 14, 2013. The new substation addresses the critical loading of the Hillcrest and Taguig Substations, and provides more reliable power to the residents and businesses of Capital Commons, Greenfield Development Corp., SM Light Residences, TV5 Media Center, Woodlands, Tiendesitas, The Grove, and the Pasig City government. 

FILINVEST  
115KV-34.5KV GIS  
SUBSTATION  
ALABANG,  
MUNTINLUPA CITY

SECOND POWER  
TRANSFORMER  
BANK  
HILLCREST GIS  
SUBSTATION

THE NEW CIP2-  
FFIP 115 KV LINE



From left:  
Robert Pereja (Meralco Relationship Manager),  
Paul Riley (Philip Morris Fortune Tobacco Corp.  
President), Paul Schaefer (US Embassy Senior  
Facility Manager and Head), and  
Ma. Cecilia Domingo (Meralco AVP & Head  
Private Sector Relationship  
Management)



At left, Jovy Hernandez (First VP &  
Head PLDT, Alpha Enterprise / Smart  
Enterprise - Sales and Marketing) with  
Victor S. Genuino (VP & Head, Meralco  
Corporate Business  
Group)

# TOUCHDOWN!

By Excel V. Dyquiango



From left:  
Meredith Donoway (IT Officer,  
US Embassy), Paul Schaefer, Joy  
Mendoza (Meralco Corporate  
Relationship Manager), and Mike  
DeLauder (Head for General  
Services Office, US Embassy).



Hosts Erika Padilla  
and Aaron Atayde

**T**he Manila Electric Co. (Meralco) fired up the sporting spirits of many of the country's top corporate movers and shakers at a specially-organized screening of the Super Bowl XLVIII showdown between the Seattle Seahawks and the Denver Broncos last February 3.

Held at the Peninsula Manila in Makati, die-hard National Football League fans and their families made sure they were on hand at 7 a.m. to catch the live broadcast of the kickoff. Some 100 guests graced the local Super Bowl screening.

In between plays, hosts Aaron Atayde and Erika Padilla entertained the crowd with some trivia and history about the Super Bowl. Raffles and prizes were also handed out. The game ended past 11 a.m. with the Seattle Seahawks winning the match.



# Meralco screens Super Bowl match live for friends, clients

"This is simply a gathering of both Meralco and PLDT's corporate customers, particularly those US-centric because the Super Bowl is an American event," said Victor Genuino, vice president and head of the Corporate Business Group of Meralco. "We invited some guests from call centers whose headquarters are in the US. We also invited the US Embassy. Certain American multinational firms are also represented and some key customers that PLDT and Meralco have both worked with."

Amid the exciting scrimmage, guests particularly enjoyed the special half-time performance of Filipino-American singer Bruno Mars and the rock band Red Hot Chili Peppers. PLDT Home Fibr recently brought Mars to Manila for his Moonshine Jungle Tour. 🍷



*From left: Victor S. Genuino  
Marty Syquia (Managing Director  
Syngtec Innovative Building  
Solutions), and Arthur Tan (CEO of  
Integrated Microelectronics Inc.)*



*At right, Domingo Bonifacio  
(President, RemecBroadband  
Wireless) with son, Gino*



*At left, Michael G. Tan  
(COO of Asia Brewery) with  
Paul Riley.*

# PRIMED FOR THE BIG LEAGUE

*ANGELITO BERMUDO'S TIGHT, SUCCESS-DRIVEN PLAN AIMS TO TRANSFORM THE QUIETLY EFFICIENT MIESCOR INTO A FORMIDABLE GLOBAL BRAND*

BY KATHLEEN VALLE

**T**he year 2013 marked the 40th anniversary of Meralco Industrial Engineering Services Corp. (Miescor), and it was intended to be celebrated beyond the usual fanfare of events and audio-visual presentations. Miescor President and Chief Executive Officer Angelito Bermudo, in fact, deemed it an ideal time for the company to carve out a strong global identity.

As the engineering and construction arm of the Manila Electric Co. (Meralco), the Philippines' largest power distributor, Miescor holds an invaluable advantage over other competitors. "We're the only company which can claim to have been doing these—substations, transmission lines—for the past 40 years on a daily basis, because of Meralco. The contracts that were handed over by our parent company became excellent training opportunities, and that kind of exposure is not available to anyone. That makes us an expert at what we do," says Bermudo, who works concurrently as the senior vice president of Meralco.

#### AN EYE ON PROFITABLE VENTURES

The Meralco projects currently make up around 50 percent of Miescor's revenue

mix. However, Bermudo sees that, in order for Miescor to compete in the global market, it has to gain more third-party clients and eventually become its dominant source of revenues.

"Meralco remains our anchor client and our external experience can only lead to improvements with the way we do business with our parent."

Bermudo points to several projects with global brands like Chevron and Siemens as proof of Miescor's competitive capabilities. This has opened the way for Miescor to bid for power plant and renewable energy projects abroad. "We are now talking with several EPC (Engineering, Procurement, and Construction) heavyweights in Houston, Japan, Korea, and Europe. The fact that these guys are talking to us means that we've qualified as a vendor worthy of their patronage. *Ang laking bagay 'nun* (That's a really big deal)."

Still, much remains to be changed if Miescor is to become successful in reengineering itself to be a globally recognized brand.

#### ROAD TO TRANSFORMATION

No greenhorn to bringing organizations to a higher level of performance, Bermudo

helped another company—involved in engineering and heavy plant construction services in oil and gas—back in 1998. He brought this, along with his vast experience abroad, to the table when he joined Miescor in January 2013.

"I've actually done this in my former job - that's why I'm confident that we can bring Miescor to be another player in the global market. We've started the transformation process in the early part of 2013, and we're now in the implementation stage," he says.

The beginning of this transformation journey allowed him and his employees to probe the identity and direction of Miescor: Who are we? What are we good at? What kinds of businesses should we be in? Where are we today? Where do we want to go and how do we get there?

"We need to keep abreast if we want to be world-class," says Bermudo, referring to this crucial stage as "change management."

He offers the simple analogy of a small barangay basketball team with lofty dreams of playing in the big league. "We'll transform

this company to make it PBA-ready, but the ultimate goal is to play in the NBA.”

To implement changes quickly, three key areas - hardware, software, and people - are simultaneously being upgraded. At the top of the list is the replacement of all current equipment - most of which date from the 1970s - within three years. “You cannot have outdated equipment. In construction, execution is 99 percent; it’s everything. *Maski maganda ang plano mo* (Even if your plans are terrific), if you can’t execute, then you’ll be out of business in a really short time. You are only as good as your last job.”

In discussing the significance of a

software upgrade, Bermudo goes back to basketball. “If we want to play in the NBA, we ought to use what the big boys use.” In order for Miescor to pass the smell test, it has to utilize the systems that are at par with industry standards. Currently, these are Primavera for project management and SAP for back-end support.

Skills form the third leg of Bermudo’s improvement platform. “In construction, knowledge is people-resident, *wala ‘yan sa kompanya* (that doesn’t reside in the company). So you get the right mix of people to create a formidable team,” he says, adding that the current crop of employees is a hardworking bunch. “They care for this company and they have the right attitude. What we need is to upgrade their skills.”

At the same time, Miescor is looking to hire people with the right skills and experience geared towards construction.

#### A LOOK INTO THE FUTURE

Bermudo says that for Miescor,

2013 was factor-driven.

They worked with the resources available at the time and tried to define

their path forward. The year 2014 will

be efficiency-driven. “It is all about

execution,” he adds. After asking

the hard questions and establishing the

drivers for growth in 2013, Miescor should

become proficient in using the tools

that will make them deliver their value

proposition. The third stage, which covers the

years moving forward, will be innovation-driven.

Bermudo shares, “early in life you learn greatly

by copying from the industry giants. But, at the end of the day, we

want to be the standard. We will no longer

mimic. Instead, we will become the basis which others will copy.”

Moving forward, Miescor is already beginning to work beyond the bounds of Meralco’s franchise area. It is already leaving an operational footprint on a national scale from North Luzon to as far as Central Mindanao. The Visayas and Mindanao region are becoming key growth areas. And, after several decades of being absent, Miescor’s presence will again be felt in the international market.

“At some point in time you have to take a leap of faith and to borrow from a book that I have read — there are two possible outcomes to this, pray for a soft landing or learn to fly. I envision Miescor to spread its wings and fly.”

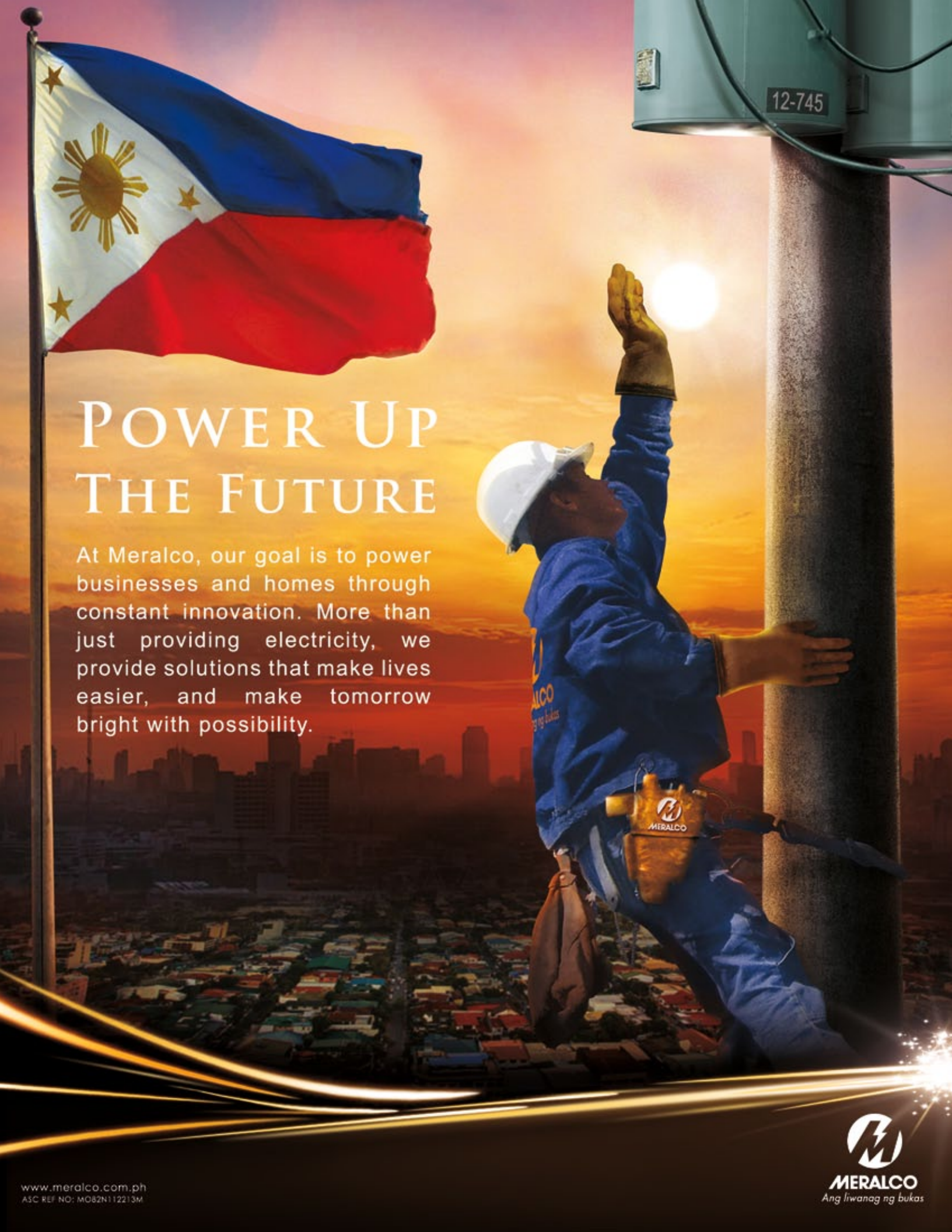
At the end of the day, Bermudo considers it a privilege to lead Miescor’s transformation efforts in a very promising time by saying, “It is a rare opportunity in one’s career to be working with people who are as passionate and hardworking as these guys are. This pushes me to make that leap of faith and with them, turn Miescor’s vision into reality.”



**‘WE NEED TO KEEP  
ABREAST IF WE WANT TO  
BE WORLD CLASS.’**

- Miescor President and Chief Executive  
Officer Angelito Bermudo





# POWER UP THE FUTURE

At Meralco, our goal is to power businesses and homes through constant innovation. More than just providing electricity, we provide solutions that make lives easier, and make tomorrow bright with possibility.