

POWERCLUB

A MERALCO PUBLICATION | JANUARY 2015

THE
PHILIPPINE
QUILL
AWARDS

ANVIL AWARDS 2013

GOING DIGITAL:
*Are Advertisers Braving
the New Frontier?*

**WHAT'S
APP-ENING?**
*Creating Content
for New Media*

JOEY CONCEPCION
*Gets an Early
Christmas Gift*



**DMCI GOES
BEYOND
BUILDING**

EMIL YAP
Vice Chairman
Manila Bulletin
Publishing Corp.

Reshaping the Future of

MEDIA



TECHNOLOGY TAKES US PLACES

There are always two sides to everything. This is especially true of technology.

The upside is efficiency; what would take days or even hours can be accomplished in a few minutes, giving us added time to focus on more important activities. With mobility as the norm, we no longer have to be chained to a desk nor within physical reach of a landline or fax machine.

The downside is the blurring of personal and professional time. Work time is now all the time.

For me, the upsides always win out. I access and share information quickly through my Facebook and Twitter accounts and keep in touch with my family at all times. With one of my sons studying overseas, I can still be part of his day even if we are in different time zones.

Technology crucially helps us elevate our customer-centricity efforts. We're enhancing our main corporate site into an interactive customer portal to allow online payments and service applications. In 2011, we launched our MoVE – Meralco Virtual Engine – a suite with six applications that offer 'round-the-clock access to the Manila Electric Co.'s (Meralco) services via smartphone or tablet. You can check your bill, find the nearest Bayad Center, get electricity tips, access to an appliance calculator and more.

More importantly, technology can be empowering. We are presently offering Meralco Kuryente Load (prepaid electricity) in targeted areas, and we look forward to making this offering available throughout our franchise area. KLoad allows our customers to better manage their power consumption and, in the process, improve their lives.

In today's constantly-evolving competitive landscape, technology enables Meralco to better serve our customers and help the Philippines sustain its economic growth.

Alfredo S. Panlilio

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

TECH THROUGH TIME

Games have changed a lot since I was a kid. We played *trumpo*, *gagamba*, *siyato* (spinning tops, spider combat, stick games) -- stuff we played outdoors. We skateboarded and biked, and at school we played street games like *patintero* and *agawan-base*, aside from sports like basketball and football. We also did board games: *dama*, chess, and backgammon, then the likes of Monopoly, Life, Battleship and Cluedo.

The 1980s dramatically changed the way we played games. Home entertainment systems and handheld electronic games gave us Atari, Game & Watch and PS (PlayStation). On today's mobile devices, I've played Angry Birds and Plants vs Zombies. I don't go for RPG (Role-Playing Games), but I really like sports games: NBA 2K14 and FIFA 2014.

Video games, however, are addictive. Instead of being stuck at the computer, I want my kids to go out and whizz around on their bikes, play in the park, or play football.

Computers, of course, aren't just for fun and games. They're portals of knowledge at the swipe of a finger. This is why one of the corporate gifts the Manila Electric Co. (Meralco) gave last Christmas to select C-level customers are PressReader subscriptions. It is an app that gives access to over 3,000 newspapers and magazines from all over the world, providing corporate chiefs with daily, up-to-date information on a global scale needed for real-time decision making.

Meralco knows that Christmas is such an important time of year for family and friends to get together. That's why we keep our crews on stand-by, 24/7, to assist our customers through any eventuality. We continue to work in close coordination with our energy suppliers, like DMCI Power (see "Building A Promising Future" on page 24), to ensure all our power needs are stable throughout the holidays.

Victor S. Genuino

Vice President and Head,
Corporate Business Group





MERALCO POWER CLUB MAGAZINE
VOLUME 4 ISSUE 4
PUBLISHER: SUMMIT MEDIA

A joint project with Meralco's Corporate Business Group and Marketing and Customer Solutions and Innovations. Published four times a year for key officers of Meralco corporate accounts

EDITORIAL TEAM
Publisher Edna T. Belleza
Editor in Chief Ma. Stella F. Arnaldo
Creative Director/Associate Editor Dondi Limgenco
Art Director Jane Kristine Cruz
Copy Editor Esmi Barrera
Project Manager Joey Anciano
Production Artist Martin Junner Cosme
Editorial Assistant Michelle Acantilado

CONTRIBUTORS
Arlene Adto, Esmi Barrera, RR Barretto, Pierre Calasanz, Karen Capino, Vincent Coscolluela, Tina Dumlao, Excel Dyquiangco, Jun Ebias, Jing Lejano, Jun Pinzon, Jose Bimbo F. Santos, Coni Tejada, Veronica Uy

MERALCO EDITORIAL ADVISERS
Customer Retail Services
Alfredo S. Panlilo
Corporate Business Group
Victor S. Genuino,
Alex C. Cabugao,
Cecilia M. Domingo,
Geraldyn A. Solidum
Marketing
Jose Antonio T. Valdez,
Edeliza T. Lim,
Nina V. Posadas,
Quinnie G. Blanco,
Ness G. Ramos

Meralco, Ortigas Avenue, Pasig City
Telephone: (632) 632-8771
Fax: (632) 632-8771
www.meralco.com.ph

We welcome comments and suggestions.
Please send them to:
meralcopowerclub@meralco.com.ph

What's inside

- 4** Analysis
MOVING TARGET: ADVERTISING IN A DIGITAL WORLD
Starcom-Mediavest CEO Joanna Mojica charts the promises and perils of the digital age.
- 8** One Meralco Foundation
SAVING LIVES – AND THE ENVIRONMENT – WITH 'SALBA-BOTE'
Recycled materials are turned into a simple and ingenious life-saving invention.
- 18** Industry Trends
CREATING ORIGINAL CONTENT
Filipino companies make their own forays into developing local digital content.



15 CEO Corner
CHRISTMAS WITH THE CONCEPTIONS
BFM CEO Joey Concepcion shares family Yuletide traditions, old and new.



10 Cover Story
GOING DIGITAL TO SAVE PRINT
The venerable Manila Bulletin gets a new millennium makeover.



24 Company Profile
BUILDING A PROMISING PICTURE
DMCI broadens its base by going beyond construction.

26 Events
POWER STROKES
The 2014 Power Club Pro-Am Golf Challenge generates fun and funds for charity.

30 Subsidiary Profile
BRINGING BUSINESS CONNECTIVITY TO LIGHT
Radius brings speed-of-light communications with fully fiber-optic systems.

Starcom-Mediavest
CEO **Joanna Mojica**
holds all the cards.



Photography by Jun Pinzon Grooming by Arlene Adto

Moving Target: Advertising in a Digital World

Where is everybody? If you ask zeitgeist analysts and trend spotters, they'll declare everyone is online. If you ask advertisers and media agencies, however, they'll say most of us are still on traditional, above-the-line (ATL) media: television, print, and radio.

For now, traditional media continue to have the upper hand, thanks to habit, prestige, and – for television and radio – reach. According to research company AC Nielsen, over 90 percent of Philippine households nationwide have a TV set, while radio penetration stands at 51 percent. In contrast, only 40 percent of Philippine homes are currently Internet-connected.

And yet, 2014 was supposed to mark the year when advertisers started going digital.

Consumers are all over the Internet, but advertisers are leery to follow suit.

by Veronica Uy

The moment has arrived

This is the general assessment of Joanna Mojica, chief executive officer of Starcom-MediaVest, the country's leading full-service media consulting agency. One of its key services is to advise its clients on which media platforms can best reach the desired target market.

"The moment we have been waiting for, when digital (media) started coming in, and when we media practitioners began to feel it, arrived in 2014," she insists. This assessment is based on the decreasing viewership and listenership among Filipinos, and increasing usage of digital devices like mobile phones, laptops, and desktop computers. It's a shift that is expected to continue throughout 2015.

The proof is in the spending. Although advertising expenditure on ATL media has increased steadily since 2005, that growth was arrested after July 2014, Starcom-MediaVest data shows.

Advertising expenditure for January to July 2013 rose 10 percent, but ad spend for the same period in 2014 fell 12 percent. Print took the biggest hit, plunging by 18 percent, a turnaround from the 22-percent climb in the same period in 2013. Television slid by 12 percent, likewise a reversal from 2013's 13-percent growth, and radio dipped by 4 percent, cancelling out the previous year's 4-percent increase.

The numbers are particularly critical

for print, which has the smallest slice of the ATL pie: an aggregated P5.3 billion as of July 2014, compared to television's whopping P131.76 billion and radio's P32.17 billion (see "Going Digital to Save Print" on page 10).

Show me the money? Not yet.

The decline in traditional media spending was not offset by direct increases in digital media expenditure, unfortunately. "*Piso por piso, hindi lumipat* (peso-for-peso, there was no transfer)," Mojica says. Of the total advertising pie, only 5 percent went to digital.

No doubt, digital media is still expanding at an exponential rate, propelled by digital-specific platforms like search, social media, and display ads. The problem is, advertisers don't know where to place their bets.

"It's human nature," observes Mojica. "Advertisers want to know if it's effective, if it will work. The risks they are taking are very small and calculated."

This reticence is all the more perplexing given the 24/7 availability of digital media.

"The cost of digital is not equitable. Digital media is always on but the reality is, it's always on at P5 of the P100 ad budget," she says.

This lack of advertiser investment remains the toughest single challenge facing digital media today. "The weight

FILIPINOS SPEND
65.2 mins
 ON THE WEB
 EVERYDAY ON AVERAGE

on digital," she adds, "is to show that it is effective."

Still, changes in attitudes have begun to make a difference. There are advertisers such as multinational corporations versus local, all other industries, telecommunications companies, airlines, and those in the business of fast-moving consumer goods that embrace innovations, and these companies outspend others in the digital arena. Mojica singles out these "early adaptors that have it in their DNA" to benchmark lessons in the midst of shifting tides, and points out that these businesses spend 10 to 20 percent of their budget on digital media.

The Manila Electric Co. (Meralco), in particular, has been quick to seize the opportunities digital media offers for connecting directly with its customers. It was the first utility to be on social media sites Facebook and Twitter, and among the first to share the success stories of its customers online. The social media sites not only allow customers to make direct inquiries and comments in real time, these also give Meralco a means of disseminating vital information and dispelling rumors and misinformation.

Mesh-y landscape

The media and advertising landscape is in the process of transformation as all the platforms continue to enmesh. For its part, digital is a unifying platform,

delivering a broader scope, greater speed and instantaneous and precise feedback.

This mesh is exemplified by the ATL campaigns run by Starcom-Mediavest for its online e-commerce clients. These companies saw their on-air exposure immediately translate into online inquiries and eventual sales. "There is a correlation between airtime and online activities," Mojica says. "Digital will thrive more if it leverages on the analog."

Many remain wary and advertisers ask: "Can my campaign survive if I go 100-percent digital?" Mojica says the answer is yes, for a short-term campaign, but not yet for the long term.

She believes traditional media is not dying, and that digital media offers opportunities for the expansion of the former. "Print becomes print-plus," she explains, "with the capability for audio and video. This is the same with radio and TV."

In practical terms, for instance, print-based writers can turn into what she calls "influencers."

Radio remains particularly resilient; in times of calamity, when power is out for long stretches of time, it persists as the go-to medium for information.

Natives versus migrants

The socio-economic demographic also keeps analog in play, as the D and E classes still make up 85 percent of the population. However, the cliché "the youth are the future" has never been truer.

Digital's strong hand lies in the changing ways people communicate. The 15-to-24 age group – Mojica calls these people "digital natives" compared to older "digital migrants" – comprises 42 percent of online users. These future consumers are more adept at navigating the information highway.

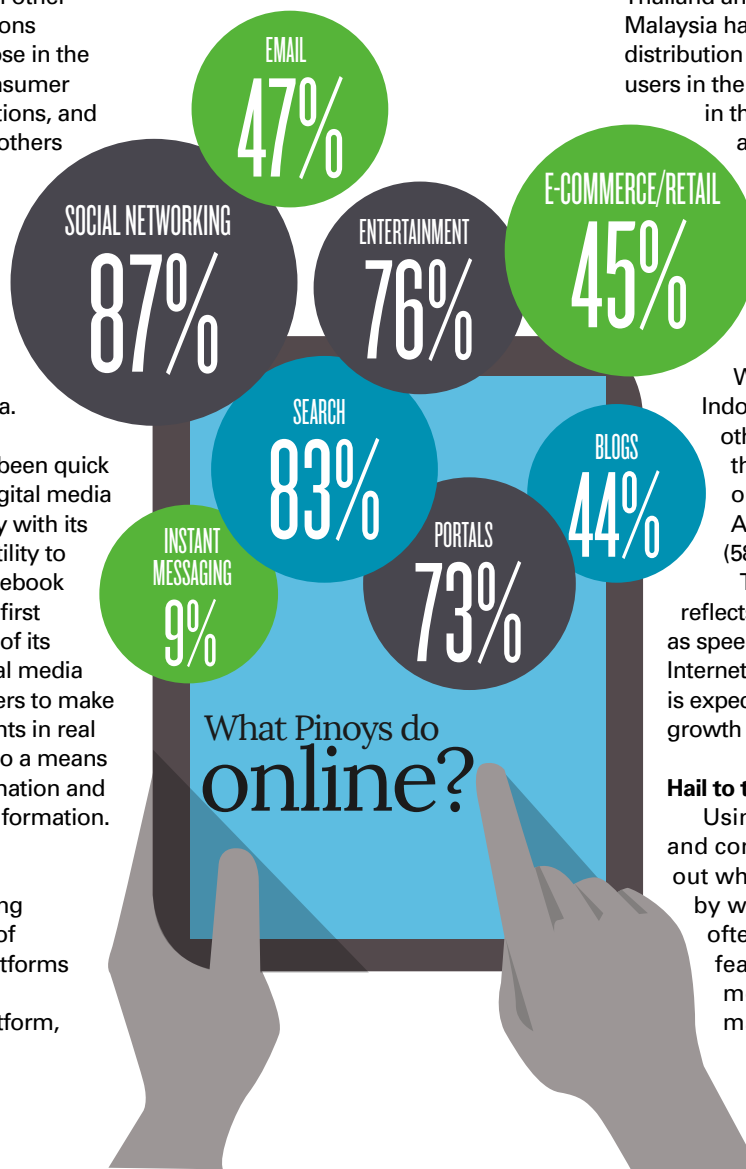
This high ratio of young online users is similar to that of India, Indonesia, Thailand and Vietnam; China and Malaysia have a more equitable distribution across age groups. Online users in the more developed countries in the Asia-Pacific region such as Japan, Hong Kong, Singapore, Australia, New Zealand and Taiwan consist mostly of digital migrants.

In average daily usage, Filipinos spend 65.2 minutes on the Web, roughly the same as Indonesia's 65.7. In fact, the only other countries in the region that spend less daily minutes online are Singapore (63.8), Australia (59.4) and India (58.1).

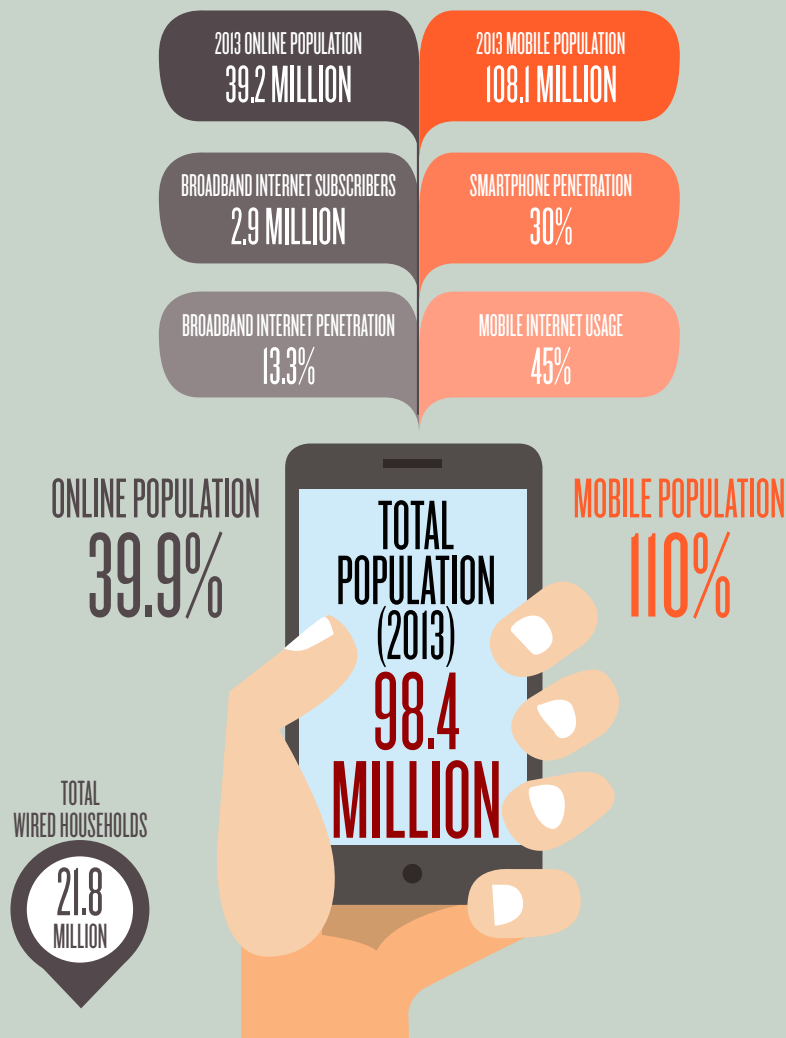
The demographic data reflects economic growth, as well as speed, access and availability of Internet connection, and Internet use is expected to increase along with growth in these areas.

Hail to the king

Using digital media, advertisers and content developers can find out what information was seen by whom, where, and when, often in real time. This is a feature unique to the digital media landscape, providing marketers and advertisers



Who are online?



DEVICES USED TO ACCESS INTERNET (total wired population)

PERSONAL PC/LAPTOP



89%

MOBILE PHONE



49%

WORK PC/LAPTOP



38%

TABLET



26%

Lack of advertiser investment remains the toughest single challenge facing digital media today.

accurate and precise consumer information.

This information is not merely passive. The interactive nature of digital media has ushered the consumer back in the driver's seat, with a stronger voice and greater influence than ever before. More than ever, the consumer is king.

"It used to be a monologue, in analog," Mojica recalls. "Now [the message stream is] multi-directional."

The consumer is also a creator. Sites like YouTube and television networks such as ABS-CBN, GMA, and TV5 welcome content by their audiences. This level of engagement strengthens the relevance of the brand to the lives of the consumers. It translates to "empowerment, and a deeper type of relationship," according to Mojica. "Advertisers should welcome consumers co-creating with them, being inspired by the brands or inspiring the brands," she adds. "That's the beauty of the digital future. In the end, the consumers are the winner, getting the information they want, however they want it."

Media producers need to embrace this new reality: Virtual will follow real. "You have to be ready to hear the good as well as the not-so-good," she advises. "The information highway is so complex. It's not just one-way or two-way."

The digital surge is still a long ways away from become a tsunami. Current stakeholders – advertisers, media placement agencies like Starcom-Mediavest, and the media industry – all need to pitch in, contribute their strengths, and transform their mindsets to help each other benefit from the digital spaces.

"Even we media practitioners, who are experts in analog, need to shift and learn as well," Mojica points out. "Be a student again, that's the reality check. The good thing about digital is that everybody's on a learning mode, no one is an expert. Everyone is learning." 📱

*All data used in the graphics are courtesy of Starcom-Mediavest.



SAVING LIVES – AND THE ENVIRONMENT – WITH ‘SALBA-BOTE’

OMF helps Filipinos prepare for calamities with re-purposed plastic bottles.

holds large, empty softdrink bottles. An invention that displays local ingenuity using readily available materials, Salba-bote provides life-saving buoyancy during serious floods.

Forgotten disasters

Gordon's impassioned remarks at the MOA signing dwells on the importance of each life saved, or lost, during calamities. "At the Red Cross, we always count bodies," he notes. "Whether that human being died before, during or after the typhoon, we owe it to the living to let them have closure. We must acknowledge that he was a living person."

He warns against crowing over December 2014's typhoon Ruby (codename Hagupit), which by the PRC count claimed 32 lives, 12 by drowning, in contrast to more than 7,000 dead and missing from supertyphoon Yolanda (codename Haiyan) in November 2013. "A typhoon played down becomes a forgotten disaster," he stresses. "For a lot of people, their homes were totally demolished, they have no creature comforts; no clothes except what they have on their

One death is still one death too many," declares Philippine Red Cross (PRC) Chairman and former Senator Richard Gordon. He says this at the signing of a memorandum of agreement (MOA) with the One Meralco Foundation (OMF) to launch the Salba-bote project last December 12.

Salba-bote (from *salbabida* or lifesaver and *bote* or bottle) is an improvised flotation device (IFD) from a rubberized mesh bag that

backs; no food."

People from various regions and socio-economic strata must become "conscience-sitized," to do more to help at-risk communities before calamities strike. Gordon sees Salba-bote as an important step to help save many lives.

Save and be saved

An initiative launched by Manila Electric Co. (Meralco) through its Typhoon Watch Program, the Salba-bote program aims to keep Filipinos typhoon-ready. The IFD design uses highly affordable and environment-friendly materials.

The OMF, the power utility's corporate social responsibility arm, worked with the PRC and the Philippine Coast Guard Auxiliary (PCGA) on the design of the Salba-bote. The IFD has a large pocket for emergency supplies. Tether straps and clips can anchor to a tree or a pole and prevent the wearer from being carried away by floodwaters, and link several Salba-bote bags to keep family members together. Several Salba-bote units can be used to build rafts to tow infants, the elderly or the disabled.

PRC is considering making Salba-bote a regular part of its disaster-preparedness training. "The foundation (OMF) supports how it makes people, especially those near



Salba-bote improvised flotation devices have undergone rigorous testing by the Philippine Coast Guard Auxiliary, to ensure reliability and functionality during emergency rescue operations.

hazardous areas like rivers, more conscious about being prepared," Gordon remarks. "People can make things to save themselves, like Salba-bote, and even profit from it."

The PCGA received 100 units of Salba-bote from OMF at a turnover ceremony last October 30, attended by Rear Admiral Valentin B. Prieto Jr., the PCGA National Capital Region-Central Luzon district director, and by OMF President Jeffrey Tarayao. "We are very thankful to PCGA for being with us from the very beginning of this project," Tarayao says. "We gained leverage from their expertise as a rescue organization to make Salba-bote a really effective flotation device to save lives."

The PCGA donation marks the first rollout of the IFD; more units are earmarked for distribution to the PRC, the City of Marikina, and Meralco rescue teams. Tested and certified by the PCGA, the IFD will be used by volunteer rescuers who brave stormy weather to save lives.

Along with Meralco, Pepsi Cola Products Philippines Inc. and Glad

Philippines also support the project. "We welcome future initiatives of other organizations to produce Salba-bote on their own," Tarayao adds. "The very simple design can be adopted by as many Filipinos as possible."

Gordon hopes to share Salba-bote with overseas Red Cross and Red Crescent organizations. "This is something Third World societies can do," he vows. "Bangladesh, African nations, China and Indonesia; countries along the Mekong River like Vietnam, Thailand, Laos and Cambodia, even Myanmar. People in areas with mighty mountains and rivers, and people living beside them, need to know this."



Philippine Red Cross Chairman and former senator **Richard Gordon**



GOING DIGITAL TO SAVE PRINT

The country's oldest newspaper gets a cutting-edge makeover.

by Jun Ebias

A newspaper represents one of the last true analog media. You hold it in your hands; feel the texture of the paper; smell the ink. After you devour its contents, it goes on to serve dozens of other functions: kindling for the barbecue grill, drip catcher for paint, or wrapper for seafood at the wet market.

However flimsy or temporary, each roll of newspaper is born from a vast stream of resources. At the Manila Bulletin, which was founded in 1906, massive, four-story-high, state-of-the-art printing presses consume tons of paper, gallons of ink, and megawatts of electricity each day. All fed by a tireless team of journalists bringing in an endless stream of stories.

Yet no matter how advanced the printing press is, the wired world is altering the landscape of the newspaper industry.

Manila Bulletin Vice-Chairman **Emil Yap** opens the newspaper to new technology.





From newsprint to platforms

Digital technology is undoubtedly changing the way news is consumed by people, who no longer want to wait for the next day to know what's going on in the world. As much as possible, they want to get the news as it happens, in real time, anywhere and everywhere. Industries involved in traditional media like newspapers have little choice but to relentlessly innovate to stay relevant.

"Fighting it is futile," says Emil Yap, 42, grandson of the Manila Bulletin's late chairman Don Emilio Yap and vice chairman since the latter's death in April 2014. The younger Yap is steering the newspaper's journey into the digital age where news is consumed 24/7, whenever and wherever consumers want them.

"We've been observing this transition since the '90s and we have been investing in new technology ever since," he remarks. "We went online in late 1999, but it was very primitive given the technology at the time. In early 2000, we really invested heavily in digital technology and looked for ways to shape it into something that people would patronize." Today, the country's oldest newspaper delivers big breaking news in real time through its online portal (<http://www.mb.com.ph/>), as well as stories published in its daily print edition. But rapid changes in digital media and consumer habits call for its constant adaptation just to keep up. This drove the company to make Manila Bulletin

Manila Bulletin's reporters and editors are being trained to adapt to digital technology and embrace social media to share updates via Twitter and other avenues.

available across multiple platforms, including laptops, tablets, and mobile phones.

Boosting online presence

Yap is perhaps the perfect executive to help the venerable broadsheet survive the digital media onslaught. Aside from his relative youth, he possesses vast knowledge in new technology and is an eager early adopter (he almost always has the latest electronic gadget and mobile device even before these are locally available).

His career at the Manila Bulletin began in 1991 while still an accounting major at De La Salle University, although he was only formally brought into the company after graduating in 1994. Even before he was officially hired, he was already involved in pushing the newspaper into the digital age: introducing desktop publishing, computerizing the printing process, and upgrading the presses to handle full color printing.

"I was actually assigned first in the bank (Philtrust) to help computerize it. Computerization is something my

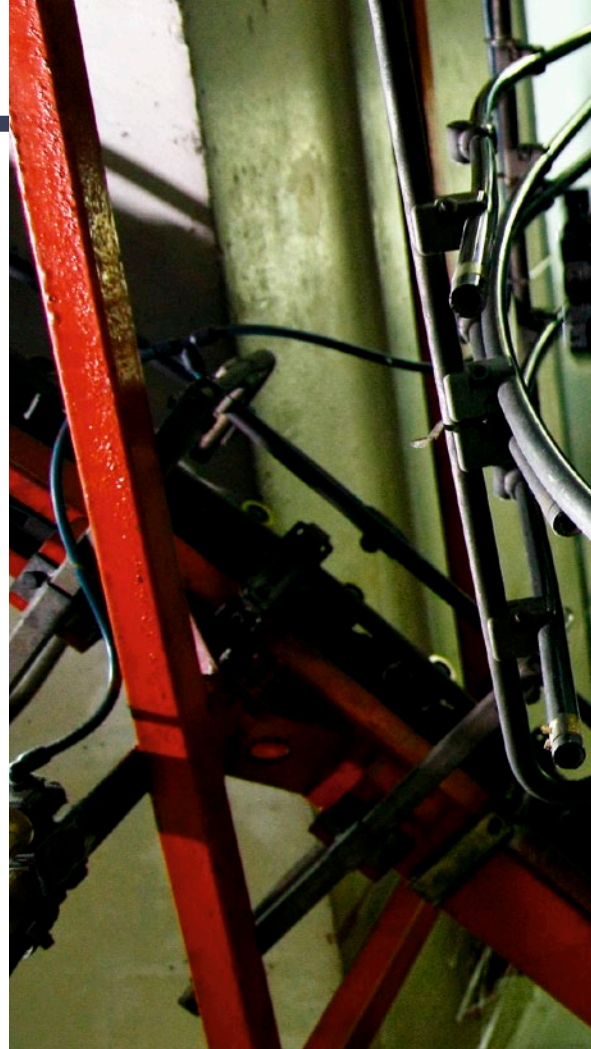
social media to share updates via Twitter and other avenues.

The editorial staff is being beefed up with younger reporters who are more adept at the use of new technology. Editorial staff contributions comprise 65 percent of print and 35 percent of online material, but Yap hopes to balance this ratio at 50:50 soon.

Other media outlets prefer to keep separate their print and online businesses – including staff and employees – but the Manila Bulletin prefers to merge them.

This integration of traditional and digital media allows the old and new generation of reporters and editors to interact and create an environment where they can learn from each other. "Our point is to manage our assets and maximize their potentials together. The problem with having separate operations for print and online is that it will generate competition. While a little competition is good, it might reach a point where it will derail everything," Yap explains.

The biggest challenge, he admits, is revenue.



To attract a new generation of readers, the newspaper has promoted itself, through TV and movie-theater ads, as the best source for improving English literacy.

grandfather said is best left to the younger generation. After that, he then asked me to help turn the Manila Bulletin into a colored newspaper. So I was moved to the paper, the stewardship of which he eventually assigned to me."

After computerization, Yap next focused on giving the broadsheet a more visible online presence. In fact, when online flip magazines were just becoming locally available, the Manila Bulletin had already put out its e-paper format. Readers need only to subscribe – for free – to access the entire paper online, including advertisements and obituaries.

Merging print with online

With news, "freshness" is measured in minutes, Yaps says. Manila Bulletin's reporters and editors are being trained to adapt to digital technology and embrace





INTEGRATED TRADITIONAL
AND DIGITAL MEDIA LETS OLD
AND NEW REPORTERS
AND EDITORS LEARN FROM
EACH OTHER.

Finding money in other places

The online platform is expensive to run and is still not making money, Yap admits. This is exacerbated by a decline in advertising, a problem not unique to the Manila Bulletin.

According to a report by Nielsen Media, a global information and measurement company, annual expenditures by advertisers in print publications have basically been unchanged.

From a high of P12 billion in 2005, ad expenditures for print fell by 23 percent to P9.24 billion in 2006, before recovering by 15 percent to P10.65 billion in the next year. After hitting a high of P12.8 billion in 2010, which was notably, an election year, ad spend in print again started slipping annually, dropping to P11.7 billion in 2013.

The year 2014, did not look so promising either. In the first half of 2014, ad expenditures were down 18 percent to P5.3 billion, from P6.47 billion in the same period in 2013.

"Before 1997, advertising in the paper was very, very lucrative. Had it gone at that pace, we would have made back everything [of the P3-billion investment

in the printing press] in six or seven years as per computation. But because of the Asian financial crisis, and all the turmoil worldwide, and the Internet, everything has slowed down. We're still on track to making back everything, it will just take a little bit longer," Yap stresses.

Print circulation has also fallen sharply ever since news became available online and for free. Newspapers all over the world are hit hard, and some are forced to fold up.

Manila Bulletin's print-circulation numbers have dropped from a peak of about 480,000 daily in the mid-'90s, to between 300,000 and 320,000 today.

"The market is different today. The younger generation doesn't read news, it reads *chismis* (gossip)." To attract a new generation of readers, the newspaper has promoted itself, through TV and movie theater ads, as the best source for improving English literacy. This is derived from the insight that everyone – but particularly new graduates – needs superior English language skills to get ahead, whether as a call center agent or an expat employee.

Its new TV ads urge readers "to be fully informed" about issues by reading Manila Bulletin, instead of relying on social media.

The paper is likewise looking at other ways to maximize its revenue sources. Not relying solely on newspaper ads, the company also handles outdoor billboard advertising (see "Moving Target: Advertising in a Digital World" on page 4) and accepts printing jobs.

To cope with falling revenue, the paper tries to keep its expenses from going up, particularly on electricity. To this end, it works closely with the Manila Electric Co. (Meralco) to save on power costs.

"Electricity is our major expense, after paper and ink," Yap reveals. "So we've consulted with Meralco on what type of equipment we should install to maximize certain aspects, like capacity load, to lower our electric consumption. We have frequent meetings with them to see if our systems are running efficiently or not."

Manila Bulletin has also changed its lighting fixtures to make them

GLOBALLY, THE NEWSPAPER INDUSTRY IS STARTING TO GROW AGAIN

Global, total newspaper publishing revenue, 2009-2018 (US\$bn)



source of data: PricewaterhouseCoopers

more environment-friendly and power-efficient, he adds.

The publishing company will also be participating in the Department of Energy's Interruptible Load Program (ILP) in 2015, committing to use its 6.5-megawatt generators to power its printing presses during the summer months, when electricity consumption is at its peak in the country.

Under ILP, businesses whose power usage run to at least 1MW can commit to run their own generator sets instead of drawing power from the grid. By doing so, companies which sign up for ILP, like the Manila Bulletin, can ease the strain on the Luzon power grid. This in turn means sufficient supply for smaller businesses, thus assuring the country's continued prosperity. Rewiring and rewriting

the future remains both challenging and promising. Despite present difficulties, Yap vehemently disagrees that online media will kill print media.

His optimism is not misplaced. According to a global entertainment and media outlook (2014-2018) posted by professional services network PricewaterhouseCoopers (PwC), the revenue decline experienced by the newspaper industry worldwide will finally end in 2015. In particular, the report points to Asia Pacific and Latin America as regions that will dominate the growth in newspaper publishing from 2014 to 2018. It specifically identifies the Philippines as a higher growth, smaller-scale market worth less than US\$2 billion (P90 billion), with a positive compounded annual growth rate in 2018.

According to the report, "these

countries provide opportunities for growth, whether in the connected, affluent and highly educated smaller markets of Asia Pacific (Singapore, Taiwan, and Hong Kong) or their more populous neighbors (Vietnam, Philippines, Thailand). The smaller countries of Latin America will also see growth in the newspaper publishing sector in line with their wider economic development."

The media outlook is part of a series of consumer and advertising analyses conducted by PwC and provided to its clients.

Yap's industry forecast is quietly optimistic. "Are we going to see the death of print media? Definitely not! That's where journalism started. It will settle (down with) a lower percentage of the pie, but it is here to stay." (*With Ma. Stella F. Arnaldo*)

Christmas. with the Concepcions

Family traditions go hand-in-hand with corporate vision

by Karen A. Capino

*During Christmas, the Concepcion family - one of the Philippines' most enduring entrepreneurial families - love getting together during clan reunions usually hosted at the home of RFM President and Chief Executive Officer **Jose Ma. "Joey" A. Concepcion III** (third from left, back). From left, back is Concepcion's mother **Marivic** (née Araneta), his wife the former **Marissa Orosa**, and their five children. Seated in the foreground is RFM Chairman **Jose "Joecon" S. Concepcion Jr.** (Photo courtesy Concepcion family)*

The tranquil Makati home of RFM Corp. Chief Executive Officer Jose Ma. A. Concepcion III contrasts with the maddening EDSA traffic not 200 meters away. The silence is truly golden, the stillness absolutely amazing. Yet despite its apparent serenity, Christmas preparations are in full swing.

The large dining table is set with

folded napkins, polished silverware and festive china. A tall Christmas tree nearly grazes the ceiling of the elegant living room. One wall has Christmas wish lists inside five red stockings that hang beneath framed photos, each of a child.

"Christmas is really for the children," muses Concepcion, 56. "My daughter Isabella, now 7, looks forward to it every year. She



reminds me of when I was growing up, but Christmas reminds us adults about how old we've become."

Family comes first

Called Joey by his peers, this family man is proud of his wife, Marissa (née Orosa), in charge of decorating the home. He has fond anecdotes of his children: Christian, 27; Margarita, 24; Catherine, 21; Monica, 17; and Isabella, 7. To help them find their purpose in life, he builds personal relationships with each of his children and spends quality time with them especially during the holidays. "Over lunch, we don't talk about work," he reveals.

"Family" has a broad definition for this third-generation member of the Concepcion clan; the holidays are big, fun, colorful events, especially when he is the host.

Christmas is spent with his loved ones. Christmas Eve is usually celebrated with Marissa, the Orosa clan, and close family friends. The grandkids put on a show with lots of merry singing and dancing, and the whole family joins in for games and contests before they celebrate Mass.

The Concepcion kids open their gifts the next morning and have lunch at the home of their grandfather, RFM Chairman and social activist Jose "Joecon" Concepcion Jr. Then the Concepcion clan – which includes the families of Joey's siblings and of his uncle Raul (Joecon's twin) and aunt Mely Hechanova – gather at Joey's home with food, gifts and yet another Christmas evening program. "Marissa prepares and hosts the games," he adds, "and it's a good time to update the clan's photos."

Concepcion and his siblings once spent holidays overseas, often in the US, with their father Joecon and mother Marivic (née Araneta). In the past four years or so, the venue for Christmas reunions and his father's birthday party is the family's Batangas beach house. With his parents grown older, he says he enjoys having the entire clan spend the last weeks of the year together, adding, "with the fourth generation, that's more than a hundred of us together at Christmas."



The white-and-red Christmas dinner setting was especially created by Marissa Concepcion.

So much to celebrate

The Concepcions' Christmas gatherings are traditionally Filipino: an occasion for the family to recollect and create memories and indulge in a variety of food.

It is with food that highlights the way Filipinos celebrate Christmas, and how the Concepcions have become part of the Yuletide feast of millions of Filipinos, thanks to the many brands of RFM. (The company began in 1958 and pioneered the flour-milling business in Asia, with lawyer, economist and industrialist Don Salvador Araneta as its founder.)

"Our Selecta ice cream sells a lot during Christmas," shares Concepcion, "and the (Royal and Fiesta) pasta, too." Other familiar favorites are White King flour and pre-mixes such as pancakes, *champorado* (chocolate porridge) and *bibingka* (traditional rice cakes), and drinks that include Sunkist, Alo Green Tea, and VitWater Power.

RFM reported a net income of P579 million in the first nine months of 2014, a 10-percent year-on-year increase. Concepcion is confident that the company finished the year strong, despite operational bottlenecks due to the congestion at the Port of Manila. As to Metro Manila's Christmas gridlock? "Horrendous traffic is a sign of economic activity."

Concepcion says RFM's business

prospects for 2015 and beyond are bright as the company seeks to be the market leader in the ice cream, milk, and pasta sectors.

He is also enthusiastic about the movement he has helped establish for entrepreneurs, called Go Negosyo (Go Business). "We wanted to give back. My way is through Go Negosyo, as an entrepreneurship advocacy."

The spirit of inspiration

Concepcion turns out to be a zealous crusader for entrepreneurship.

"At Mass, you are inspired by the priests to grow spiritually," he explains. "When successful entrepreneurs tell their story, people get motivated. It's like fuel in the engine that drives people to succeed."

With over 400 members, Go Negosyo's regular programs take on the spirit of a religious revival, with testimonials from people of varied circumstances.

"So many entrepreneurs from the provinces have done very well," Concepcion attests. "This is why we have compiled, to date, nine Go Negosyo books, featuring entrepreneurs with unique stories."

Those who succeed have passion, persistence, perseverance and the awareness of what one is good at. Recognizing failure is also vital. "(Having) five winners can



'With the fourth generation, that's more than a hundred of us together at Christmas.'

- RFM Corp. CEO Joey Concepcion

cover for all the losers," Concepcion believes. "My learning is to focus on your core strength and be the best, innovate and be creative. Many succeed because of optimism, strength of character and grit."

When Senator Bam Aquino in June 2014 helped win approval of the "Go Negosyo Bill" in both houses of Congress, it was an early Christmas gift to Concepcion. The bill aims to help micro, small and medium enterprises (MSMEs) through Go Negosyo centers that simplify the tedious registration process for business owners. It will also link MSMEs with relevant markets and networks of buyers, critical to their sustainable growth.

Gifts that keep on giving

One Christmas tradition adopted by the Concepcions encourages their kids to share their blessings, reaching out to organizations that help street children and distribute goods. It's a principle that also works in the business world.

"The wealthy cannot control the entire nation, and big corporations can't control the economy," Concepcion states. "Big corporations must help small businesses move up from micro to small, small to medium, medium to large. Change the pyramid to accommodate the wider middle-class sector."

Businesses sharing their blessings with other businesses: it's the spirit of Christmas writ large, a practice that benefits employers and employees and paves the way for a more progressive and equitable society. 🍷

The Manila Electric Co. (Meralco) works closely with Go Negosyo to drive the growth and development of small businesses, new and old. The power company established Meralco SME Partners to offer technical expertise, consultation and auditing services, and energy-saving schemes to small and medium enterprises. In helping them manage their electricity costs and boost their efficiencies, Meralco actively contributes to the success of hardworking entrepreneurs.



Creating Original Content

Challenges and opportunities in the increasingly lush IT landscape.

by Jose Bimbo F. Santos

Despite a few speed bumps, on balance 2014 was a great year for technology companies globally. The upbeat fortunes and bullish outlook are also reflected in the region and in the Philippines, as consumer and enterprise information technology (IT) remain

driven and shaped by the overarching forces of cloud resources, mobile application analytics, and social media.

As consumers and companies grow more prosperous, a directly proportional increase in their appetite for IT products buoys the industry's upward trajectory. And as the vision of a global marketplace becomes a reality on the Internet, the prospects for tech companies become rosier.

In the Philippines, the room for market growth remains significant. American IT market research firm International Data Corp. (IDC) says information and communications technology (ICT) spending for consumer products alone in the Philippines likely grew by over a tenth, to US\$6.76 billion (P304.2 billion) in

2014. Over three-quarters of total ICT spending that year comes from hardware, particularly mobile devices, with prices at an aggressive decline due to intense competition.

As more Filipinos own mobile devices, boom times are ahead for gaming, entertainment, and enterprise apps.

Apps at the top

At the corporate end of the spectrum is web solutions and mobile content developer Novare Technologies Inc., a Hong Kong-based company with operations in the Philippines.

"We are not consumer-based," comments Peter Paul Laud, Novare managing partner for financial services sector. "We are really corporate. So when people say, 'Oh, you build mobile apps?' No, we say; we build mobile solutions."

Novare will merge with systems integrator Micro-D International (MDI), a deal expected to be finalized in 2015.

"The Novare side lends a lot of the innovation, and it's very important because we are not necessarily big in the Philippines," Laud says.

OVER 3/4 OF TOTAL INFORMATION AND COMMUNICATIONS TECHNOLOGY SPENDING IN 2014 CAME FROM HARDWARE, PARTICULARLY MOBILE DEVICES.

MDI, established in 1988 by pioneering Filipino techpreneur Myla Crespo Villanueva – she is also co-founder and chief executive officer of Novare – has hundreds of customers in the Philippines, including large enterprises such as the Manila Electric Co. (Meralco), PLDT, Smart Communications, Globe Telecom and the like, while Novare has a more international portfolio, with big-ticket clients such as China Mobile and Bharti Airtel of India.



As cloud-based costs decline, there is greater customization. 'That's the beauty of on-demand capability.'
- Novare Managing Partner for Financial Services **Peter Paul Laud**

Aside from systems integration, which is more in the purview of MDI, Novare engages in creating enterprise-grade mobile applications to automate business processes through the use of a handheld device.

"We have a number of mobile apps on security. On the asset side of the banking sector, we have mobile credit investigation, mobile appraisal, and the like. Today, mobility is very key, so we have built it on both iOS and Android [platforms] for banks to roll it out to their users or field investigators for CI (credit investigation) or appraisals. Some are also for opening of mobile [bank] accounts – we have that kind of software," Laud discloses.

He adds the company is currently developing solutions that would be used on a large scale by its clients. He cites Meralco as an example, whose customer care or technical staff receive a number of requests to attach poles or other services. "There's a service request that comes through and there's also a fulfillment of that service, and that is important to have that downloaded on the mobile device."

He continues: "Meralco has those tablets where that service request is pushed through – you can see your task for the day, and it's really a question of what is the task, what is your location, what is the best route... so that's what we've developed, we call it service or sales force automation."

Laud says they set up the field force automation used by the service engineers of Meralco years back when the company was still in the BlackBerry mode.

Novare is also getting into transforming companies' physical servers to cloud-based servers. "We are helping all these enterprises transition from the traditional physical servers onto the cloud, all through the steps of the 'think-build-run,' - the 'thinking and the building', which is actually the migration and consolidation of the servers, and then all through the 'running it' as managed services," he says.

As the cost of cloud-based services decline, Laud observes that more and more companies see the benefits of Novare's services which, compared to legacy systems, are more cost-competitive and capable of greater customization.



THERE ARE 60 GAMING STUDIOS IN THE COUNTRY WITH A COMBINED WORKFORCE OF ABOUT 3,500, A DROP IN THE GLOBAL BUCKET.

"The growth of the need for technology is just becoming so much faster," he stresses. "These things are just becoming on-demand. It's just so easy to say: tomorrow I need to simulate a certain load, or understand a computation. That's the beauty of this on-demand capability, as the cloud in effect will help you go and traverse and do the scale on the fly and come back tomorrow and just pay for it."

Business as play

There's a class of apps that many business owners probably wished were never created: games.

For Alvin Juban, president of the Game Developers Association of the Philippines (GDAP), promoting locally-developed games is what he lives and breathes, despite years of neglect from the government.

"Now, we have the support of DTI (Department of Trade and Industry)," he notes, "because before, they never really cared much about us."

Fresh from a trade fair in Canada to promote the industry, Juban is set to depart for South Korea for another round of promotions, with both trips sponsored by the DTI.

As a reference point for the industry's growth prospects, he cites Vietnam's case, where the gaming industry reportedly reaps US\$10 million (P450 million) a month.

"Vietnam has a similar population and a similar demographic to that of the Philippines, so don't tell me it can't be done," he points out, drawing inspiration from the country that produced 2013's runaway global hit, *Flappy Bird*.

For now, Juban stresses there is a

great amount of work to be done, especially to amplify an awareness of the country's capability.

"Our idea is not to sell our companies," he clarifies. "Our idea is to sell the Philippines, because we are not really known worldwide."

He reveals there are about 60 gaming studios in the country with a combined workforce of about 3,500, a drop in the global bucket.

"Right now, when you talk to a foreigner and you mention the Philippines, he'll be, like, 'Oh, Boracay? Oh, bananas and mangoes!' It's not (about) technology, it's not (about) gaming. And that's what we want to put across," he insists. "That we are capable."

Stumbling block

Juban admits a major stumbling block in terms of monetizing content in the country is the low credit card-use penetration.

"The barrier is the mode of payment," he explains. "The only way to pay for all these mobile (services) is through a credit card."

Credit-card holders in the country range from a marginal three to seven percent of the population. With such numbers, Juban says most IT developers must scrape up revenue through advertising.

Richard Francisco, general manager of value-added services at Cosmic Technologies, which owns Cherry Mobile, says for now it is important to consistently generate content.

"First of all, you have to populate, and then once you've got enough to get people's attention, that's when you figure out how you monetize," he adds.

Developer-friendly

Cosmic launched the "Pinoy Appshop," an application pre-loaded on Cherry Mobile devices so users can shop for locally developed apps.



'The more people want to play mobile games, the more people would need mobile phones.'
- Cosmic Technologies GM of Value-added Services
Richard Francisco.



'You really have to be developer-friendly, so people will just walk in and drop an app on your store.'
- Game Developers Association of the Philippines President
Alvin Juban

Developers can put their apps on the platform at no cost and without exclusivity clauses.

Juban says the absence of exclusivity is important to encourage more content.

"You really have to be developer-friendly, so people will just walk in and drop an app on your store," he remarks. "You have to give them a light at the end of the tunnel."

Francisco believes Cosmic can afford to sustain Pinoy Appshop due to the viability of its other platforms.

"Right now, Pinoy Appshop is not self-liquidating," he concedes, "but we've got other platforms that are able to sustain it. By having more resources to play around with, we can afford to put up things like Pinoy Appshop to help local developers."

Despite its sheen of altruism, the project remains strategic and beneficial for Cherry Mobile as it strengthens the supporting IT ecosystem and props the demand for smartphones.

"This also goes back to us, because the more people want to play mobile games, the more people would need mobile phones," adds Francisco. "It will be good for the industry; hopefully, it will trickle back to us as well."

Industry champions

Juban and Francisco cites two success stories that show the way forward for local developers.

One is Erik Garayblas, who created the game *Streetfood Tycoon* as CEO of Kuyi Mobile. The game, which is available on Google Play and App Store, got over a million downloads.

"It was just by word of mouth. Everybody just got excited of the idea of a Pinoy game," Juban said.

Bari Silvestre, who is behind Keybol Games, is another story.

He started out with and became famous for *Splitman 1* and *2*, the free webgames that Silvestre monetized only through advertising. Recently, his new creation, dubbed *Pretentious*, won Director's Choice award and was nominated for Best Storytelling at the gaming event Casual Connect in San Francisco.

But Juban notes that what makes Silvestre's success more resonant is that he is not the typical tech-savvy Manileño. Silvestre grew up in

Pampanga and had no professional background in computer science before he decided to make games.

"But he wanted to learn, and he did," enthuses Juban. "He just knew what kind of games would stand, and he just did it, and he's still doing it."

Two tiers of service

The on-demand and mobile-centric character of IT products and services also gave rise to on-demand streaming services, where users can watch TV shows and films at their convenience. ABS-CBN's iWanTV is a prime example.

The service uses browser-based and mobile app iterations, and operates on a "freemium" model to let viewers freely access the last three episodes of any show. The entire library and other premium content are accessible only to ABS-CBN or SkyCable subscribers. The service is also available via ABS-CBN Mobile via the iWanTV app.

Nandy Villar, head of marketing at ABS-CBN Convergence, says the service currently has 4 million subscribers.

"iWanTV offers two separate services, free and paid," he clarifies. "Under the free tier, everybody can sign up and enjoy free programming. But our more premium shows are available exclusively to paid subscribers."

Aside from shows from ABS-CBN, Studio 23, DZMM TeleRadyo, and ANC, users can use the service to watch foreign shows on channels such as NatGeo, the Food Channel, E! and Cartoon Network.

"What it provides," says Villar, "is a service for those who want to catch up on their favorite shows despite their busy schedules."

He admits that digital media now accounts for a significant part of the network's overall business strategy.

"As data increasingly gets bigger, the cloud really becomes more relevant," he continues. "That's a universal strategy for many. It is very important because the digital medium is gaining a lot of dominance, so it supplements traditional broadcasting."

He doesn't see television's audience getting poached despite the

dramatic growth of these newer digital services.

"iWanTV is not competing with traditional TV; it's a complimentary service for those who want to keep up to speed with their favorite local TV programs," he insists. He also adds that iWanTV wasn't set up to be like Netflix, a subscription-based, on-demand streaming service for films and TV shows based in the US. "The rumors of TV's death have been greatly exaggerated."

Villar adds that TV shows have now greatly improved in terms of scripts, dialogue, and casts which features many popular film actors, making them at par or even better than movies. This makes more people turned on to their TV sets rather than going out to the cinema. Networks like ABS-CBN that have online streaming services can enable their viewers to access the shows they follow or have missed.

Investing in integration

This increasing appetite for content – whether for enterprise applications or personal entertainment – is now stirring interest among investors. Early in December this year, the Philippine Stock Exchange saw mobile content developer Xurpas Inc. raise P1.37 billion in a well-received initial public offering (IPO).

Xurpas says it will use the proceeds from the IPO to fund its expansion in Southeast Asia, beginning with a recently acquired 21.7 percent stake in Altitude Games Pte. Ltd., a Singaporean IT company.

This move anticipates the greater shake-up that may happen in 2015 as the economic integration of the Association of Southeast Asian Nations takes shape and potentially ushers in more stakeholders. ICT is also poised to have a more pronounced role as companies build on the power of cloud, mobile applications, and analytics toward finding ways to cut across countries and reach varied consumers.

"It will be one gigantic market, so we have to be a significant player to go beyond Philippines shores," Juban notes.

As the cost of services and products go down, companies may now have little to lose and everything to gain by leveraging ICT to plow ahead of the game. 🍌



'iWanTV is not competing with traditional TV; it's a complimentary service for those who want to keep up to speed with their favorite local TV programs.'

*- ABS-CBN
Convergence
Head of Marketing
Nandy Villar*

Building

a Promising Future

**DMCI Holdings
learns from its past
to push ahead**

by Tina Arceo-Dumlao

DMCI Holdings Inc.
CEO **Isidro A. Consunji**
spreads out company
operations

It's hard to tell from Isidro A. Consunji's casual fashion style that he masterminded the transformation of a family-owned corporation into a publicly listed conglomerate.

D.M. Consunji Inc., the construction business founded in 1954 by his father, David M.

Consunji, is a dominant industry player that in the 1990s became increasingly vulnerable to the unstable economy.

A Civil Engineering graduate of the University of the Philippines, the younger Consunji implemented policy changes that led to the incorporation and listing of DMCI Holdings Inc. on the Philippine Stock Exchange (PSE) in 1995, and created new subsidiaries.

His easy manner belies the fact that his company has not only emerged from a difficult period but has managed to expand the scope of its business.

Today, DMCI Holdings has coal-and-nickel mining interests through Semirara Mining Corp. and DMCI Mining Corp. Its DMCI-MPIC Water

Company is a joint venture with the Metro Pacific Investments Corp., the same conglomerate that owns the Manila Electric Co. (Meralco). Its power business is held by DMCI Power Corp., and its real estate division is managed by DMCI Homes.

Ups and downs in the '90s

As chief executive officer of DMCI Holdings Inc., Consunji reports the diversification that began in the early 1990s was necessary. "Construction is a roller-coaster business," he notes. "You win a project and you also lose a project."

In construction, revenue flows in during boom periods and dries up when economic activity flags. The 1997 Asian currency crisis hit the company hard and drove workers, even good managers, out of work.

Consunji remembers 1997 to 2004 as "difficult years"; big-ticket construction projects dwindled and DMCI's finances reflected it. He learned to keep a closer eye on cash flow.

"Liquidity is important," he stresses.

"One day, we had no credit lines, so we could not pay our bills. We had always relied on short-term money, never long-term financing."

He had to look beyond construction to ensure the company's survival, and hit on the idea of venturing into real-estate development.

Building a new home

Consunji saw that DMCI already had construction equipment, expertise, manpower and contacts, with a pool of architects and interior designers. Crucially, it also had idle land "in the middle of nowhere," in Taguig City.

In 1999, it spun off a new division, DMCI Homes, and put up its first project, Lakeview Manors in Taguig City. DMCI Homes has since carved a niche in the crowded property sector, synonymous with solidly built yet affordable master-planned developments.

"Lakeview was the first time we went outside construction, sold the units and liquidated the land," recalls Consunji. "Then we did it again and again."

He pins this initial success on putting

quality and service above profit, by offering the most value for money with features such as a community swimming pool, large function rooms, and wide roads for easy access.

Buoyant despite setbacks

The market's positive response to DMCI Homes means the subsidiary is now the second largest revenue earner for the group. Sales for 2014 were estimated at P20 billion, quite a leap from initial revenues of just P200 million in 1999. It recently announced the structural completion of Sorrel Residences, a high-rise condo in Sampaloc, Manila, and has just launched its first Makati development, Brio Tower in Guadalupe Viejo.

"We are looking at eventually going national," confides Consunji. "We are now only in Metro Manila, but we are trying some provincial projects." For 2015, he says, they are eyeing projects in Baguio, and in Davao, from where the Consunjis hail.

The success of DMCI Homes helped revive the fortunes of the holding company, which today keeps a healthy balance sheet and manageable debt levels.

This triumph keeps Consunji unfazed and confident, despite uneven results in DMCI Holdings' performance for 2014. Its latest financial report to the Philippine Stock Exchange shows a recorded core net income of P7.54 billion as of November 2014, a 6-percent decline from the P8.04 billion recorded in the same period in 2013.

"[2014] has so far been a mixed bag," Consunji admits. "Real estate is very, very good; coal mining, nickel mining is good, but power is not so good, neither is construction. The volume is good," he concludes, "but the margins are not so good. Overall, I think we will post the same results as [2013]; 2015 should be better."

One skill fits all

Today, the company's traditional construction business accounts for just 11 percent of the annual profit. "Construction is a very tough business," notes Consunji. "You have many factors like price increases, government regulations, the weather, and working with thousands of people.

"It is also a very low-margin business, but it is in that very difficult

'IF YOU CAN SURVIVE IN CONSTRUCTION, THEN YOU CAN EASILY GO INTO SUSTAINABLE BUSINESSES THAT USE THE SAME SKILL SET, WHICH IS EARTH-MOVING.'

Nearing completion, the Flair Towers in Mandaluyong's Highway Hills is one of DMCI's newest luxury residences.



business where we developed our management skills."

His assessment? "If you can survive in construction, then you can easily go into sustainable businesses that use the same skill set, which is earth-moving. Mining is the same, real estate is also related, water is also about putting pipes in the ground, and building power plants is also the same. These are, by far, easier businesses to operate."

Coal mining and power interests combined now account for the majority of DMCI Holdings' total revenues, with 80 percent of its coal power-plant output going to Meralco. The company's Semirara plant currently produces 500 megawatts (MW), of which 420MW go to Meralco. Negotiations are underway for Meralco to contract an additional 300MW.

Meralco's energy engineering subsidiary, MServ, provided DMCI with advice on achieving better energy efficiency, through the use of LED lights and other value engineering projects.

Energy efficiency became an important design consideration: airy, well-ventilated atriums to cut down on air conditioning, and natural lighting to reduce dependence on electricity.

Over the years since he took over the company, Consunji says his vision for DMCI has expanded, although it was not always easy for his father to understand his decisions.

"He is very hard-working, I am not: the company can only afford one lazy guy, which happens to be me," he chuckles. "Our styles are really very different, but we share the same values and beliefs.

"He is more of a classical painter, with his attention to the smallest detail. He is about dotting the i's and crossing the t's. I am more of an Impressionist. You must look at my work from a distance to appreciate it."

Whichever way his style may differ from that of his father, Consunji's vision for DMCI Holdings is turning out to be picturesque indeed. 🏡



Meralco President Oscar Reyes takes the first swing.



179 participants took to the greens of the Sta. Elena Golf and Country Club in Cabuyao, Laguna, playing for prizes and glory.

Power Strokes

By Excel V. Dyquiangco

Skill and savvy meet on the greens for a day of intense, friendly competition

Photography by Jun Pinzon and RR Barretto



Neither the rain nor the early hour (6 a.m.) daunted the players. At the Power Club Pro-Am Challenge 2014, movers and shakers of Philippine business shed their suits and barongs, and took to the greens for a day of fun and sportsmanship at the Sta. Elena Golf and Country Club in Cabuyao, Laguna on December 1. Clad in orange polo shirts and khaki shorts, more than 200 business and government executives shared more than a few golfing tips in a spirit of camaraderie.

"This is a time for us to get together and collaborate, to help each other

win as a team," says Victor Genuino, vice president and head, Corporate Business Group, of the Manila Electric Co. (Meralco). "Our tournament is also a testament of Meralco giving thanks to our customers. They are a big reason why we exist and this is one way we can give back to them, even for just a day of entertainment."

Now in its fifth year, the Power Club Challenge has evolved dramatically since the first event was organized, according to Genuino. "It has changed as we now have more customers participating, our prizes have also gotten grander and to level up the competition, we invited 50 of the country's top professional golfers," he notes.

Landev Corp. COO **Mario Paguio** mentally guides his shot.





Meralco SVP and Head, Customer Retail Services and Corporate Communications **Alfredo S. Panlilio** (right), putts with teammates Pascual Laboratories Board Chairman **Abraham Pascual** (center) and professional golfer **Gerald Rosales** (far left).

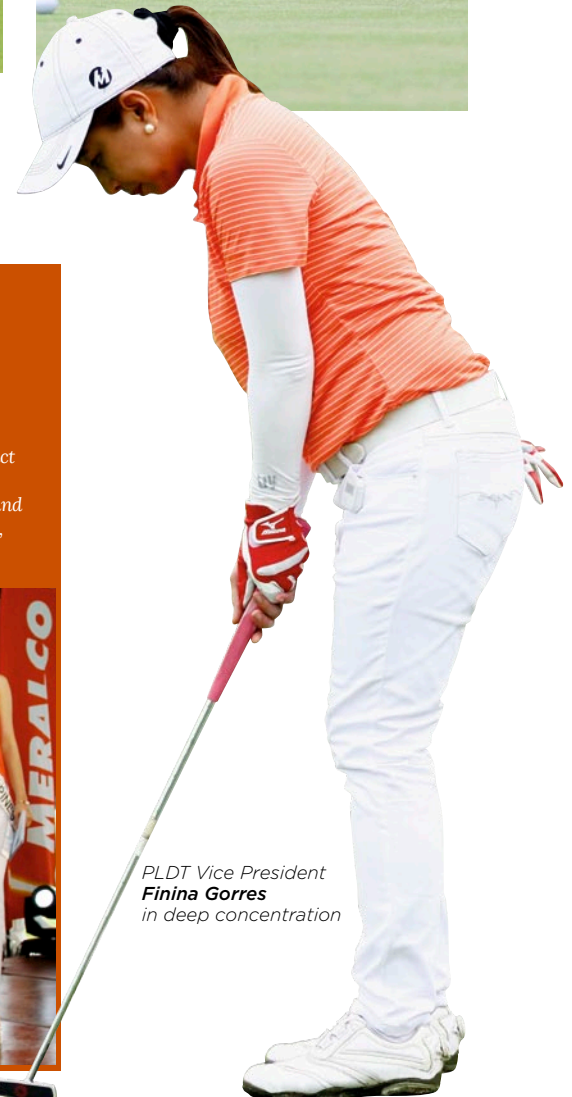
The tournament and the awarding ceremony were hosted by TV5 sports personality Aaron Atayde and the current Bb. Pilipinas-Universe MJ Lastimosa, together with YouTube sensation Natalia Moon. Guests were delighted to receive special awards and raffle prizes.

However, it is the high spirits at the event and the excitement of the game that Genuino sees as the main attraction for contestants. "I think we still manage to keep the fun part of the tournament, as we are doing a lot more things to refresh the format to make it more enjoyable as the years progress." 🎉

The grand prize is awarded to Southern Quezon Pacific Oilmill CEO **Francis Dy** (center, in striped shirt). With him are (from left): host **Aaron Atayde**, Iconic Dealership Inc. General Manager **Tito Solomon**, entertainment artist **Natalia Moon**, Meralco VP and Head, Marketing, Customer Solutions and Product Development **Jose Antonio T. Valdez**, Meralco's **Alfredo Panlilio**, Meralco VP and Head of CBG **Victor S. Genuino**, and host, Bb. Pilipinas-Universe **MJ Lastimosa**.



John Rey Pactolerin lines up his putt.



PLDT Vice President **Finina Gorres** in deep concentration



The P110,000 raised from the December 2014 Power Club Pro-Am Golf Challenge is donated by Meralco's Corporate Business Group (CBG) to the One Meralco Foundation (OMF) to fund CSR projects. (from left): Marketing Associate **Ness Ramos**, **Victor S. Genuino**, **Alfredo S. Panlilio**, OMF President **Jeffrey Tarayao**, **Jose Antonio T. Valdez**, and Marketing Head of Corporate Business Marketing **Nina V. Posadas**.

IMI President and CEO **Arthur Tan** tracks his shot.



The people and personalities who spiced up the game (clockwise from top right): **Natalia Moon**; **MJ Lastimosa**; Team Flight 3A, composed of **Francis Dy**, Meralco Relationship Manager **Patrick Panlilio**, **John Rey Pactolerin**, and SEIPI President **Dan Lachica**; Petron Corp. General Manager for Government Accounts **Jose Carlo Antonio**; and professional golfer **Elmer Saban**.



POWERING BUSINESS AT THE SPEED OF

BY EXCEL V. DYQUIANGCO



Staying ahead of the fiber-optic game

The very first experiments using light as a communications medium were carried out by Alexander Graham Bell in 1880. Some attempts to transmit data through thinly-spun glass fibers in 1966 delivered mixed results due to impurities in the materials. Breakthroughs in the production of pure fiber optic cables allowed scientists in 1970 to send virtually lossless information over farther distances as opposed to through copper wires.

Today's fiber-optic systems are the global standard in the telecommunications industry, used to transmit telephone signals, Internet communication, and cable television signals. A single strand of fiber-optic cable (less than a millimeter thick) transmits hundreds of times more data than an inch-thick bundle of copper cable.

Much of the communications infrastructure in the Philippines today remains copper-based, but major inroads in fiber-optic technology are rapidly changing the telecommunications landscape. Telecommunications companies invest billions in fiber-optic network build-outs. One such company, Radius Telecoms Inc., has been in this business for close to 15 years and has outperformed other providers in delivering world class fiber optic communications services.

Highly focused organization

Radius, formerly named E-Meralco Ventures Inc., began as a five-man subsidiary of the Manila Electric Co. (Meralco). Its original purpose was to maximize Meralco's fiber optic network, allowing various branches and substations across Meralco's franchise area to seamlessly communicate with each other. Over the years, Radius expanded its fiber optic infrastructure and upgraded its network, adhering to world-class standards, specifically those of the Metro Ethernet Forum (MEF), a global consortium that certifies the delivery of Carrier Ethernet services worldwide.

In the Philippines, only three telecommunications companies are certified by the MEF: PLDT, Globe Telecom, and Radius.

To date, Radius remains as the sole carrier to deliver its services on an end-to-end fiber optic platform in the Meralco franchise area. It has grown to serve telecommunications companies in the Philippines and abroad, including value-added service providers, and companies with multiple and geographically-dispersed branches such as Business Process Outsourcing companies, banks, retailers, and manufacturers.

"We offer connectivity virtually at the speed of light because our services are fiber-based," explains Radius President Raymond Ravelo. "We primarily serve clients with high bandwidth requirements and complex

data connectivity needs."

What sets Radius apart from other service providers is focus, Ravelo says. "We have a focused infrastructure founded on deep technology expertise. We started on fiber and we will continue to invest purely on fiber," he adds.

"We also have a very focused coverage area. Today we operate in Mega Manila where the lion's share of business activity in the Philippines takes place, whether in the commercial business districts or in the economic zones just outside the metro. We are proud to own and operate the densest fiber optic network coverage in this important area. In fact, we often assure our clients that Radius connectivity is only a Meralco pole away.

"Lastly, our signature is our razor-sharp focus on our clients. All units within Radius are dedicated to identifying and to adequately addressing our clients' needs. We custom-fit and tailor solutions to suit our clients' requirements."

In addition, Radius' solutions and products are hosted on multiple platforms to provide a high degree of flexibility and scalability. It can support numerous technologies as well as a wide range of bandwidth capacities – from 1 megabit per second up to gigabit levels.

Like its parent company, Radius works around the clock. "This is a very fast-paced and demanding business environment," Ravelo reveals. "We

'WE LAUNCHED THE RADIUS TRANSFORMATION PROGRAM TO FOCUS ON NETWORK, ORGANIZATION AND TECHNICAL AREAS, AND GREW THE BUSINESS AT AN ANNUAL RATE OF 16 PERCENT OVER THE LAST THREE YEARS.'
- RADIUS PRESIDENT
RAYMOND RAVELO

have to ensure that our lines and our services are up 24/7, 365 (days a year)."

Radius has been known not only for light-speed connectivity but also for speedy installation. While most providers install their services in 30 to 45 days, Radius is able to get clients up and running well within eight days. Furthermore, it prides itself in delivering 99.95 percent network availability, versus an industry standard of 99.90 percent.

Success in spite of size

Since he took the helm in mid-2011, Ravelo and his management team have steered Radius toward hypergrowth. "In June 2011, we launched the Radius Transformation Program to upgrade our go-to-market strategy and to improve the effectiveness and efficiency of our commercial, technical, and support organizations.

"With the commitment of the Radius team, we have grown our business at an annual rate of 16 percent over the last three years, significantly outperforming GDP (gross domestic product) at 7 percent and the telecommunications industry at 4 percent."

This is best illustrated by Radius' monthly revenues, which hovered at P300,000 in 2011, and now reach P2.7 million today. This reflects the increase from 25 circuits installed monthly in 2011 to over a hundred at present.

This growth did not come easy. Ravelo recalls it took creative thinking to help Radius assess its key advantages and find its niche, despite the company being a relatively small player in the telecoms industry.

"Counterintuitively, our size is actually an edge. We are extremely energetic and agile. We are very open to experimenting and trying new things, and we are not afraid to take risks for our clients. We make decisions



and mobilize quickly. In addition, we believe there's a huge market out there, and we're very hungry to take a big piece of it."

The road ahead

Amid bright prospects within the current market, Ravelo hopes to extend the company's coverage beyond the Meralco franchise area and broaden its participation in the connectivity value chain by expanding and enhancing its product and service lines.

"We are exploring opportunities in ICT (information and communications technology) hubs such as Cebu, Davao,

Cavite, Baguio and other high-growth areas in the country. We are also evaluating the prospect of strengthening our international presence," he reveals.

Ravelo takes great pride in what the 100-strong Radius team has achieved thus far. The company has already established itself as a significant Filipino player in the increasingly global telecommunications industry, due to its world-class solutions and service levels. "I do believe this company has a lot more to offer and so much more value to deliver to our clients and stakeholders. Radius' best is yet to come." 📶



MERALCO BUSINESS

HOTLINE

16210

Because in
Business,
every second
Counts

When time is of the essence, reach us through a hotline created exclusively for your business needs: **Meralco Business Hotline (16210)**. Connect instantly to a team of electrical engineers and energy experts, trained to handle power-related concerns and inquiries specific to businesses, where you can:

- Report power outages and interruptions
- Ask about our products and services
- Inquire about your payment options
- Learn more about your monthly bill
- Get the contact details of your relationship manager

Talk to the Meralco Corporate Partners today. Call 16210 or visit www.meralco.com.ph/corporatepartners

MERALCO PARTNERS CORPORATE