

# *Great expectations*

## The rise of the next-generation Cebu business leaders



**108 CEOs**

96 survey respondents  
12 face-to-face interviews

**83%**

Believe that focus should be on  
the collaboration between the  
private and public sectors

**50%**

Confirm that the most  
important challenge is  
the need to continuously  
innovate

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# *Message from the Cebu Chamber of Commerce and Industry President*



**Melanie Ng**  
President, Cebu Chamber of  
Commerce and Industry

Setting a direction in the midst of a volatile environment is a challenge every leader faces. In this day and age of disruptive technologies, how a leader grows a business when faced with great opportunities and challenges is something that we can all learn from.

In Cebu, we have produced some of the country's best talents in multiple fields and industries. They have carved a niche in their fields both in the local and international scene.

Looking closely at our entrepreneurs, this CEO Survey will give us a glimpse on the journey these business leaders of Cebu undertook in their entrepreneurial journey as they share their experiences and insights. May their stories inspire and promote more growth and proliferation of more entrepreneurs in the region.

With the Chamber's mission to strengthen the capabilities of our business community for the global competitiveness of Cebu and its people, our thrust is to be the catalyst and enabler for more economic growth and development through leadership in entrepreneurship.

We are also pleased to work with PwC Philippines for the first of a series of Cebu CEO Surveys which are envisioned to benchmark the changes in how our CEOs think and innovate.

Entrepreneurs are at the center of progress and we at CCCI will continue to provide a supportive ecosystem as we bring Cebu Business to the next level!

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# *Message from the PwC Philippines Chairman*



**Atty. Alexander B. Cabrera**  
Chairman and Senior Partner,  
Isla Lipana & Co./PwC Philippines

Cebu is a melting pot for business tycoons who started as much smaller family businesses, to national conglomerates. This report, however, takes focus on Cebu's next-generation leaders across industries.

In this report, we try to understand the characteristics that Cebuano entrepreneurs have as well as the contribution of Cebu to their success.

Whether taking over a family business or starting their own, our Cebu business leaders believe in the values of creativity, innovation, focus, collaboration, and originality.

Building a lasting legacy for the organization and people they serve while growing the business is fundamental to our Cebu CEOs' success.

Looking ahead, our Cebu CEOs believe in stronger partnerships with the government and other sectors to further the growth in Cebu.

With so much available capital and their visionary leadership, it will be exciting to know what's next for our Cebu business leaders.

In this report, we also get to understand their plans for their own companies as well as their vision for the "new Cebu".

I'd like to thank the 96 CEOs who shared their insights with us. We'd also like to express our sincerest gratitude to the 12 CEOs who shared their stories and aspirations with us. You will read their inspiring stories as you go through the report.

We'd also like to thank the Cebu Chamber of Commerce and Industry for the privilege to serve as the Knowledge Partner for the 2017 Cebu CEO Survey.

We hope that you'll find valuable lessons from our next generation Cebu business leaders, and share their vision of growing the collaboration among the different sectors for a better Philippines.

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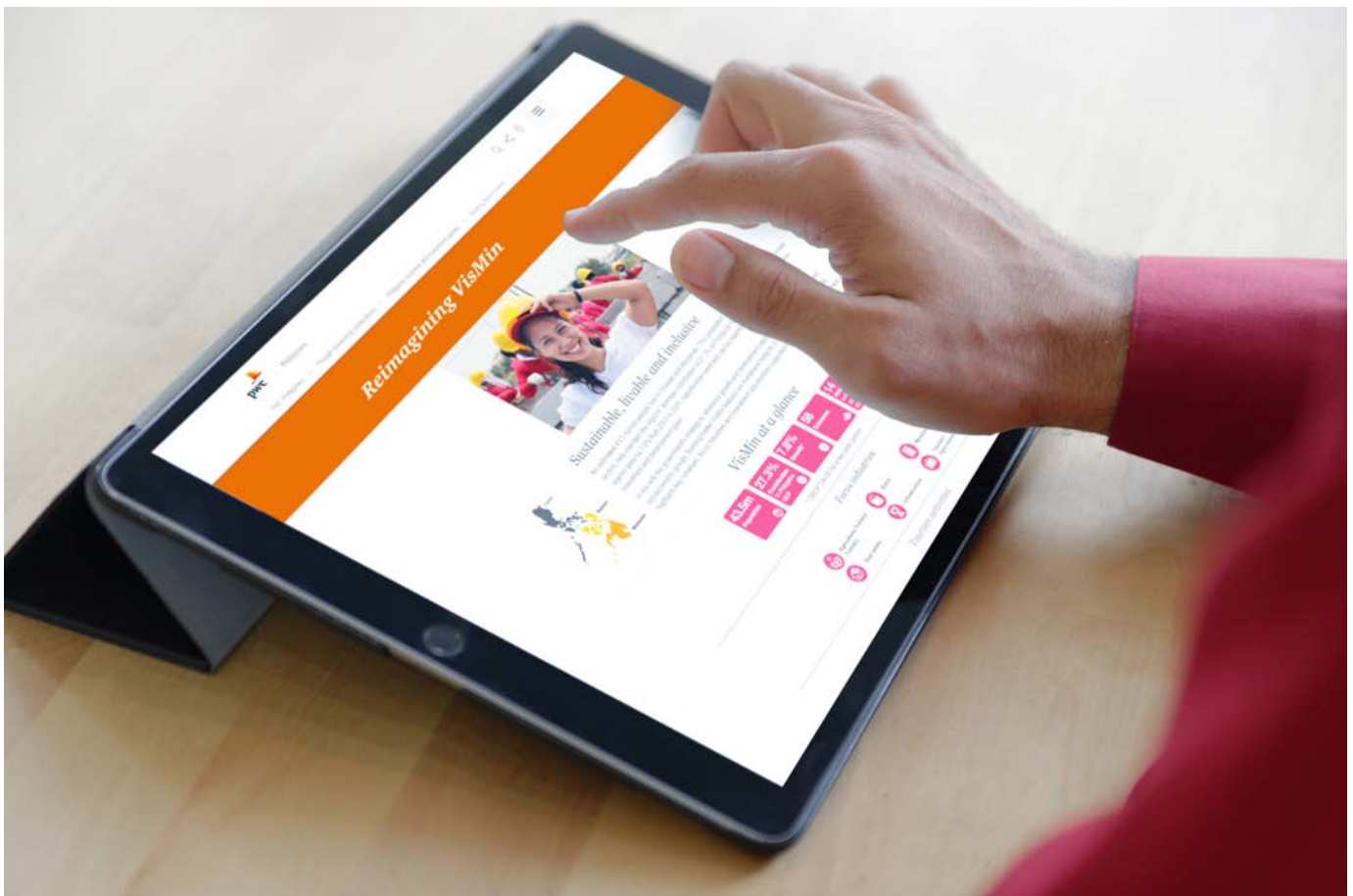
# A Cebu CEO Survey

We've been running the Philippine CEO Survey for three years now and in 2017, as part of our Reimagining VisMin initiatives ([www.pwc.com/ph/vismin](http://www.pwc.com/ph/vismin)), we conducted our first survey of the next generation Cebu business leaders. We asked them about their personal ambitions, their plans for the future of their business, and the unique challenge of carrying the mantle of being the next Cebuano tycoons.

The survey identified several thought provoking themes that are on top of the next-generation Cebu business leaders' agenda such as their vision of a new Cebu, which they hope to help shape.

There are also interesting views on innovation and strategy for longevity.

Aside from the survey findings, we have rich insights from in-depth interviews with business veterans and tech-savvy young upstarts, which we hope will help the next-generation business leaders realize their ambitions and make their "great expectations" a reality.





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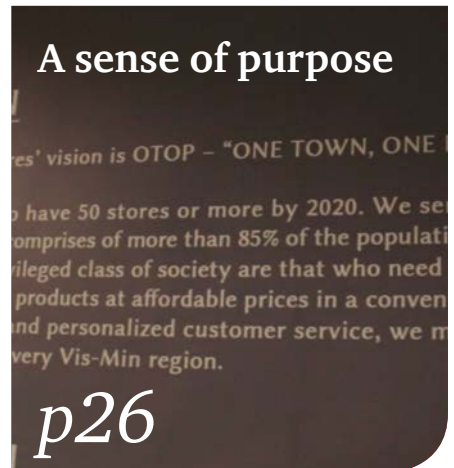
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# Taking root

The story of Cebu as a commercial and industrial powerhouse is as old as that of our country. With only five thousand square kilometers in rugged and mountainous terrain, Cebu counts as one of the most historied islands in the world.

Long before the arrival of the Spaniards, Cebu was already the center of trade of what is now southern Philippines, converging traders from India, China, Japan and other parts of Asia.

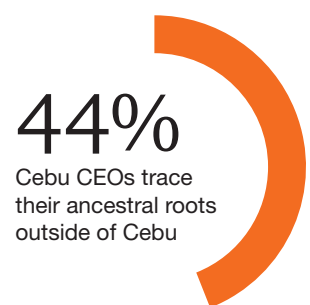
It was Cebu's natural ports which fueled the province's growth and in 1860, Cebu's ports were formally opened to foreign trade.

It led to increased trade of copra, sugar, abaca, tobacco and other export crops. Cebu's ports served as a catalyst for the development of the whole province, including its neighboring islands in the Visayas and Mindanao.

Cebu benefited not only from trade. Its shores and the fast sprawling commerce made it an attractive province to migrate to. Most of Cebu business leaders can trace their roots to China or Spain or to neighboring provinces such as Iloilo and Bohol.

The mix of rich history, vibrant culture and strong ties to family, make Cebu a fertile ground for raising spirited entrepreneurs and successful business leaders.






As of today, two of the five richest Filipinos trace their roots to Cebu and serve as an inspiration to the next-generation business leaders.



**Question:** Were your ancestors from Cebu?

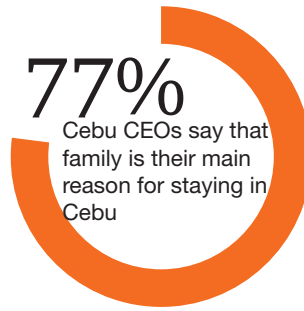
Robert Go of the Prince Retail Group describes Cebu in the 1900s as, **“It’s a small island, it’s all mountain ranges, and there’s no natural resources. What will people do? They have to trade.”**

## Two Cebuanos are among the country's richest

#1 Sy	#2 Gokongwei	#3 Aboitiz	#4 Tan	#5 Ty
				

2016 Forbes' Philippines' 50 Richest People (<https://www.forbes.com/philippines-billionaires/list/>)

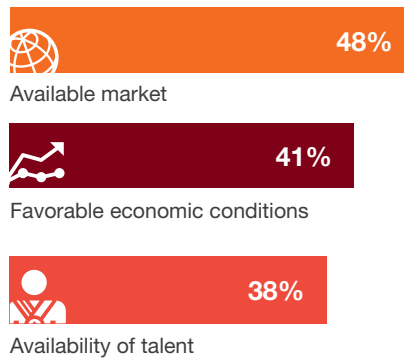
Family is a major factor considered by Cebu business leaders. Seventy-seven percent of our respondents said family was their main reason for staying in Cebu. This also explains the significant involvement of family members in running the business and the high intention of passing over the business to the next generation.



**Question:** What makes you stay in Cebu?

Our respondents consider the available market in Cebu as the top contributor for the growth of their business. From our conversations with the Cebu CEOs however, most of them agree that while the Cebu market provides all the opportunities for growth, the Cebuano market can be very discerning. Even with the entry of different foreign brands and formats into the local market, there is a considerable degree of brand loyalty from consumers as Cebuano place high regard to quality, price and consumer experience.

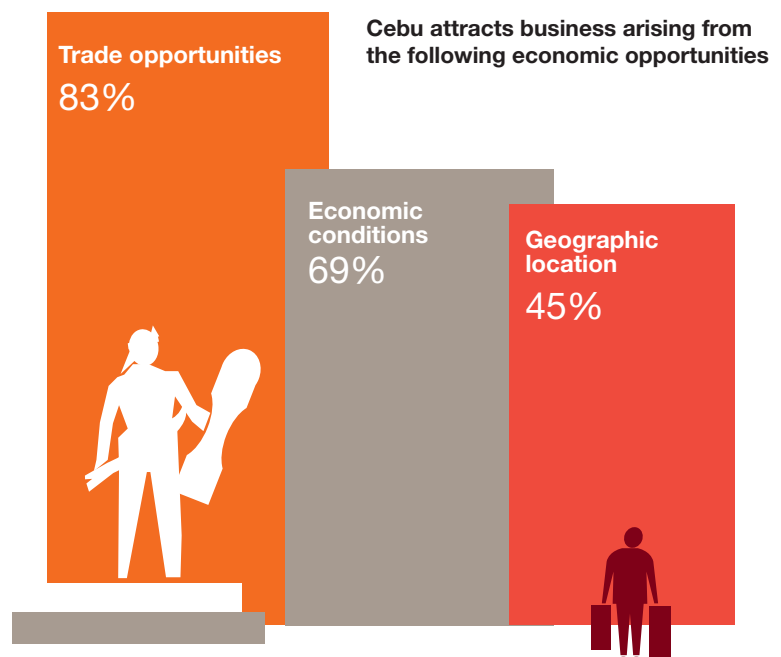
#### Cebu provides the following factors for businesses to grow



**Question:** Which of the following helped you grow your business in Cebu?

It's also interesting to note that 38% of our respondents consider the availability of talent as one of the key drivers for growth. And as more businesses find their way into Cebu, Cebu CEOs anticipate stiffer competition not only for market share, but more so for the right talent.

Wesley Chiongbian of Mynimo describes the Cebu market, **"What we have here in Cebu is a very strong local market, but it is also very discerning."**



**Question:** What were the top three reasons for moving to and living in Cebu?



## Earning their stripes

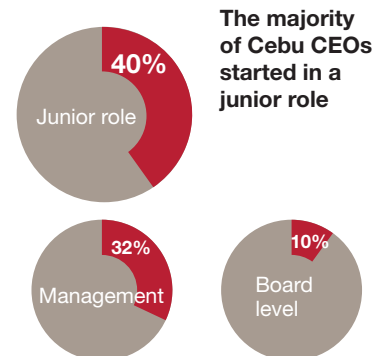
In our survey, we talked to 108 Cebu business leaders, from those just starting up, to those who have decades of experience.

The next-generation Cebu business leaders recognize the value of prior work experience to gain useful insights and to bridge the credibility gap. It is interesting to note that 77% of the next-generation business leaders we spoke to had work for another company before starting their own business.

Their range of work experiences gives the next-generation business leaders the best of both worlds: they gain a sense of what working at different levels and positions is like, the culture and environment as well as the strategies and issues companies face. They can then use that insight to ensure they get the right sort of experience and

develop the specific skills needed to successfully run their own business. In other words, they have a deeper and more nuanced understanding of what running a business is like prior to starting their ventures.

The survey results also capture another interesting trend. Thirty-nine percent of our respondents started at least two businesses prior to their current ventures. For the next-generation business leaders, this is part of the learning and growing process and is more valuable than just “watching and listening”. Gaining perspectives from others in the business and building a network of their peers can be really effective way of closing the credibility gap.



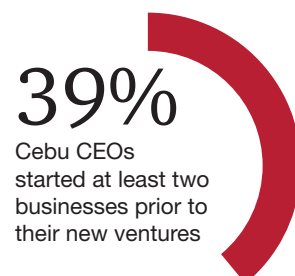
**Question** Which of the following best describes your job level when you first started in the company?



77%

of the CEOs worked in another company before starting their own business

Nina Mabatid, PinoyCare



**Question** How many businesses did you start before your current business?



**“Being an entrepreneur has no age limit – no boundaries.”**

Bunny Pages, Pages Holdings, Inc.

## Turning pages: From employee to employer

Bunny Pages was named Cebu Chamber of Commerce and Industry's 2015 Entrepreneur of the Year. He is the CEO of Pages Holdings, Inc., a multi-brand, multi-concept restaurant and food company, a business that he says was “founded by someone who was raised and trained to be an employee” but now employs more than a thousand.

“Like most Filipinos, I was raised by my parents to be an employee, that’s the reason why it took me a long time to get a business for myself. I was nearing 50 when I decided to take that leap”. In hindsight, it turned out to be the perfect setup.

“There’s a big advantage of me having started late. Two things: number one is that I was prepared - the lessons that I’ve learned in the life insurance industry where you have to think more about the mission and less about your commission and that the purpose of a business is to create more satisfied customers helped me a lot. The second thing that I think really helped a lot is because I started late, there was this strong sense of urgency because I don’t have much time. People who are starting a business at age 30 or 40 have a longer time to adjust and react but age 50? You have to go fast otherwise, there won’t be much time and that helped us a lot to really grow. I think we grew faster than most companies in Cebu in the last few years”.

A growing dissatisfaction with his original career drove Bunny to reinvent himself and take on the challenge of entrepreneurship. It started with the acquisition of Thirsty Fruit Juices and Shakes. He innovated the existing offerings of the company and soon they became a favorite healthy alternative to sugary drinks and sodas. From a couple of stalls inside a mall, he has grown the brand into more than 150 branches, both company-owned and franchised. Following the success of his first acquisition, he then acquired Moon Café. This marked not only his entry into the fiercely competitive food industry, but also the involvement of

everyone in the family. “To me, business is a team sport. One of the more important decisions I made when I started into business was to involve every member of my family. So now we work together, it’s fun, we are growing together as leaders, as individuals and at the same time, we grow our business together as a team”.

Bunny and his family then went on to create new concepts and acquired more brands which now make up Pages Holdings, Inc. They now own and operate more than a dozen brands which include Lantaw Native Restaurant, House of Lechon, Café Racer, Mismukuno Teppanyaki and Sushi Boy.

“We consider ourselves as disruptors in the food industry in Cebu by introducing many brands, new concepts and in a very fast growth scenario. It’s really applying the blue ocean strategy”.

There are two things that Bunny considers critical success factors: 1) Speed and 2) People.

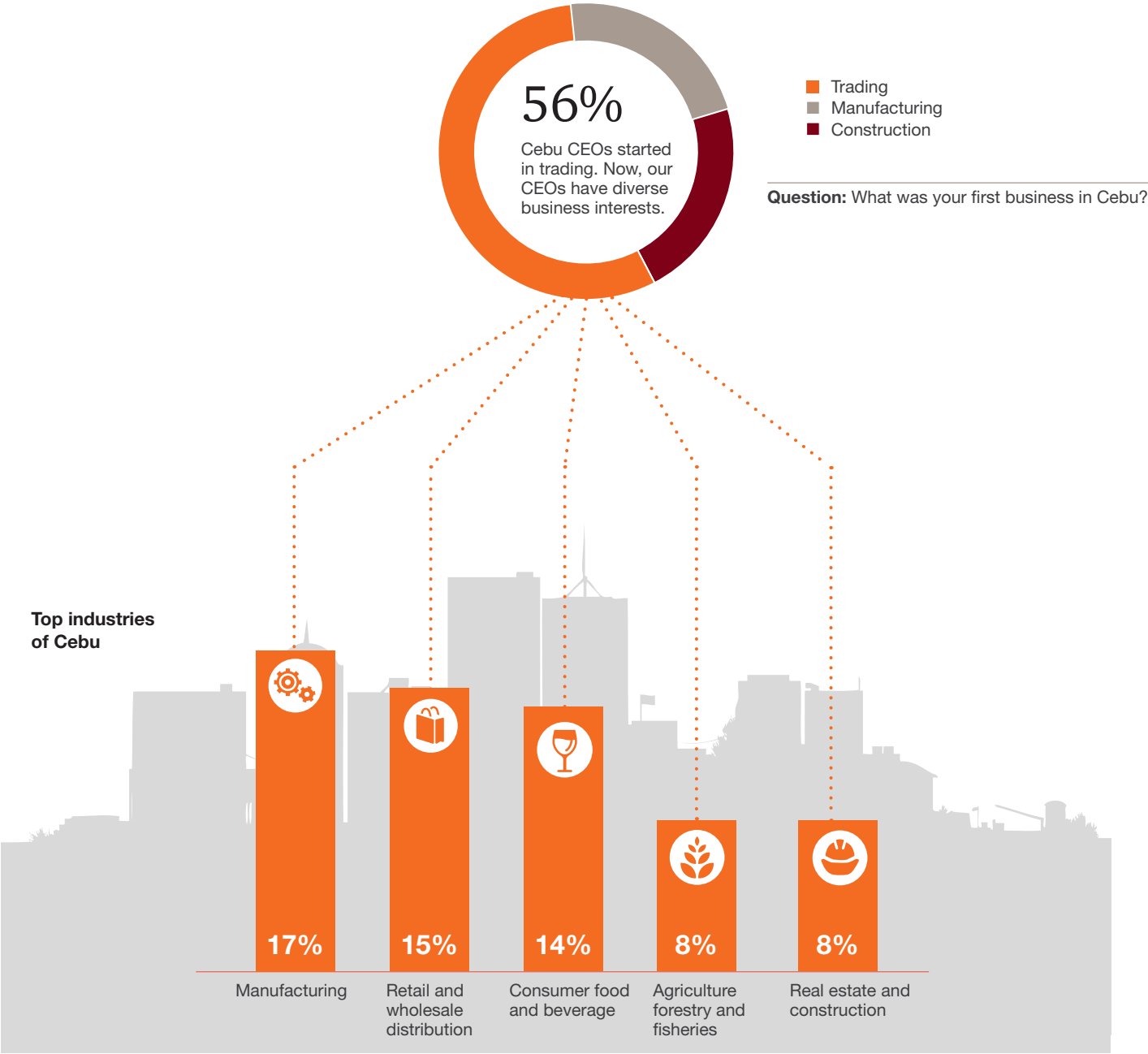
“I really believe that the universe likes speed. Speed in making decisions, speed in action and speed in trust. Once you have all of these three ingredients together in your company I believe that you can accomplish a lot more”. On people, “The main job of a leader is to develop other leaders. Markets, money and opportunities will always be there but if you don’t have the right people you can’t grow. So, it’s very important that the mindset of every leader in your organization is to develop more leaders. That to me is a very important ingredient for growth”.

Despite all the success and accolades, Bunny remains rooted and continues to put in the hard work day in and day out. Asked about his advice to other budding entrepreneurs, he says, “being an entrepreneur has no age limit – no boundaries. I want to be remembered as someone who has set an example that it’s never too late to start a business and be successful”.

By design and circumstance, trading and merchandising became the starting point for most Cebu business leaders. As businesses started to scale up and business leaders became familiar with the value chain, they expanded into different industries, became more aggressive in expanding across the country, partnered with other businesses and increased their capacities for much desired growth.

Companies achieve varying degrees of success from adopting different strategies. The CEOs recognize their strengths and capabilities, allowing businesses to grow, expand to new products, new businesses or new industries. Eighty-five percent of the CEOs we surveyed say that today, their businesses operate in industries outside retail or distribution. There is no single model to expanding and developing businesses.

Companies should routinely update their strategy to keep pace with competition, customer preferences and economic shifts. The key is to be adaptable and poised to move when the opportunity arises. Navigating risks is part of the initial investment of successful businesses. The more adept CEOs become at dealing with them, the less daunting they appear.







**“Our success is not measured by how much we profit but how much we share with our employees.”**

Leonora Salvane, GT Cosmetics Manufacturing, Inc.

## Defying boundaries: Going beyond profession

GT Cosmetics has produced beauty skin care products for more than 20 years. The company continuously provides innovative cosmetic products and services across the country and around the world. Engineer Leonora Salvane was awarded the Grand Chamber Countryside Entrepreneur of the Year by the Cebu Chamber of Commerce and Industry in 2015 and awarded in the Most Promising Category during the Asia Pacific Entrepreneurship Awards in 2015.

Taking a leap of faith from a career woman in sales, Leonora established her own business to produce beauty soaps. GT Cosmetics started with a direct selling business model with family and friends as the first customers, who eventually became the company's dealers.

Being a Chemical Engineer, Leonora had the advantage of growing her business by maximizing her profession and experimenting with new products. The business grew from papaya soaps to carrot soaps, bleaching creams, lotions and other cosmetics.

Leonora had full confidence in her product as it was accepted in Cebu, being the hardest area to test a new product. “If a product is accepted here in Cebu, then it could be accepted all throughout the Philippines. When our product passed the Cebu market, we easily got to Mindanao, all of the Visayas and then Manila.”

Leonora attributes the growth of her company to the reputation of the brand. From word of mouth referrals, big retailers took notice allowing the company to gain access to markets throughout Cebu and the neighboring provinces. Through social media blogs and peer-to-peer marketing strategy, the company further expanded and got a share of the international market. Her products are now in Finland, USA, Japan and Canada.

The challenge in expanding outside the country is finding the right distributor and complying with foreign regulatory requirements.

“We always look for somebody we can trust to distribute our products in that particular country” says Leonora. She was able to build a successful online business. International presence has increased through online-selling and Facebook and YouTube advertisements. She explains that the use of technology and social media is very cost efficient and effective. Leonora added that the business benefited from the ASEAN integration in terms of importation of raw materials and packaging.

Leonora and her husband are supported by their children in running the business. “I encouraged them to work in different companies so they could experience the life of an employee and share the learning in our business.” Despite the challenges of being a neophyte in the business world, a key factor for Leonora in developing the company was taking care of her people.

“Manage the business with a heart because people are the best assets. The success of the business depends on the people that we have,” she says.

Leonora continues to dream big and work hard for the business to grow.

“We have in our minds that we hold less than 1% of the market share, so there is still more room. The competition is a challenge for us to grow,” she concludes.

## Doing it their way

Autonomous vehicles, robotics and automated supply chain are among the exciting developments in technology. Today, there are over 1.8 million industrial robots worldwide, and global manufacturing output has grown significantly. Technological developments, along with human creativity, are the major drivers of these changes.

Despite the technological advancements, only 48% of our Cebu CEOs identify the speed of technological change as a top threat, and only 35% believe that technology should be prioritized in Cebu.

This is clearly a concern especially for traditional businesses, as failure to adapt or keep up with technological changes may result in a decline in market share as well as negative impact on staff productivity, customer service and engagement, and cyber-security. Such findings are in contrast to the 2015 Philippine CEO survey where 80% of the CEOs said technological

advances would help transform their business.

In the Philippines, technological advancements include the growth of e-commerce, financial technology, consumer technology, digital platforms, enterprise solutions, digital health, and solutions for transport and logistics.

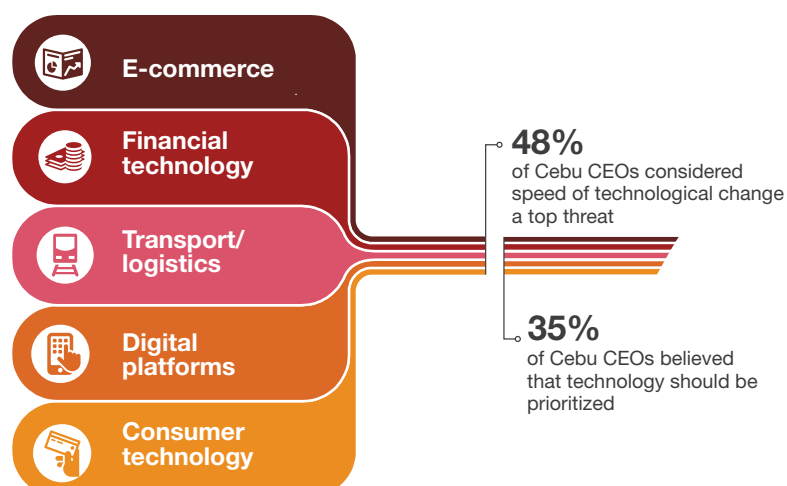
With these advancements, Cebu business leaders should prioritize investments in innovation and technology. Including technology in the company's strategic plan, and studying how this can advance the business will help protect the company's position in Cebu and in the Philippines.

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**Every business is vulnerable in some way to digital disruption, and those who think they are immune will soon find out that this is not the case. I see this as a threat which is facing all businesses and individuals, no matter their geographical location, industry or size.”**

Alfred Peguero,  
Family Business Leader, PwC US

### Digital advancements in the Philippines and Cebu CEOs' insights on the resulting challenges and opportunities



Source: 2015 Philippine CEO survey



**“A lot of businesses were setting up shop in Cebu. It was becoming more difficult to find talent. That’s when we saw the opportunity to help companies fill their job vacancies.”**

Wesley Chiongbian, Mynimo

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## From start-up to corporate: Digitalizing Cebu’s talent market

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With the continued growth of the Philippine economy in the early 2000s, Wesley saw the increasing demand for talent as well as the untapped market in Cebu. Having the goal to attract more people to live and work in Cebu, Wesley Chiongbian, together with his three siblings, started a job website called Mynimo in their parents’ backyard. Since then, Wesley’s start-up has grown to have at least 2,000 new job postings every month from within and outside Cebu.

“We saw that they’ve been doing job websites in the US, and we saw that there was presence in Manila for similar businesses and no one was tapping Cebu. That’s when we decided to start our own job website here in Cebu,” he says.

Having started a digital business in his hometown, Wesley shared the contribution of Cebu to their business, “We really grew with the city. Back then, there were not a lot of IT or BPO companies, and they have grown so many times since then. We rode on the growth of the city. We were in the right place at the right time, and we took advantage of that. The growth of Cebu’s economy gave way to the growth of other industries. More businesses started opening up, and since they need people, they used our services to find the right people for their companies,” he says.

Unlike other start-ups, Wesley made sure that they were able to manage their operations before aiming for rapid growth. “Our mission from the beginning was to have listings from outside Cebu. Since we were self-funded, we did not want to expand too fast so we made sure that we had the market that we cornered. This market has been good to us, and it has helped us grow outside of Cebu.”

When asked about the impact of digitalization on Cebu, Wesley says, “Without digitalization, we wouldn’t be here. Digitalization made processes of existing businesses more efficient, and lowered the barriers to entry for new businesses. To promote your company and your products, it’s not that expensive anymore compared with pre-digital Cebu. Because of digitalization, you can now see more companies starting and trying their concepts.”

As a start-up founder, Wesley believes that continuous innovation is important. “In technology, things move really fast. We need to be up-to-date with the current trends. Most especially, we need to be in tune with what the customers need. With so much information available, you need to go back to why you’re doing business, what problems you’re trying to solve, and what the customers are asking for. When you go back to those questions, you grow with your customers.”

Wesley is proud to say that Cebuanos helped shape the Philippine start-up ecosystem. “I’m proud to say that Cebuanos helped grow the industry, and bring more awareness to start-ups in the country. TechTalks.ph, a non-profit community of technology and start-up enthusiasts, was founded here in Cebu by Tina Amper. Together with other proponents, they organize the annual Geeks on Beach event to help educate start-ups and attract investors.”

Wesley also believes that Cebuano start-up founders have that one common characteristic that makes them different from other founders. “The unique Cebuano characteristic is the determination to succeed. What we have here in Cebu is a very strong local market, and a very discerning one. Cebuano founders and business owners try to find ways to make do with limited resources.” With Wesley’s determination to succeed, Mynimo now has over 9,000 job listings for companies based in Cebu, Metro Manila, Davao, and other parts of the Philippines.



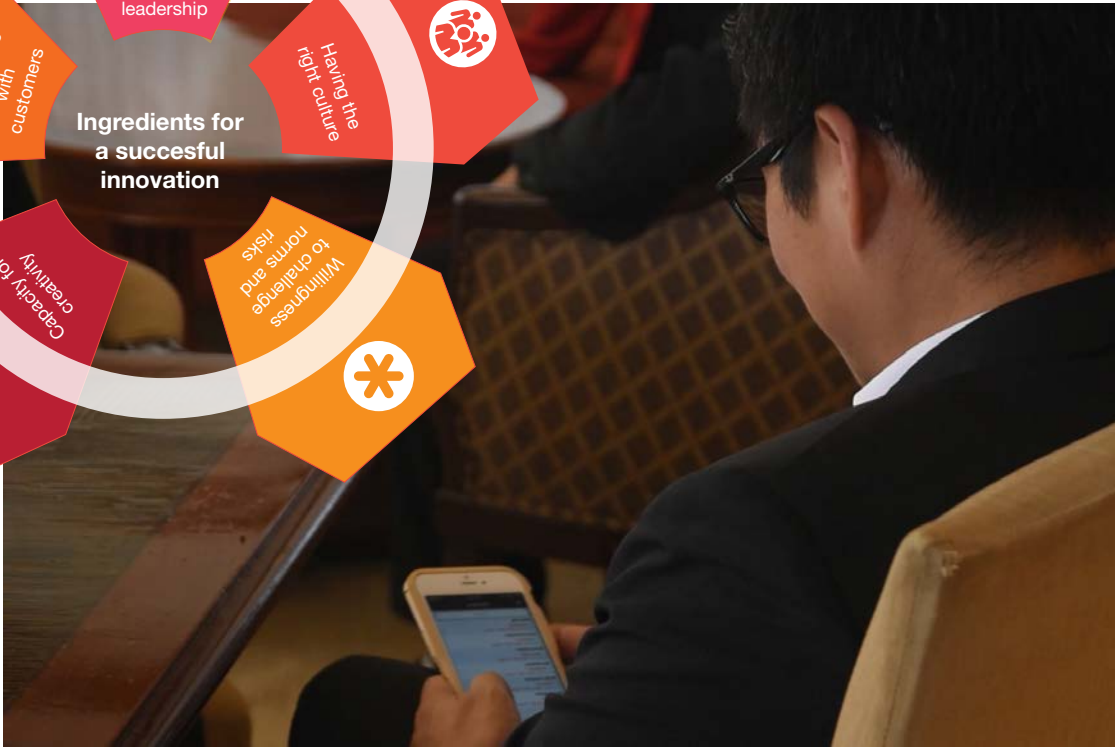
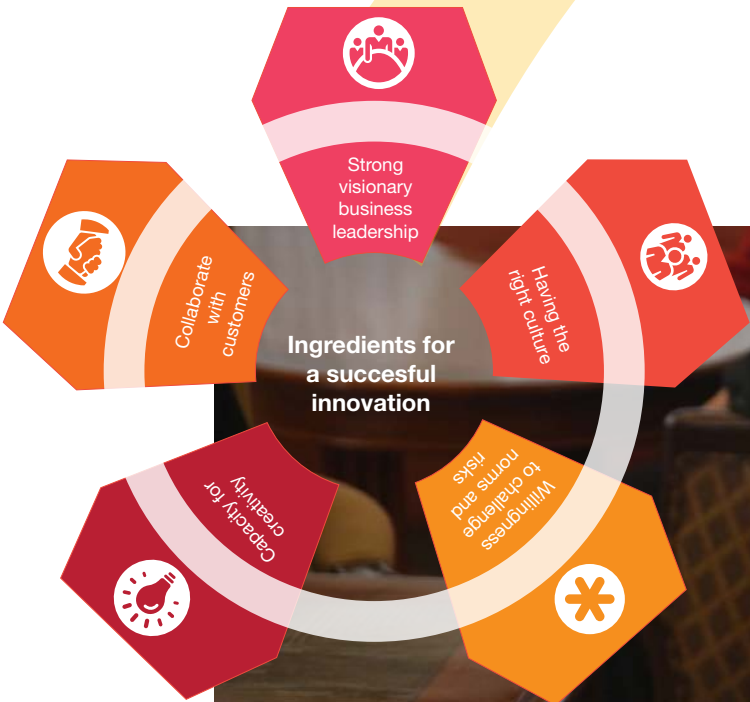
Our Cebu CEOs understand that with the rapid changes, new technologies, and disruptive business models, companies need to think beyond their current business practices, and develop a view of what their business will look like years from now. Continuous innovation will be achieved by understanding the trends driving change, assessing which products are vulnerable to new technology, and how regional and global trends are affecting the market. Without a plan, companies will find it difficult to start innovating.

Views about innovation have also changed over the past few years. In the past, innovation involved mostly research and development to help develop better products. Today, successful innovation is a product of having a strong visionary leadership together with collaboration with customers and staff. Innovation is now about changing the way companies deliver their products and solutions to clients, rather than just improving the existing products.

“Companies that innovate processes will do better; companies that do not innovate products always risk losing their edge.”



50% of the Cebu CEOs believe that the most important challenge will be the need to innovate





**“Capability first before opportunity.”**

Pedro H. Delantar Jr., Nature's Legacy Eximport Inc.

## New products, new thinking: The power of innovation

Nature's Legacy's journey towards becoming a global player in the home furnishings business was not an easy one. Initially a backyard business in Compostela, Cebu, the Delantars started as a rattan manufacturer in 1986, and ventured into stone carving, home furnishings, and garden accessories in the early 90s. “The most challenging parts of having a new company are building the capability and capacity, as well as managing the finances.” With Cathy's vision and Pete's innovations, the couple transformed their backyard business into a globally-recognized Filipino brand. Over the years, the company has been known for using sustainable raw materials, and producing goods that are mostly handmade by skilled artisans in Cebu.

Since formally incorporating Nature's Legacy in 1996, the company has patented most of its material innovations. Having received the Invention Award in the Philippines in 2014, Pete ensures that the company continuously invents and innovates its products. “Invention comes in many ways, shapes, and processes. Once you have an invention, it leads to another one. In fact, you can combine several inventions to come up with a new one, or innovate an existing one to do an improvement. When you start creating something, it will eventually lead to several inventions.” Pete's innovative mindset resulted in awards and recognitions that include the ASEAN SME Excellence Award for Innovation (2015), Official Philippine Entry for the ASEAN Business Awards Competition in Malaysia (2015), Green Supply Leadership Award (2015), Outstanding Innovation Award from the World Intellectual Property Office (2014), and Gold Award in the International Exhibitions for Inventions in Geneva, Switzerland (2015).

Despite these awards and recognitions, the company was not saved from the financial crisis. “During the 2006 subprime crisis, we were lucky enough to have other markets that can cushion the impact on our business. The United States was really a big part of our business, but when it went down, it was also a turning point for us. Since then, we have been exporting to more countries aside from the US to manage risks.”

Nature's Legacy is among the well-respected brands in Cebu. When asked about the Cebuanos' popularity in the furniture industry, Pete says, “Given the limited resources of Cebu, Cebuanos are challenged to innovate and create something using whatever is around, and whatever is available. The ‘wow’ effect of the Cebuano brands comes from the material innovation, creativity, and design. The buyers always have that ‘wow’ effect.” The innate creativity of the Cebuanos made Cebu the furniture capital of the Philippines. At present, the Cebu furniture industry produces over 60% of Philippine furniture exports.

The Delantars' success resulted from hard work, creativity, collaboration, and commitment. Remembering their start-up days, Pete encourages Filipinos to become entrepreneurs. To be successful in business, Pete says, “Originality and continuous innovation are important. Be bold, be confident, know your competence, and maximize your potential.”



Those who innovate will be winning all the way.”



#### Existing organizational culture

There is a need to eliminate bureaucratic decision making processes that slow down the commercialization of innovation.

#### Financial resources

Funding should be managed in a smart and efficient manner to ensure that there are enough resources to support the changes to be made.

#### Lack of talent

Building innovation into everyone's job description and creating opportunities for collaboration that go beyond the traditional roles are important to promote innovation.

#### Political and regulatory factors

Existing laws or regulations that have not been amended for decades need to be reviewed to support the current environment to promote innovation.

#### Technology

Companies should have the right technology and tools to support the plans or changes to be implemented.

Overcoming the barriers to innovation will likely require new ways of building it into the strategic and operational management of the business.

### Five tips for creating full value innovation



1. Reflect your vision and appetite for innovation in the way you innovate (collaboration, employee empowerment, customer engagement, time horizon, etc.)



2. Articulate your vision and appetite for innovation to employees, investors, and business partners.



3. Ensure that your employees see that creating, promoting, and executing new ideas are part of their job description.



4. Ensure that the processes for decision making and organizational mobilization are quick enough to bring new innovations to the market ahead of the competitors.



5. Ensure that there are effective ways of measuring and tracking the return on investment as well as the ability to meet the customers' changing expectations

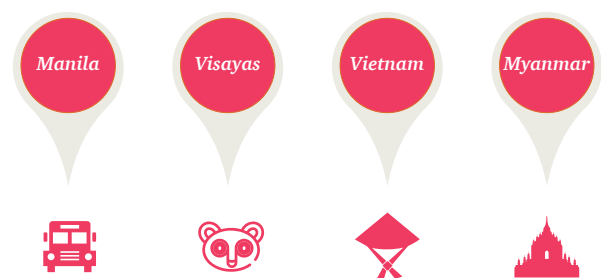


## Preparing to succeed

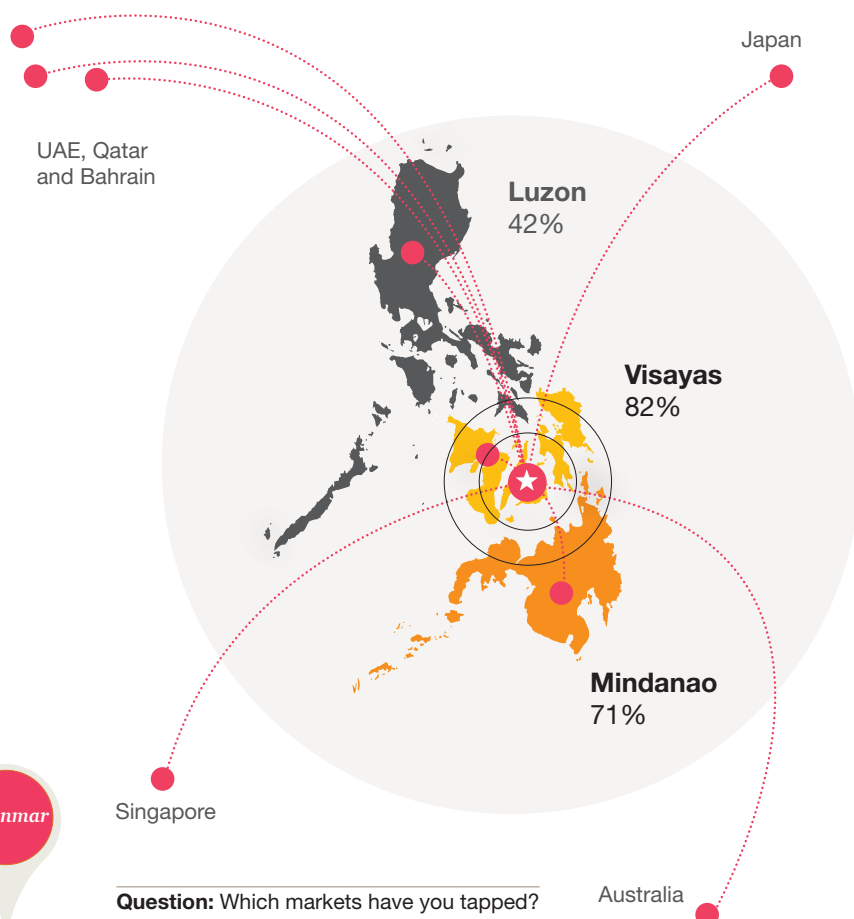
Fifty-one percent of our Cebu CEOs have expanded their businesses outside Cebu. Most of these CEOs have tapped Mindanao and the neighboring provinces in Visayas to grow their business. Interestingly, 16% of our CEOs have established their presence in other countries that include the UAE, Qatar, Bahrain, Singapore, Japan, and Australia.

Access to new and bigger markets, access to raw materials, availability of talent, and competitive costs were among the reasons considered in becoming regional and international players.

While market expansion continues to be part of our CEOs' strategies, our leaders should note that proper planning and execution are key to successful regional and international expansion. Factors to be considered before tapping other regions include ensuring a strong local business, the team's commitment, a business plan, sufficient capital, market research, and right talent.



**Question:** If you haven't expanded outside Cebu, which markets would you like to tap?





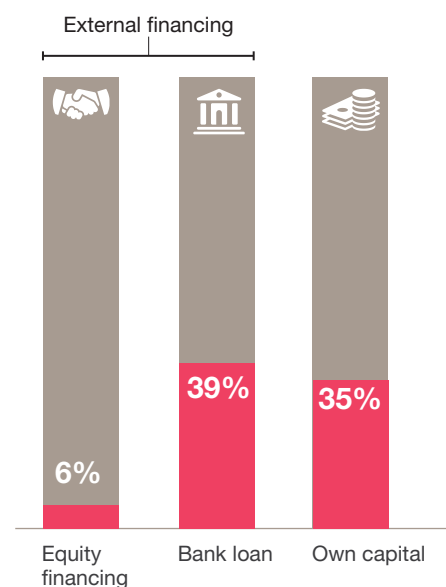
Financing growth remains a recurring priority of firms, especially family businesses. Thirty-five percent of our CEOs said they would rely on their own capital. Our survey shows that a significant portion still prefer to finance themselves rather than rely on external investors who might want a measure of control. Such practice presents a high risk because if something goes wrong in the business, the family may lose their wealth.

Using their own funds is not always a deliberate choice. Some companies have been forced to draw on their own resources because other types of finance are either unavailable or too expensive. Robust strategic planning will help companies bridge

the gap to future growth, as this will help determine whether the business has the appropriate capital structure and access to funding it needs to take advantage of future opportunities.

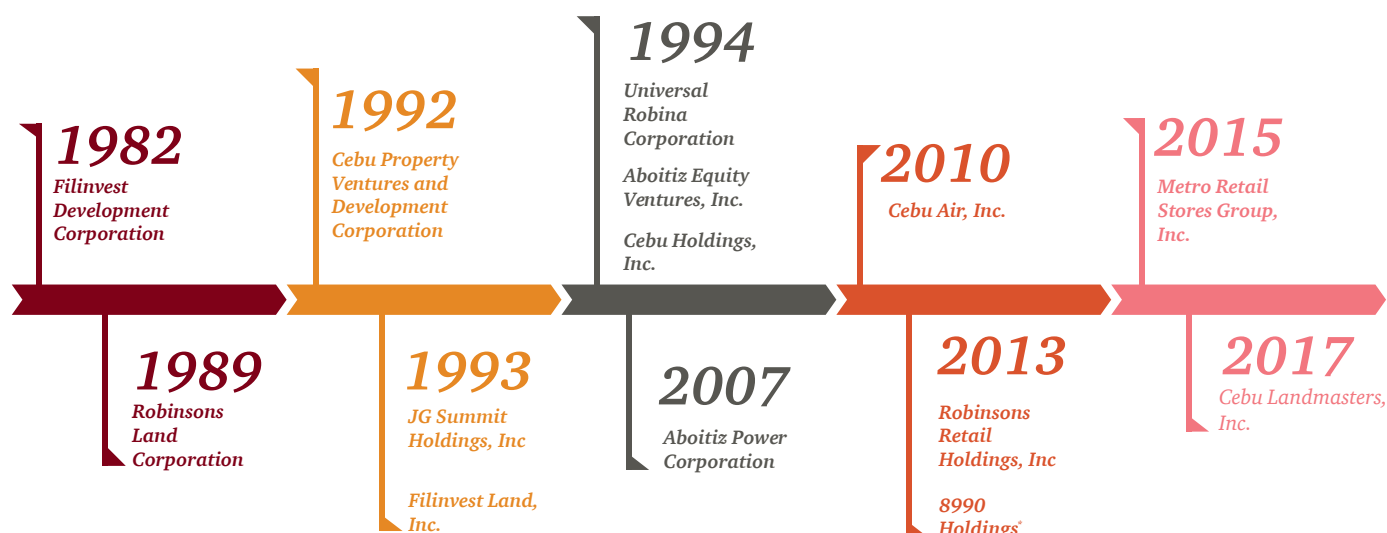
While most companies in Cebu are highly liquid, they need to consider whether they can free up more capital for investment by ensuring they have optimized their working capital.

Companies also need to ensure that their funding is on the right terms, and that its source is secure if circumstances change, whether inside the business, or outside in the market.



**Question:** How do you plan on financing your growth within and outside Cebu?

#### Initial Public Offering/Listings on the Philippine Stock Exchange of Cebu-based companies



Philippine Stock Exchange  
\* Backdoor listing





**“I grew up without a home of our own so building houses became my dream, and this is what I’m passionate about today.”**

Beverly Dayanan, Contempo Property Holdings, Inc.

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## Empowering women: Building dreams

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Beverly Dayanan started her real estate development company Contempo Property Holdings, Inc. in 2012 to provide quality and affordable homes to Filipinos. After launching its flagship project, Bamboo Bay, in November 2012 in Cebu City, the company will soon start its horizontal project for mid-income families in Cebu.

Beverly’s success story proves that there is no such thing as overnight success. Growing up in Davao Oriental, Beverly had to take odd jobs and work at a monastery to support her education. Beverly’s drive and ambition led her to complete a Political Science degree at the University of San Carlos in Cebu. Thinking that banking would help her achieve her financial goals, Beverly started her career as a teller, and eventually shifted to insurance. It was during her 12-year-career in banking and insurance that Beverly saw the huge potential in the real estate industry. In 2006, Beverly left her banking career to realize her childhood dream of building houses, and established a real estate mass housing business with a partner. In 2012, Beverly exited the business, and founded her own company - Contempo Property Holdings, Inc.

“I’ve learned all the non-technical aspects of the real estate industry from banking. It was in banking where I learned the basics of financing, cost of money, and how values are created or lost according to usage of time,” says Beverly when asked about her shift from banking to real estate.

Asked about the entry of women leaders in real estate, Beverly says, “Women’s entry in the real estate industry drove men to do more. As such, the arena became more exciting. While real estate is still a man’s world, women’s presence is slowly being felt.”

While there were several established real estate and construction companies in Cebu when she entered the industry, Contempo’s ability to provide affordability with quality as well as faster construction and turnover of units made it a relevant player in Cebu.

Cebu, as Beverly says, is a very discerning market. “Aside from our ability to provide faster construction, our advantage is more of our ability to resonate with our market, especially on the value proposition. Value for money is very important to Cebuanos.” With Contempo’s value proposition and technical competence, the Company received the following international awards in 2016 – the Business Initiative Directions World Quality Commitment Award in Paris, the Asia Corporate Excellence and Sustainability and Outstanding Leader awards from the MORS Group of Singapore, and Asia Pacific Entrepreneurship Award from Enterprise Asia of Malaysia.

While Beverly already received several recognitions, she believes that significant work is still needed. As Contempo’s presence strengthens in Cebu, Beverly remains ambitious. With an estimated housing backlog of five million units, Contempo plans to build more houses in Cebu, and eventually in Davao and Cagayan de Oro.

As Beverly says, “Cebu is the testing ground for marketing of all products. If you can survive in Cebu, you can definitely survive anywhere.”

With the abundance of capital – both from the businesses’ internal funds as well as available and untapped external financing, it is probably the best time for our Cebu CEOs to further grow and diversify their business.

While most companies believe that they will get higher returns from their own business, diversification is important to ensure long-term and stable returns. Looking at the options within and outside Cebu will help them successfully transfer wealth while managing risks.

Just like the CEOs in the global survey, our Cebu CEOs understand that it is a challenge to attract and retain talent and it will remain a challenge in the absence of a strategic plan.

A strategic plan will set the direction of the business, and help determine the skills and experience needed to support growth.



**Strategy can no longer be an approach of simply numbers and bottom lines; strategy must be built upon a long-term vision of growth, access, equality, innovation, and the human endeavour. The last of these is arguably the most important because linked to it is the critical concept of trust.”**

Bob E. Moritz, Global Chairman, PwC

## ◆ 10 steps to effective strategic planning





**“We invest in technology. We cannot grow without it. It is expensive, but it is worth it.”**

Robert Go, Prince Retail Group

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## Thinking ahead: Strategy for longevity

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Robert Go, President and CEO of Prince Retail Group, has strategically prepared for the future together with his five children. With more than 30 branches in the Vis-Min Region, the family continues to expand and fulfill its mission to serve the underserved.

While most first generations keep the traditional ways of running the business, Robert is the one driving the use of technology for the business. He strongly believes that continuous advancement and investment in technology is a must. Prince Retail Group is venturing into business intelligence and analytics as one of its strategies to stay ahead of the game.

Competition between traders has grown alongside the immense growth of the retail industry as foreign retailers have entered the Philippines. Prince Retail Group has been operating for almost three decades and proved to have kept up with tough competition. Cebu has certainly lived up to its name as “the place for trading” by producing successful retail groups in the country.

Robert believes that local will always have a competitive advantage over foreign retailers. “We are localized – we know what the people like and do not like, and we know their purchasing power”. Prince Retail Group has strategically positioned itself to to other parts of the Visayas and Mindanao. Guided by its vision to serve the base of the pyramid of the Philippine market that comprises 85% of the population, Robert explains that most of the foreign retailers cannot open in the provinces as it is too small for them. “Being a local and understanding the needs of the market are great advantages”.

Equally important to Robert for resilience and continuous success of the business is the undertaking of his children. While Robert sits as the President and CEO, his five children play integral roles and have been making business decisions for the company. “The second generation is now running the business, which is the children. I have to throw them in the ocean and they must learn how to swim”. Robert shares that his children do on-the-job training while growing up. “I tell my children to make mistakes now while it’s not big and learn from them, so when they make decisions, it will not be a mistake anymore. If I keep on deciding, they will never learn”. Robert believes that what his children are going through is a big learning process. “Being hands-on is much better than school. School is complementary. The growth and learning is very much faster in application, compared to theory”.

The family has prepared a family constitution where rules have to be followed, and roles and responsibilities are defined. Each of his five children heads different departments. While drafting the family constitution, the children recognized each other’s strengths and weaknesses, thereby complementing each other. Respecting the family constitution has been a great contributor to the transition, growth and success of the business.

## Scale up: Professionalizing the business

The next-generation leaders should progress towards professionalizing how the business operates. Companies need to veer away from traditional processes and scale up to systematic procedures.

Professionalizing the business is a critical component for continuous growth and a smooth succession. In the 2016 Global Family Business Survey, 40% of the leaders agreed that this will be a key challenge over the next five years.

Given their plans for continuous growth and expansion, 97% of the Cebu CEOs plan to maintain headquarters in Cebu. This is related to the finding that 77% of Cebu CEOs plan to stay in Cebu because of family. Our CEOs clearly have that distinctive trait that Filipinos are known for - close family ties. In our survey, 59% have at least two family members helping out in the business.

Most entrepreneurial start-ups, are run without formal business processes and procedures. With the aim to grow the business, CEOs tend to focus more on increasing revenues and overlook the need to professionalize the business.

Business owners usually prefer retaining familiar people over hiring a more competent individual from outside. But every business will eventually reach the point where

it has to professionalize the way it operates.

Professionalizing means putting processes in place to govern how the owners interact with the business. Businesses usually professionalize to comply with external regulations and improve productivity and efficiency. Another factor for professionalizing is expansion, typically when a business plans to secure private equity financing or conduct an Initial Public Offering.

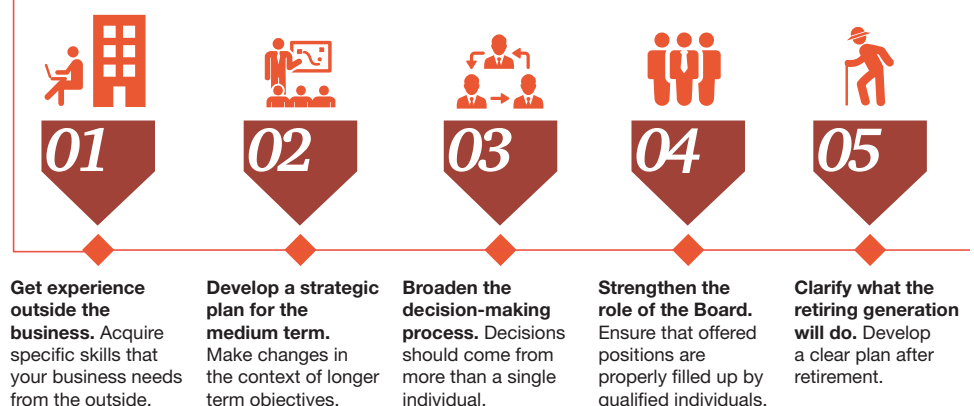
Mechanisms used to professionalize include shareholders' agreements, family councils, and incapacity arrangements. Bringing in external managers also help in bridge the gap. To reach full maturity, the business needs a strong board of individuals or professionals with competence and relevant experience.

### Advantages of having more professionals in the business:

- Helps the owners separate what the company needs from what the family wants
- Provides fresh perspectives, relevant experience, and access to influential networks
- Helps the CEO move beyond the tactical and the day-to-day
- Ensures there is accountability across the business
- Helps with risk management
- Provides objectivity, independence, and an 'outside-in' point of view
- Provides support and advice on planning for CEO succession
- Provides a 'safe place' for difficult discussions
- Smoothens the transition to the next generation
- Provides planning and advising on exit strategies.

### ◆ 10 steps to effective succession planning

#### Into leadership:





## Making succession a success

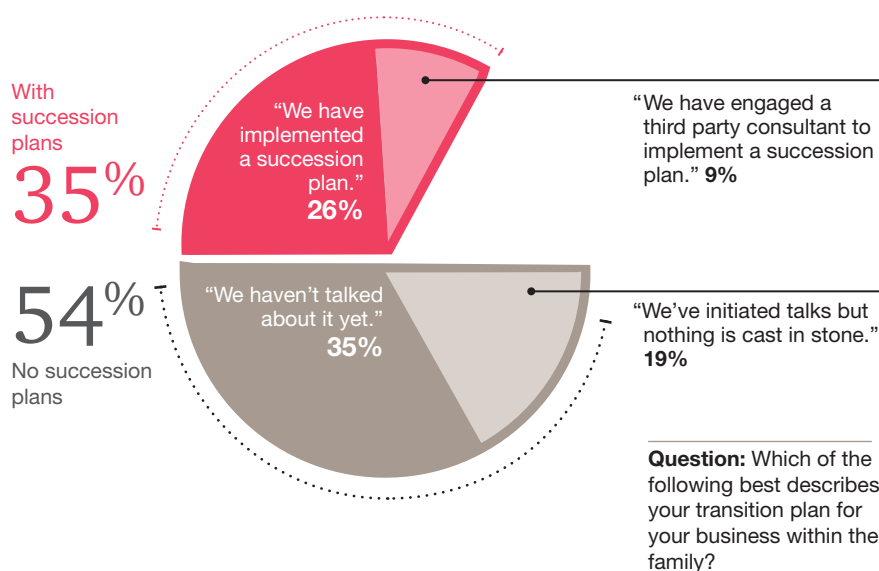
Succession is about more than just passing on a business. The next-generation leaders need to have what it takes to run the company. Integral part of succession planning is strategic planning and empowering the future leaders of the company.

Succession has always been an emotional but prudent topic in a business. In the 2016 MAP CEO Survey, 44% percent believe that succession is one of the key challenges that next-generation leaders will face. As the business gets older, more potential successors come into play, the number of family members increases and the potential for conflict rises. As described by an interviewee in the Global Family Business Survey, “the bigger the family gets, the more likely it is that there will be people who have never worked in the business and do not understand it or its issues, but are still expecting dividends. That’s bound to cause tension, especially when people react emotionally rather than rationally”.

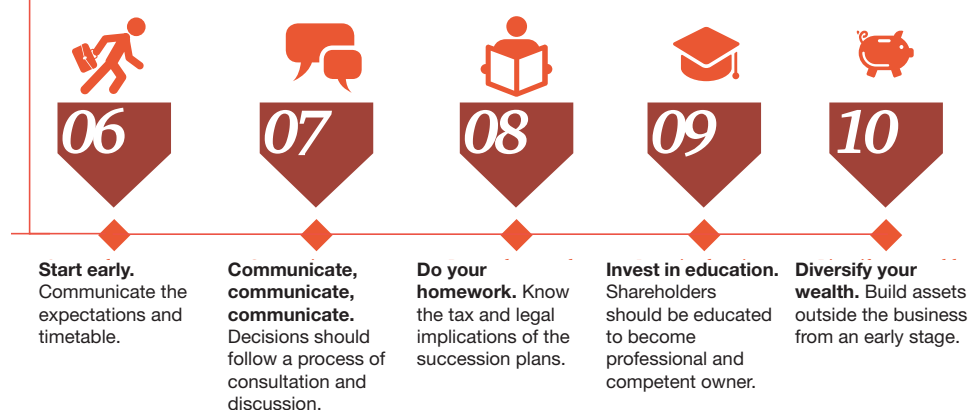
In our survey, 54% of our CEOs answered that they do not have a succession plan. This is consistent with the global family business survey, where 43% do not have a succession plan in place, with only 12% making it to the third generation.

It is striking to note that only 9% engaged third party consultants to implement a succession plan. The majority are still not amenable to having external professionals help out in the business.

Succession will always be an emotive issue, which is all the more reason why it needs to be managed professionally. Without proper succession, the entire enterprise is put at risk.



### Into ownership:



## *The new Cebu*

Central Visayas, where Cebu is the regional center, had a Gross Regional Domestic Product of PHP966.9bn in 2016, and grew at a compounded annual rate of 9.4% from 2013 to 2016.

The Cebu CEOs we spoke to identified the entry of foreign companies, surge in real estate/hotel developments, and increase infrastructure projects as the major developments in Cebu in the past 20 years.





“Ceboom”, which refers to the rapid economic growth of Cebu in the early ’90s, saw the entry of top local and global companies. It was also during this period when significant infrastructure and tourism projects were started.

Since 2009, Cebu has consistently made it to the Tholons’ 100 Outsourcing Destinations. In 2016, Cebu’s ranking on Tholons improved from 8th to 7th. Improvements in infrastructure as well as the huge talent pool helped raise Cebu’s rank.

Similarly, real estate and tourism grew rapidly with projects such as the Cebu IT Park, Shangri-La Mactan, commercial developments, and townships.

In 2014, the government awarded the construction of a new world-class passenger terminal building in Mactan-Cebu International Airport to Megawide Construction Corp. and India’s GMR Infrastructure. As of March 2017, the project was 51%

completed, with full completion expected by mid-2018. The project will increase the airport’s annual passenger carrying capacity from 4.5 million to 12.5 million, leading to improved tourism and more businesses.

The Cebu CEOs are well aware that significant work is still needed to maximize and manage the growth of Cebu. Similar to the findings in PwC’s 2016 Global CEO Survey, the availability of key skills, uncertain economic growth, and over-regulation are the top concerns of our CEOs.

#### Major economic drivers



IT & IT enabled services



Tourism



Manufacturing export (PEZA)

#### 36 No. of ecozones

28 IT Parks and  
Center Ops

4 Manufacturing

3 Tourism economic

1 Agro-industrial



Growth in Business Process  
Outsourcing

22%



Entry of foreign companies who  
started businesses in Cebu

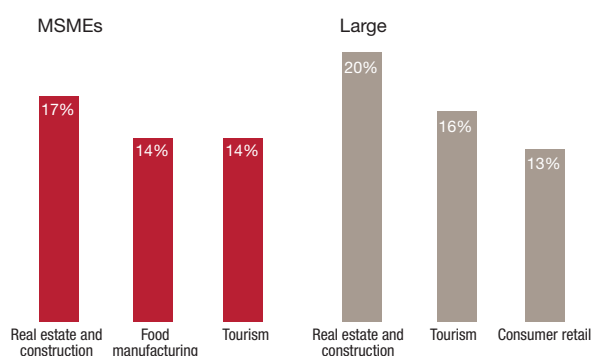
16%



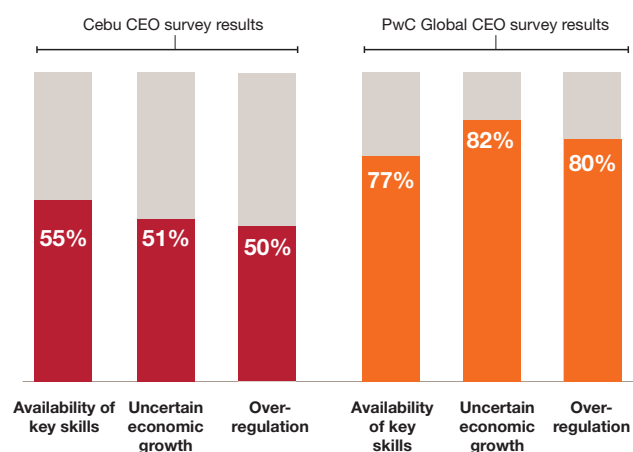
Surge in real estate/hotel  
developments

12%

**Question:** In your opinion, what has been the major development in Cebu in the past 20 years?



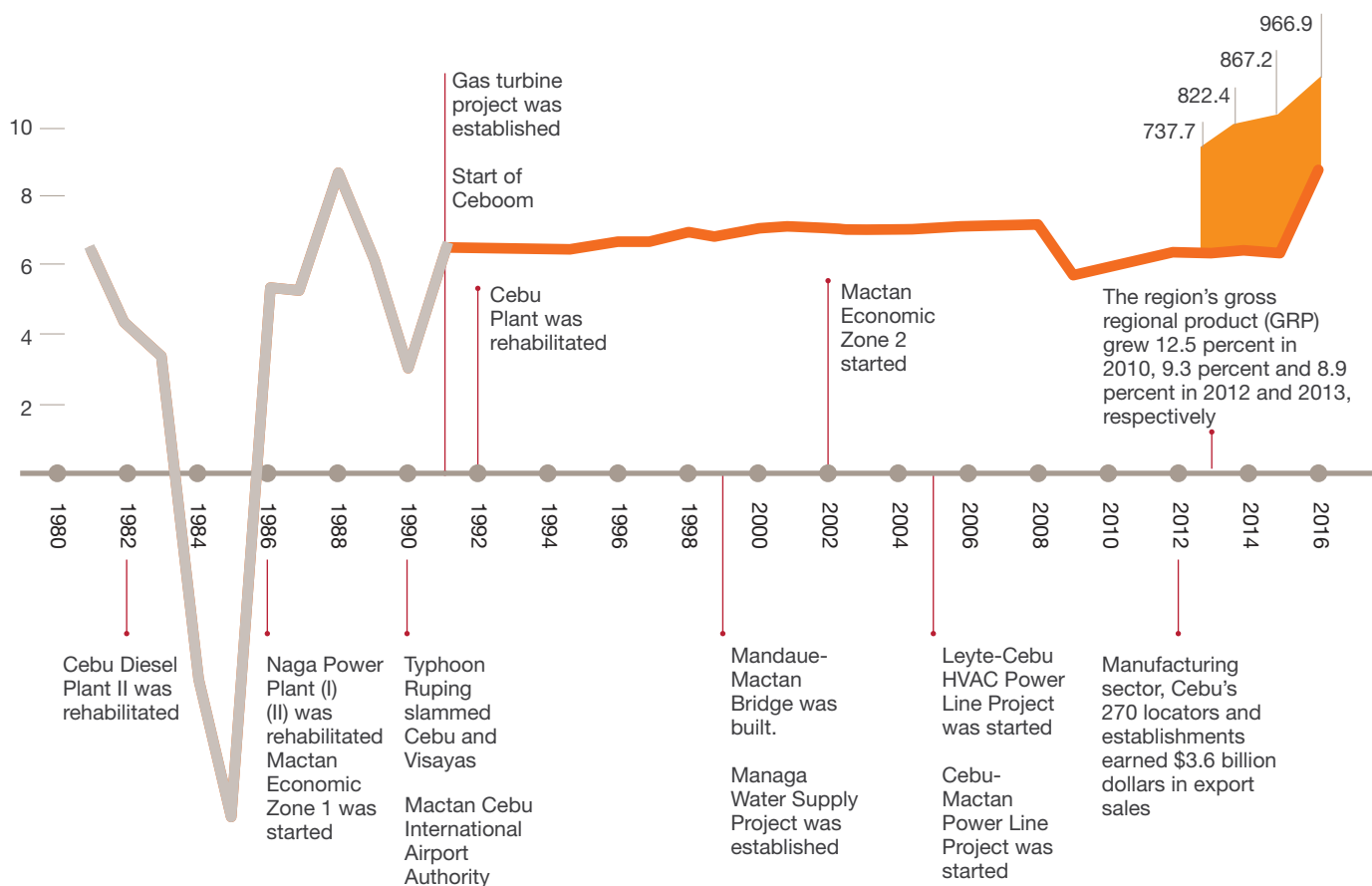
**Question:** Over the next three years, which industries would you consider entering given the market conditions in Cebu?



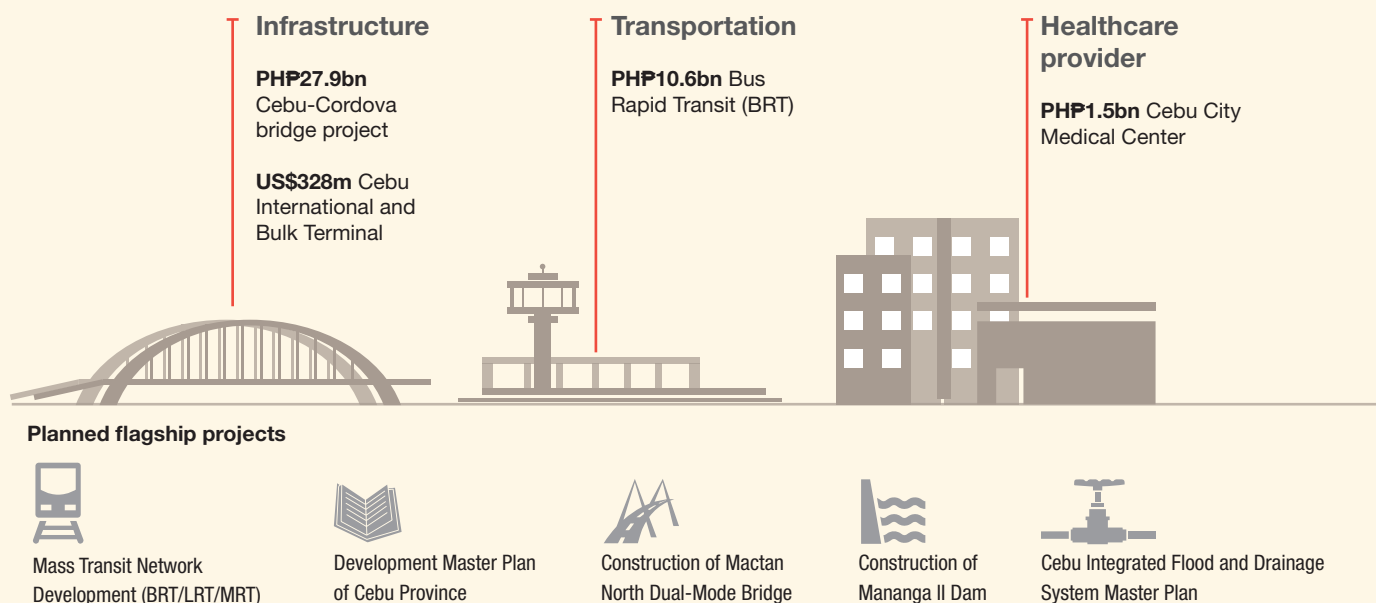
**Question:** What are the top three threats that Cebu will face over the next three years?

## Ceboom

**Gross Regional Domestic Product, Central Visayas**  
(PHP in Billions)



## Cebu's big ticket projects







**“There will be more opportunities that will land here for our businesses so we have to make sure that we are ready with regards to skills development, resources, and capabilities.”**

Melanie Ng, Cebu Chamber of Commerce and Industry

## Aligning expectations: Collaborating with a purpose

Melanie Ng, Executive Vice President of Ng Khai Development Corp., is the current President of the Cebu Chamber of Commerce and Industry, Cebu's largest business organization. Together with the Chamber's trustees, Melanie aims to bring businesses in Cebu to the next level by making the Chamber more relevant to the business community.

Envisioned to be “The Engine of Cebu's Business Growth towards global competitiveness”, the Chamber is committed to strengthen the capabilities of its members through advocacy, linkages and synergy for global competitiveness. Over the years, the Chamber has significantly touched the lives of the Cebuano by expanding the reach of its services to include not only its members but practically the entire Cebu.

For Melanie, Cebu's rise in competitiveness should resonate not only with the members of the Chamber. Melanie shares, “We're also very much passionate and committed towards countryside development, that's why it's also one of the thrusts of the Chamber: to reach out to the countryside entrepreneurs. We have a program whereby we establish chapters in the countryside here in Cebu. Also, we are also very much active in the development of MSMEs, especially in the ‘Kapatid Mentor Me’ program. The Chamber members are the mentors. So they give themselves, their time and resources, and help train and be part of the 12-week module of this program.”

With 760 members where 75% to 80% are small and medium sized enterprises, the Chamber demonstrates its commitment to inclusive growth through these programs.

Collaboration between the private sector and the local government is also one of the thrusts of the Chamber. Melanie notes that, “The PPP projects that our government undertook have greatly and positively affected and impacted the growth and development of Cebu, especially with the development of the Terminal 2 in Mactan - Cebu International Airport. We foresee that there will be great growth that will happen when this new terminal opens in 2018. That means there will be more visitors who will come to Cebu. There will be more opportunities that will land here for our businesses, so we have to make sure that we are ready with regards to

skills development, resources, capabilities to welcome all of these opportunities.”

One of those opportunities that the Chamber has identified is the growth of information communications technology and business process management (ICT-BPM) sector.

For the ICT-BPM industry scale greater heights, the Chamber organized the Innovation Council of Cebu in 2017. Melanie explains that, “ICT and tourism have always been the two industries that the Chamber passionately works on. We're happy that the Innovation Council of Cebu was recently formed with the support of the Chamber. This one is composed of IT Professionals (IT Entrepreneurs) in the SME and MSME space who provide products and services not only to businesses in Cebu but also to those in the rest of the country and abroad.”

The thrusts of the Chamber reflect how Cebu businesses face changes and challenges. There are more advocacies where the Chamber has taken an active and purposeful role including raising awareness on conditions affecting the ease of doing business, policies on LGU investments, government infrastructure investments, education, risk reduction, disaster response and improving resilience among MSMEs.

Melanie says that more commitment is undoubtedly needed, not as proof of failure, but as an indication that the Chamber is a vibrant organization, full of energy and determination, and a relevant institution that supports the continued growth of Cebu businesses.

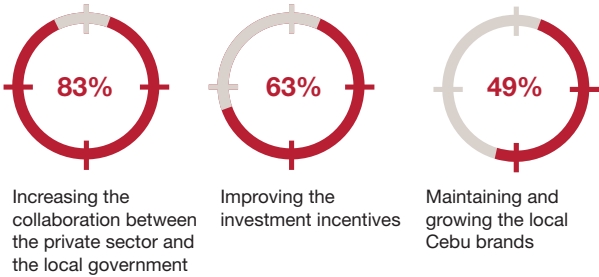
To help manage these threats, our CEOs believe that increasing the collaboration between the private sector and the local government such as Public-Private Partnerships should be prioritized. Our CEOs also believe that infrastructure in Cebu needs a major boost, and improvements will help make Cebu a livable and world quality city.

Given the growth that Cebu is still experiencing as well as the high liquidity, 53% of our CEOs said that they would consider entering real estate and construction in the next three years. Consistent with the results of the 2016 Philippine CEO Survey, our CEOs in Cebu remain optimistic about the industry, which is driven by the need for better infrastructure and quality homes.

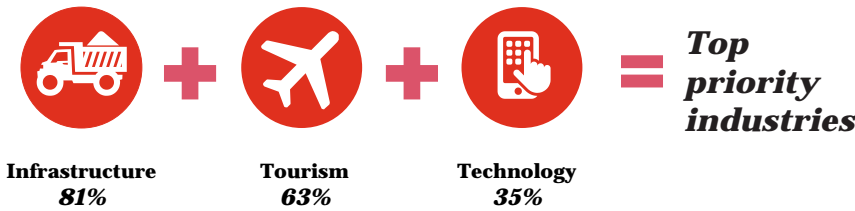
The next 20 years will bring further expansion to Cebu given the rise of new entrepreneurs, overall growth of the Philippine economy, and increasing foreign investments. It's time for CEOs to step forward and help safeguard the future by ensuring the benefits of business go to everyone.

“We need to focus on key areas to make Cebu a livable and world quality city. We need to be focused on infrastructure, water, waste management, etc. A master plan that all present and future governments, whatever their political affiliations, should follow and implement is needed.”

Robert Booth, CEO, Mehitabel, Inc.



Question: What should be the top three focus areas in Cebu?



Question: What are the top three industries that should be prioritized in Cebu?



Question: Over the next three years, which industries would you consider entering given the market conditions?



**“Bo’s has become not just a coffee shop; but also a platform for us to create a positive impact, and to help sustain and build communities.”**

Steve Benitez, Bo’s Coffee

## Sharing the learning: Brewing the next generation entrepreneurs

Starting as a coffee kiosk in Cebu in 1996, Steve Benitez has grown Bo’s Coffee, making it one of the largest homegrown specialty coffee companies in the Philippines that also helps other entrepreneurs to grow their own businesses.

“Every time we tell our story, we always tell them that this brand started, and was founded in Cebu. As we grew, we became more of a Philippine brand. The experience that you have in our store will tell you that we’re a Philippine brand. The consistency of that image and that experience of what Filipino coffee is all about, we always capture that in every store that we have.”

The presence of global brands and big local names did not stop Steve from starting his own coffee business. “When we started, we made sure that we have a laser focus on what we do. We made sure that we are creating our own basket of a new market for our brand, and not join the others in one basket. The best thing that we could think of was we need to find something that the other brands cannot claim, and that is being Filipino. From that point, we continued to grow, and continued to differentiate ourselves from the others. That’s our strength - showcasing what is best in the Philippines.”

While Steve has already grown Bo’s within and outside Cebu, he believes that he will still face challenges as Bo’s grows further. “One of the top challenges for growing companies like ours is finding the right talent. I always believe that a company is just as good as the people behind it, so we continuously try to attract the people that we can, but there’s a scarcity of that. Our second challenge is having a good system. How can we adapt our system to a very fast-paced environment? Another challenge for us is how we can consistently make ourselves relevant to the market. The market changes. We need to evolve and change ourselves internally and externally. To adapt to those changes is one of our biggest challenges.”

Though Bo’s Coffee is now more known as a Philippine brand, Steve still has dreams for Cebu and his fellow Cebuanos. Steve believes that Cebu can become a world class city by having solutions to the water problems, a good land use strategy, and better infrastructure. Most importantly, Steve highlights the value of Cebuanos. “If I were the CEO of Cebu, I would hire the best people to work with us, and who have the same values that make Cebu a priority. Only an inspiring and visionary leader can do that. At the end of the day, everything we do should be the best for Cebu.”

As a successful entrepreneur and mentor, Steve also believes in helping others to promote sustainability. “Bo’s has become not just a coffee shop, but also a platform for us to create a positive impact, and help sustain and build communities,” says Steve. Steve goes beyond coffee by partnering with social entrepreneurs and smaller businesses who are building good communities.

Despite the success of his brand, Steve still has bigger dreams for Bo’s Coffee. “The focus is to build the brand in the Philippines in the next four years. By 2020, we should be able to grow to over 250 stores. Beyond 2020, that’s when we start going out of the country. The vision is to make Bo’s a global Filipino coffee company. I believe that the Filipinos have what it takes to be a global company. To be a global brand, we need good people, a good system, and a good brand.”





## A sense of purpose

It is important for those running a business to leave something worthwhile behind, or as how they would put it, “to be remembered”. While challenges and issues arise, the pull of the legacy remains strong.

In the Global Family Business Survey, many talk about ‘longevity’, ‘integrity’ and ‘making a difference’, and say that they want to pass on a business that is stable, sustainable and profitable. There is also a focus on sustaining the family’s values and supporting the community.

Legacy is not about how much you have accomplished, but rather a result of how well you have served.



**Success is nothing if you can’t take others with you.”**

Steve Benitez, CEO of Bo’s Coffee



**“My parents run a traditional business, I wanted to run a social-cultural enterprise, something more inclusive.”**

Anya Lim, ANTHILL



## Lasting legacy: Weaving lives together

Anya Lim co-founded ANTHILL (Alternative Nest and Trading/ Training Hub for Indigenous and Ingenious Little Livelihood seekers) in 2010 with her mother, Annie to fulfill its mission to keep traditional Filipino craftsmanship alive. ANTHILL Fabric Gallery was named the Grand Winner of the Development Social Enterprise Award in 2016.

In a traditional family business, children are positioned to be the successor. Anya chose another path. Growing up with an established textile business run by her parents, Anya found herself more engrossed in community development. “I really wanted to provide a platform where we can have an enabling environment, where we can have the younger generations continue the craft of weaving. The element of culture and element of social impact are very important to me,” says Anya.

ANTHILL Fabric Gallery was established as a social and cultural enterprise that works to preserve and promote our Philippine weaving traditions among younger generations by applying such culture into contemporary designs.

Anya says social enterprises are disrupting the traditional business model. “Social entrepreneurs usually think of impact and sustainability, the core of what it does. The presence of social enterprise and its huge agenda and impact greatly challenge traditional business. The emerging growth is making business more considerate of how they do things”. Buying from social enterprises, customers re-invest in the local economy and create a positive impact. “Investors usually look at profit. Now, investors look at impact and scale of the business in terms of being more inclusive”, Anya adds.

Running a social enterprise is not as easy as it sounds. When asked about top challenges, Anya emphasizes the need for talent and human capital. “Social entrepreneurs are very noble. So it is hard to hire people with a certain competency, passion, heart and commitment for social impact”. Anya adds that transitioning to e-commerce and production capacity are great challenges as well.

ANTHILL directly works with three communities: Abra Weaving Community, the Daraghuyan Bukidnon Tribe and the Handcrafters of Mary Enterprise in Cebu. It also has indirect suppliers from Lake Sebu town, Mindoro and Benguet.

Despite the challenges, social entrepreneurs are known to be gritty with a growth mindset and risk takers.

“They welcome and embrace failures and mistakes because they are opportunities for growth. Keep moving forward even if it means trial and error”, says Anya when asked about the success factor of social enterprises.

She also firmly believes in the one characteristic common among social entrepreneurs- great love for country. “Their passion stems from their love for country that is why they want to contribute to solving social issues. They want to help solve problems through entrepreneurship. “

Anya is positive that the number of social entrepreneurs will continue to grow regardless of how they start their business and how great their impact will be.

“Social entrepreneurs have a genuine desire to create change, no matter how small- a person, an entire community, or country, but the desire is very genuine in them.” She welcomes everyone to be a social entrepreneur. “If you want to help and solve problems of the country, be the solution, be a social entrepreneur”.



**“If there’s a new ingredient, I experiment with other products. But the rosquillos, I leave it as it is. I don’t want to compromise its quality.”**

Aljew Frasco, Titay's Lilo-an Rosquillos & Delicacies, Inc.

## A balancing act: Preserving traditions and growing the business

Aljew Frasco is the great-grandson of Margaret Frasco, the founder of Titay's Lilo-an Rosquillos & Delicacies, Inc. As the current CEO, Aljew continues producing quality home-baked goodies that the Cebuanos have loved for 110 years.

“The secret ingredient that the Cebuanos have is that Cebuanos are hard to please. When Cebuanos make a product, it has to be of high standard,” says Aljew, when asked why Cebuanos have been successful in the food business.

The Frasco family business started in 1907 when Margaret's golden brown cookie became popular in Liloan, and eventually in the neighboring towns and cities. Now on its 110th year, Titay's product line has grown to include otap, galletas, and other cookies and pastries.

Having been in business for over a century, Titay's has been managed by four generations with Aljew leading the current generation of family members. “It has been a blessing that my grandmother had only two sons. My uncle was in politics, and my father was managing the business. In their generation, it was easy. There was no power struggle. In our generation, we had difficulties. When my dad retired, he asked me to take over and just consult him if I need his help. One of the difficulties is that in our generation, we have different ideas on how to grow the business. Of course we had disagreements, but we were raised to not throw stones at each other. At the end of the day, we still unite for the family and for the business. When we started managing the business, we discussed our strengths and weaknesses. We knew that we have to complement each other.” The Frascos' strong family ties and commitment to their business resulted in awards and recognitions such as the Perlas Awards – Valuable Entrepreneurship and Family Home Industry (1998), Grand Chamber Century Awards – Hall of Famer, Outstanding Institution for Pioneering and Sustaining Growth of Trade and Tourism in Cebu (2000), National Shoppers' Choice Award (2005), Margarita “Titay” Frasco as one of the Culinary Icons

of Cebu (2005), and Most Outstanding Rosquillos in Metro Cebu (2005).

Still known as one of Cebu's favorite “pasalubongs”, Aljew shares why Titay's remains a household brand, “We didn't change the recipe, we just maintained the quality.” While Titay's rosquillos tastes the same as the cookie that Margaret baked in her clay oven, Aljew shares that they have made changes in the business. “First is we streamlined our products so that the consumers will have better choices. Before, we had eight sizes per product. Now, we only have three to four sizes. We also upgraded our packaging so that if you will give Titay's products to your friends and relatives in other countries, you will also be proud. Another is we also reestablished the brand with the younger generations who had no earlier experience with Titay's.”

Just like his great-grandmother Margaret and grandmother Corazon, Aljew has a passion for baking. “I have been working for Titay's since 1999. I love baking. I always try new things.”

If there's a new ingredient, I experiment with other products. But the rosquillos, I leave it as it is. I don't want to compromise its quality.”

Asked about his plans for Titay's, Aljew says, “I want Titay's to be remembered as the manufacturer of products that compete with the best. As of now, we just want to maintain our high quality. We plan to go national and hopefully, if we can supply, we will go international. The most important aspect is maintaining the quality. We are proud that we are the original maker of rosquillos. When you say rosquillos, it's Titay's.”



“

Be passionate, move fast, have a big natural market. As an entrepreneur, you should ask what problem you are solving. If you are solving a problem, then there must be some people who will use your product.”

Steve Benitez, Bo's Coffee

“

My grandfather's business helped me see that it's very important to take care of your people. I see the same people that I saw growing up. It's something that I want to apply to the company I started. Having people with you from the start, helping them grow and achieve their ambitions and dreams through the company. It's very important for the company to take care of the team.”

Wesley Chiongbian, Mynimo

“

To be successful in business, you have to play to win, and not play not to lose. In business, offense beats defense every time.”

Bunny Pages, Pages Holdings

“

In everything that we do, we need scale. So that's why it's important for us to collaborate and share technology know-how with other organizations, not only within ourselves.”

Melanie Ng, Cebu Chamber of Commerce

“

You have to go where it is difficult to know where you are, and know how to do it. What's important is you're continuously learning. You should never stop learning. When you stop learning, your days are numbered.”

Robert Go, Prince Retail

“

Do not mind the competition because no matter how heavy the traffic is, you always have a space on the road.”

Leonora Salvane,  
GT Cosmetics Manufacturing

“

All social entrepreneurs are gritty, and they have a growth mindset. They welcome and embrace failures and mistakes because those are opportunities for growth.”

Any Lim, Anthill

“

The hard part of entering a new industry is learning the technical aspect. But it's not that difficult as long as one is willing to learn.”

Beverly Dayanan, Contempo Property Holdings, Inc.

“

Be bold, be confident, know your competence, and maximize your potential.”

Pete Delantar, Nature's Legacy

“

Have the desire to learn and know the ins and outs of the business. You have to start from the ground. Be honest in your dealings and transparent in your transactions. Make sure your credibility is intact.”

Nina Mabatid, PinoycareVisa

“

You should have the wisdom and the ability to innovate to succeed. Filipinos are brilliant. All Filipinos should step up.”

Antonio Yap, Dranix

“

Never throw stones at each other. Understand one's strengths and weaknesses, and complement each other.”

Aljew Frasco, Titay's Lilo-an Rosquillos & Delicacies, Inc.

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## Looking ahead

There's a lot of optimism in our first Cebu CEO Survey. Our respondents are confident, experienced, and have big ambitions. Their vision of the "New Cebu" is vibrant and progressive. But many of the old challenges remain. Infrastructure development needs to be accelerated, collaboration between the private and public sectors must be enhanced to ensure that Cebu keeps it standing as commercial and industrial powerhouse.

Our next-generation Cebu business leaders need to continue developing their skills – both their technical and business know-how, and softer skills like the ability to foster teamwork and effective communications. It's reassuring to see that many of our respondents are taking a proactive approach in developing their skills and that of their management teams. Their approach to talent acquisition and retention is also laudable as they gear up for growth. What our respondents are not afraid of is trying out new methods and techniques in making sure that their vision is achieved.

Technology and innovation will continue to play as our Cebu CEOs' launchpad for success. Their vision for technology-enabled business models and processes will make their operations more efficient and profitable. Their mindset towards continuous innovation will make sure that they are relevant for the long run.



Scale takes on new meanings in the context of the next-generation Cebu business leaders: it's the scale of the business, and its strategy for the future, but it's also the scale of their personal ambitions. From the business perspective, this means looking at new products and services, new markets, and even new business models, and understanding how digital could disrupt what their companies do now, and open up new possibilities in the future. From the Cebu CEOs' personal perspective, this is about ensuring that their

business is able to evolve and change, and if necessary, re-invent itself, without losing touch with its values or the passion that founded it. It's maintaining the delicate balance of need for growth while preserving traditions.

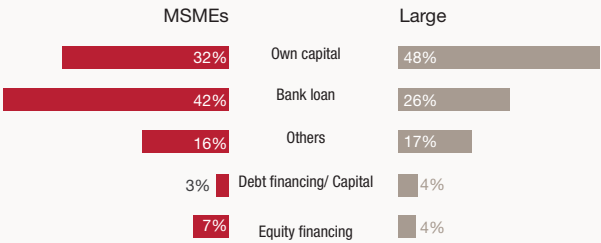
The next-generation Cebu business leaders have great expectations – we want to help make them a reality.



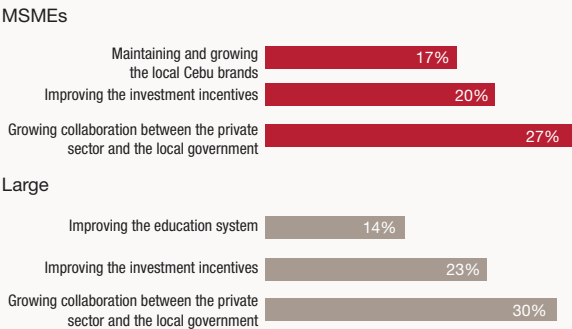


# Outside in: Cebu CEOs view of what impacts their business

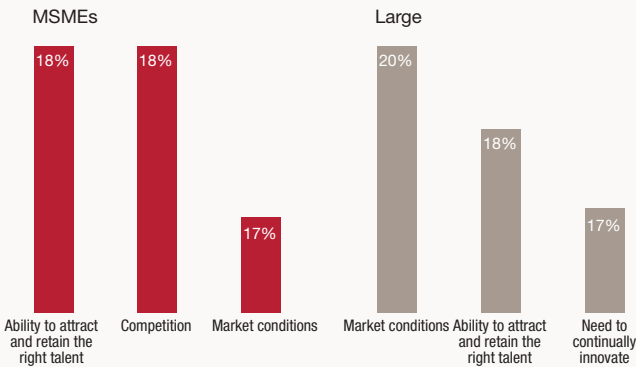
## Small vs. large



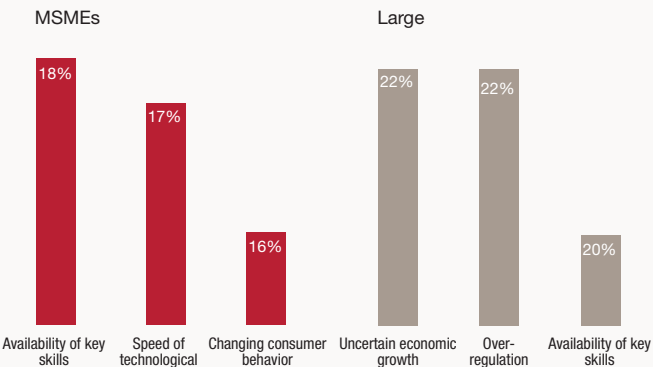
**Question:** How do you plan on financing your growth within and outside Cebu?



**Question:** What should be the top three focus areas in Cebu?

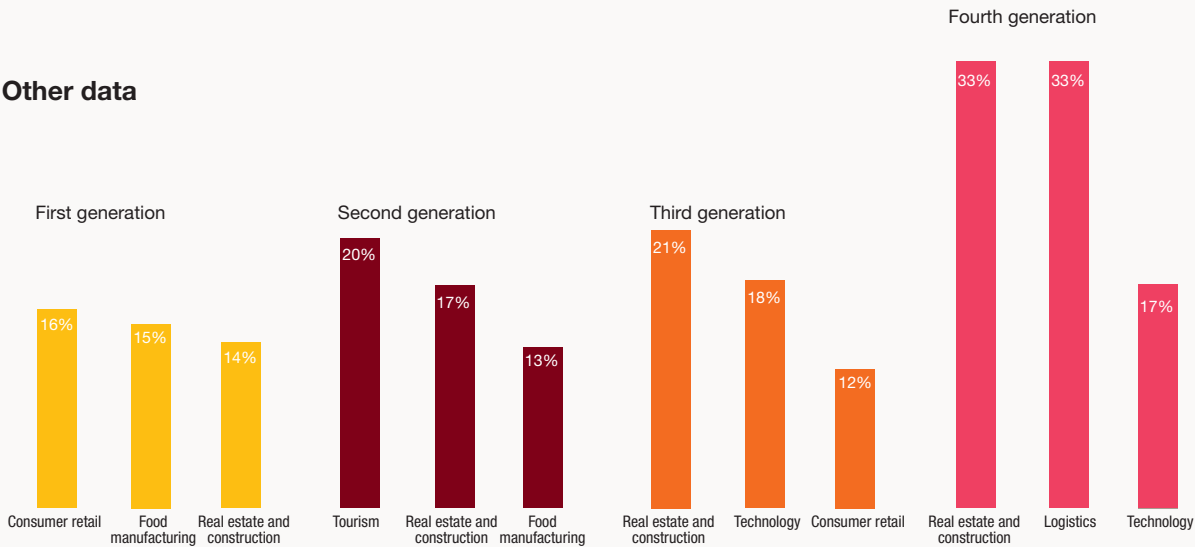


**Question:** What are the top three internal and/or external issues or challenges that will affect your business in Cebu in the next 12 months?



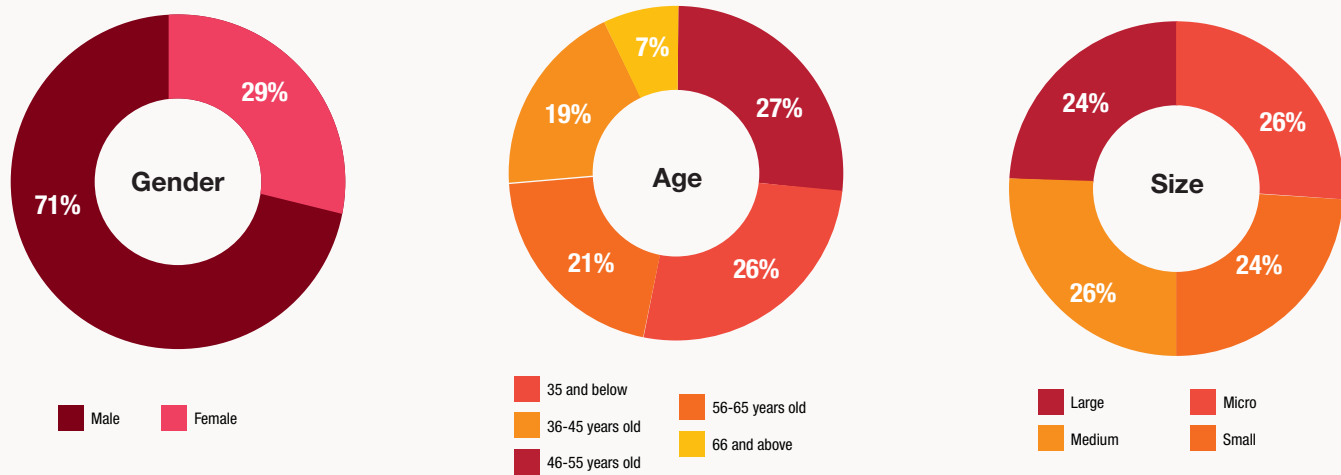
**Question:** What are the top three threats that Cebu will face over the next three years?

## Other data

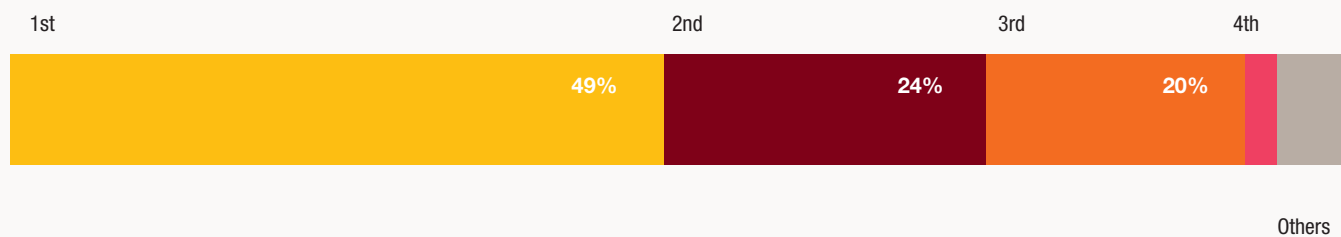


**Question:** Over the next three years, which industries would you consider entering given the market conditions in Cebu?

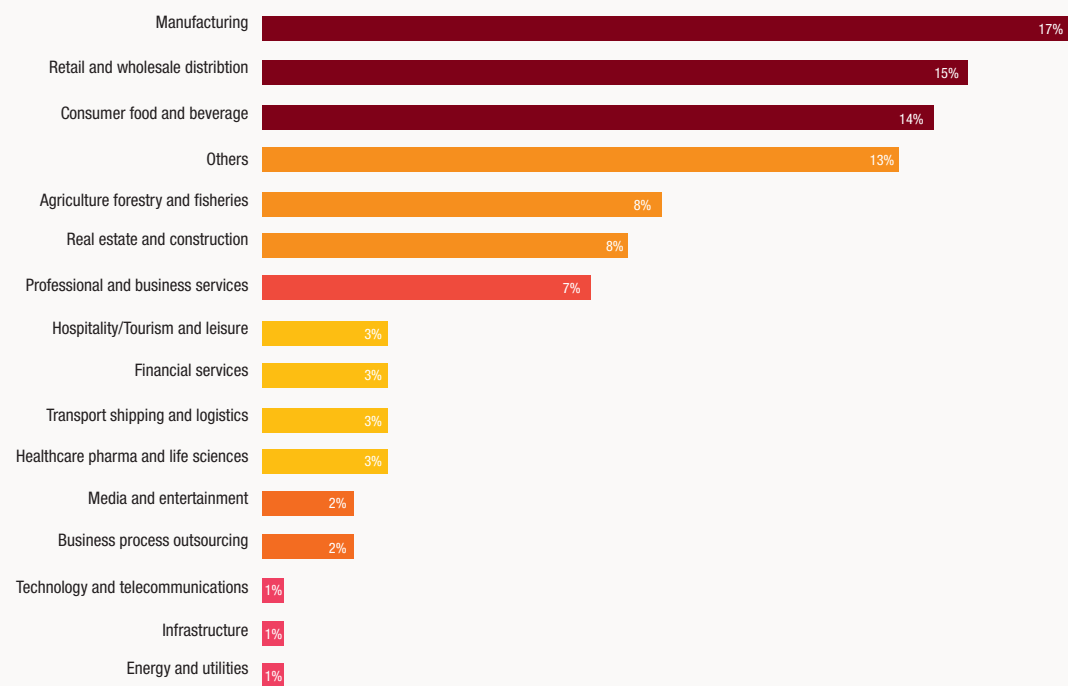
Profile of the 96 CEO repondents



Generation



Industries of the CEOs



# ***Research methodology and contacts***

We conducted the survey in collaboration with Cebu Chamber of Commerce and Industry (“CCCI”). 96 CEOs answered the survey, and the respondents were primarily the members of CCCI. The survey methodology used was a mix of online and printed questionnaires.

We also conducted face-to-face in-depth interviews with 12 CEOs to support the findings of the survey. Their interviews featured in this report, and more extensive extracts can be found on our website at [www.pwc.com/ph/cebu-ceosurvey](http://www.pwc.com/ph/cebu-ceosurvey).

Notes:

Not all figures add up to 100% due to rounding of percentages and exclusion of ‘no comment’ or ‘no response’.

The base for figures is 96 (all survey respondents) unless otherwise stated

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# ***Cebu Chamber of Commerce and Industry***

Founded in 1903, the Cebu Chamber of Commerce and Industry (“CCCI”) is a non-stock, non-profit organization of businessmen, merchants, professionals and entrepreneurs that aims to be the driver of Cebu’s business growth by strengthening the capabilities of its members through advocacy, linkages and synergy moving towards global competitiveness of Cebu and its people.

Since its inception, CCCI has continuously evolved and has established itself not just locally but also in the Asia-Pacific region as a consistently effective organization evidenced by the numerous awards it has received in the past years.

In the recent 39th Philippine Business Conference and Expo 2013, CCCI swept the awards as it was recognized as “Most Outstanding Chamber in the Visayas, Most Outstanding Chamber in the Philippines and Hall of Fame.”

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