

# SupplyChain PHILIPPINES

2014 Issue 3 / [www.scmap.org](http://www.scmap.org)

## Are we there yet?

Improving Metro Manila's road network can improve our supply chains—and nope, it's not just widening roads, or adding new ones





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“...it is surprising to realize that the national government has focused its infrastructure spending on expanding roads, at the expense of other modes of transport.” Our cover story on Metro Manila’s traffic woes starts on page 18

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Why solving Metro Manila’s severe traffic problems takes more than just adding new roads or widening existing ones

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Our biggest conference yet celebrates the past, present and future of the Philippine supply chain industry

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The best and worst of supply chain all rolled into the months of 2014. Challenges in our logistics and transport systems became evident when SCMAP convened the private sector stakeholders in response to the MMDA modified truck ban in early January.

The rest of the year was marked by difficult roadblocks such as the Manila daytime truck ban, Port of Manila's congestion, JAO 2014-01, and BOC/BIR's reaccreditation of brokers and importers—all of which has strengthened the local supply chain community and once again proved the resiliency of the Filipino spirit.

Despite the daunting tasks and deafening odds, SCMAP has continued to soar high in its silver anniversary by pushing the reform agenda it has bravely set at the start of the year!

We have been very visible in media this year with radio, print and especially television mostly highlighting our advocacies in supply chain such as the preparation for AEC 2015, the truck ban's effects, LTFRB's provisional authority, and toll fee rate increases.

SCMAP has also supported other cooperating organizations and events such as SIAL ASEAN Manila 2014, Franchise Asia Philippines 2014, and Logistics and Transport Conference 2014, among others. This has only reinforced the role of SCMAP as industry influencer and collaborator.

This year we also successfully conducted our CEO/CSCO Forum which involved big players in local manufacturing, distribution, logistics and retail to talk about relevant issues of the nation and come up with a Joint Declaration on a common action in resolving these concerns.

This was successfully endorsed to Senator Bam Aquino during the SCMAP Annual Conference, highlighting the leadership and determination of SCMAP to bridge both the private sector and government towards a meaningful solution and inclusive growth.

Another important milestone is the inauguration of our Cagayan de Oro chapter, which kicked off last August in Seda Centrio, exactly one year after we launched the Cebu chapter. With both Visayas and Mindanao fully represented within SCMAP, the national rollout of programs is well under way for next year!

Fun events such as the 2nd Bowling Fest, the Logistics Immersion Course in Palawan, and SCMAP's CSR activities via Walk the Watershed all completed the needed colors for SCMAP to complete its 25-year journey and make it noteworthy.

As another era in the SCMAP history books is about to be opened, the secretariat has been positioned and prepared to take on a bigger role in the years to come. With the addition of the Secretary General, we can only expect a more active and bolder SCMAP next year!

Cheers to SCMAP and its members! Kudos to all the board of directors and officers who have made it all happen this year! The watermarks have been clearly etched with everyone's support and love for SCMAP.

Have a merry Christmas and a bountiful new year!

A handwritten signature in black ink, appearing to read 'Arnel Gamboa'. The signature is stylized with several overlapping strokes.

**Arnel Gamboa**  
SCMAP Y2014 President

I wanted to be an architect growing up. It would turn out to be a phase, like when I wanted to be a veterinarian but was scared off by the prospect of having to treat cockroaches, but back then I thought it was something I really wanted to do. I liked to draw buildings. I didn't like math.

That is how I was introduced to SimCity, the computer game where you play mayor and build a city from the ground up. (Its creator would later go on to create the Sims, which is the same, only with people.) My dad bought me a copy, and I quickly built roads and hospitals and parks... and ran out of money, because I had no idea what loans did.

Of course I got better as I grew up. I balanced my ledgers, kept my citizens happy, and built what I thought was an architecturally awesome city. Then the newest version of the game came along, and I did not just have to build a city: I had to make sure the products my factories made got to the retail stores, and my citizens could spend all their money on those products to be happy. (Yes, they spent all their money buying happiness. Don't ask me.) In other words, I was playing a game about supply chain.

SimCity—the latest version, preferably—is the best way to expose someone to the basics of supply chain. Once you get the hang of it, you realize that the most effective supply chains are enabled by systems that work. Your factories will leave when they can't deliver their goods. Your stores will leave when they can't sell anything, Your citizens will leave when they can't buy whatever they call happiness.

I'm writing this column from Hong Kong; I'm here attending the Asian Logistics and Maritime Conference. I've been walking the sidewalks, taking the trains and observing the taxi drivers navigate the city, and I immediately thought of how SimCity just works. My mind



goes back to Singapore, which I also recently visited, and remember thinking the same thing. My mind goes back to home, to Manila. Well...

This issue's cover story is about Manila's traffic situation, about Manila's infrastructure. Of course it has everything to do with our supply chain: when our trucks are stuck in traffic, our stores have nothing to sell, and our customers have nothing to buy. And our customers get impatient. I'm not a Starbucks guy, but I've no choice: Coffee Bean and Tea Leaf have not had my favorite drink on stock for roughly six weeks—I can't be patient forever. "Port congestion," they said, week after week, and this was after Manila mayor Joseph Estrada lifted his truck ban. But yes, that wasn't the only cause of the problem; it just pushed things to the wall. We try to explore this, if only partly.

Elsewhere on this issue, we talk about the pope's visit to the Philippines, we round up our successful SCMAP Supply Chain Conference, and we tell you about our visit to Casili Elementary School for our Walk the Watershed CSR activity. I visited the school twice as part of the organizing team, and I'm amazed at how vendors can still get to the homes there despite the remote location and rough route. Then again, when there's demand, there's a way. It's proof that you don't necessarily need a perfect system for your supply chain to work.



Senator Bam Aquino is presented the Philippine Supply Chain Joint Declaration by SCMAP president Arnel Gamboa and SCMAP vice president Cora Curay

# A shining moment for SCMAP and the Philippine supply chain industry

*George Yumul rounds up this year's SCMAP Annual Supply Chain Conference*

The 2014 SCMAP Annual Supply Chain Conference and Exhibit, with the theme “Past, Present, Future: A Shining Milestone in the Philippine Supply Chain Industry” was held last September 18-19 at the EDSA Shangri-la Manila in Mandaluyong City.

This year's conference marks the 25th anniversary of SCMAP. For some, 25 years is a life sentence. But for SCMAP, it is just a warm-up as it continues to advocate, communicate and educate supply chain professionals on issues affecting the industry.

The September 18 line-up of speakers included Mr. Steven Cua of Philippine Amalgamated Supermarkets Association (PAGASA), Mr. Meneleo Carlos of Export Development Council (EDC), Mr. Ike Castillo of Fast Logistics Corporation, Mr. Martin Isbell of Dematic Pty Ltd, Ms. Dannie Chiu of Hong Kong Trade Development Council (HKTDC), Mr. Joseph Nathaniel Aguilar of Zuellig Pharma



The three keynote speakers—Senator Bam Aquino, Steven Cua of the Philippine Amalgamated Supermarkets Association, and Meneleo Carlos of the Export Development Council—open this year's conference

and Ms. Suzie Mitchell of DHL.

The first day of the conference had as one of the keynote speakers Senator Paolo Benigno “Bam” Aquino IV. He discussed continuous improvement of frameworks and processes to sustain economic growth, as well as the concept of the “inclusive supply chain” to create jobs to support SMEs and poor communities.

The highlight of the first day was the presentation of the Philippine Supply Chain Joint Declaration—the result of this year's CEO/CSCO Forum—to Sen. Aquino.

The second day of the conference started late due to floods by tropical storm Mario. However, a good number of the delegates were still able to attend the conference. The October 19 line-up of speakers included Mr. Denis Nixon of Procurement and Supply Institute of Asia (PA-SIA), Mr. Emmanuel Bautista of LF Logistics, Ms. Christine Pardinias of Rustan's Supercenters, Inc., Dr. Albert Clavo

of Lighthouse Christian Community, Mr. Henry Batalones of SSI Schaefer Philippines, Mr. J.D. Montelibano of Globe Telecom and Dr. Shirlyn Reyes of the Philippine Institute of Chemical Engineers.

The highlight of the second day was the presentation and awarding of the Salute to Supply Chain Excellence winners. The award for the Supply Chain Skills Excellence category went to Fast Logistics Corporation, while the award for the Supply Chain Sourcing Excellence category went to Smart Communications.

The SCMAP officers and conference organizers presented plaques of appreciation to all the generous sponsors which were instrumental in this year's conference.

With the success of the conference and exhibit, SCMAP is looking forward to another 25 years of relevant existence in the supply chain industry. See you in next year's conference! •



**FIRST DAY SPEAKERS** First row, from left: Steven Cua of Philippine Amalgamated Supermarkets Association, Senator Paolo Benigno Aquino IV, Meneleo Carlos of the Export Development Council, Ike Castillo of Fast Logistics **Second row, from left:** Martyn Isbell of Dematic, Dannie Chiu of the Hong Kong Trade Development Council, Joseph Nathaniel Aguilar of Zuellig Pharma, Suzie Mitchell of DHL Supply Chain Philippines



**SECOND DAY SPEAKERS** First row, from left: Ninoy Rollan of Transfluent Management, Emmanuel Bautista of LF Logistics, Christine Pardiñas of Rustan Supercenters Inc., Denis Nixon of Procurement and Supply Institute of Asia **Second row, from left:** Dr. Albert Clavo of Lighthouse Christian Community, Henry Batallones of SSI Schaefer Philippines, J.D. Montelibano of Globe Telecom, Dr. Shirlyn Reyes of Philippine Institute of Chemical Engineers





After lunch, a dance number got everyone's heart pulsing before the beginning of the talks



SCMAP secretary general Norman Adriano and SCMAP director Mark Philip Comandante hosted the event



Plaques of appreciation were given to the conference's sponsors



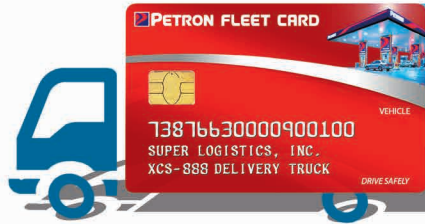
CTAP's Alberto Suansing with Mark Philip Comandante



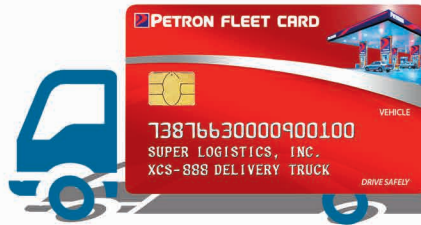
The exhibit was well-attended and featured companies across the supply chain spectrum



Christine Pardiñas raffles off gift certificates

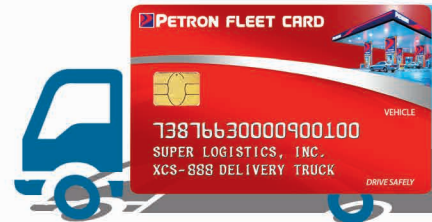


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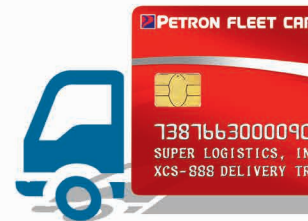
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# KNOWLEDGE CENTER

And the winners are...

*The winners of this year's Salute to Supply Chain Excellence Awards highlight the responsibility of the supply chain industry to its people and to the environment. **Ana Rose Ochoa** talks to those behind industry practices that show the way forward*



## Supply Chain Sourcing Excellence Smart Communications Inc. Green Merchandising

Smart Communications, Inc. is the Philippines' leading wireless services provider with 53.7 million subscribers on its GSM network as of June 2014. Smart has built a reputation for innovation, having introduced world-first wireless offerings such as Smart Money, Smart Load, Smart Padala, and the Netphone.

Smart offers 3G, HSPA+, and LTE services, while its satellite service Smart Link provides communications to the global maritime industry. Smart Broadband, Inc., a wholly-owned subsidiary, offers a wireless broadband service, Smart Broadband, with 2.1 million subscribers as of June 2014.

Smart is a wholly owned subsidiary of the Philippines' leading telecommunications carrier, the Philippine Long Distance Telephone Company.

*Supply Chain Philippines* interviewed the project's Cross-Functional team involved in the project as they shared their thoughts regarding their SSCE application and subsequent win under this category. The cross-functional team is composed of the Merchandising, Procurement, Warehousing, Retail Merchandising and Public Affairs groups.

### Why did your company join the Salute to Supply Chain Excellence Awards?

We entered the Green Merchandising project because we felt it could serve as a good example to other companies, on how they could pursue supply chain excellence and, at the same time, help protect the environment. The more companies get inspired to pursue environment-friendly merchandising options, the better it would be for our country.

We've also found that joining awards programs are a good exercise, as it encourages us to reassess our projects and see what improvements could still be done.

### What was your project about and what makes it innovative?

Green Merchandising is Smart's sustained efforts to reduce the impact of its operations on the environment. Under Green Merchandising, Smart has been using recyclable banners and recycled paper for its posters, flyers, and other materials.

Smart is also the first company in the country to use stone paper for outdoor and in-store advertising and merchandising. Unlike in the production of plastic and ordinary paper, stone paper manufacturing does not involve trees, acid, and water. Stone paper degrades within months under the sun and eventually becomes stone again. It is also water- and tear-resistant.



### What have been the results of the project since it was implemented?

Shifting to stone paper banners has expedited the installation of our merchandising materials in the market. The plastic materials previously took at least 15 days to produce, but with stone paper, the merchandising materials are being delivered in five days. Color and print quality of stone paper materials are also at par with the non eco-friendly materials.

Since January 2013, millions of stone paper materials, claycoate posters, and newsprint flyers have been produced. These materials could have been plastic that would have gone to landfills or clogged the waterways.

Because of faster production time and positive environmental impact, Smart was able to increase the demand for the use of stone paper last year. Because of



this, the initial 50% markup is now down to 10%.

**What were the major challenges you had in the project implementation and how were these resolved?**

One of the major challenges was sourcing the material, as our printers were not aware of stone paper. We looked for potential suppliers then briefed our printers. In a few weeks the printers were able to find sources and provided estimated production costs. The challenge was resolved by collaborating with our procurement partners and printers.

**In what way did your company and /or stakeholders support the implementation of your project?**

The project team had the full support of the company as Green Merch was in line with Smart's overall efforts to

help protect and save the environment.

**How did you prepare for the panel of judges site visit and your oral presentation?**

We coordinated with the Public Affairs group to work on the PowerPoint presentation, and to prepare information that could substantiate our responses to anticipated questions from the judges.

**After you received the award, who in your company was first to know about this great news?**

With social media, we were able to immediately inform and thank everyone involved in the project, even our printers.

**How did you celebrate your victory?**

We haven't scheduled a celebration yet but we plan to have a simple get-together with the whole team involved in this project.

**What are you most proud of in winning the award?**

We are proud to have been recognized not only for our supply chain practices, but also for how the improvements we have implemented are helping protect the environment.

**Do you have other projects that you would like to enter into future SSCE award search?**

Yes. The company is continuously innovating and we are sure to have other worthy projects that we would like to share with other SCMAP members.

**What advice can you give to companies who intend to join the Salute to Supply Chain Excellence Awards?**

We advise them to clearly explain their project goals and implementation, so other companies would be properly guided on how to apply these best practices.

**What suggestions could you offer to improve the SSCE search process?**

We suggest the more active use of social media in calling for entries.

**How do you sustain the teamwork, innovation, and passion for excellence in your company?**

Our leaders always encourage us to act like challengers and not be complacent in our position as the market leader.

We are inspired to think out of the box and to always focus on our customers and stakeholders—on producing work that will allow them to Live More.

**Are there any other insights you would like to share with SC practitioners that would help them in their quest for SC excellence?**

Plan. Work as a team. Research, test and validate. Treat your suppliers as your partners.

## Supply Chain Skills Excellence Fast Logistics Corporation **Executive Business Administration Ladderized Program**

Fast Logistics is the group that caters to the end-to-end logistics needs of customers from the point of origin to the point of destination. The group provides high level supply chain management service integration (air freight, sea freight, inland freight, courier express, warehouse leasing, warehouse management, trucking, toll packing and selling distribution) to its multinational and local clientele, giving it a definite edge over its competitors.

Living up to their vision of being the leading provider of value adding supply chain solutions, and fulfilling their mission that “People Are Our Best Resource”, the company forged a partnership with the De La Salle University in Dasmaringas, Cavite.

Fast Logistics and DLSU-D, represented by their Dean of College of Business Administration, Dr. Epifania D. Anfone, and the Director of CBA-Graduate Studies, Dr. Zeny J. Lontoc, came up with a post graduate program in business administration with specialization in supply chain management as part of the development program of the Fast Logistics leadership team.

*Supply Chain Philippines* interviewed Romeo “Bobby” Lim, Fast Logistics AVP for Human Resource and Organization Development, a key member of the project team. He shares their company’s journey towards bagging this Grand Prize award for their entry, Executive Business Administration Ladderized Program.

### **Why did your company join the Salute to Supply Chain Excellence Awards?**

We joined as a testimony to our vision and mission. We also joined to share our initiative to the supply chain industry in order to create awareness on the need to enhance the competency of our supply chain management workforce and help promote the supply chain profession.

### **What was your project about and what makes it innovative?**

The company has long embarked on a management development program with the objective to build the competencies needed to assume the responsibilities as the next generation of leaders in the organization. To be specific in our cause, the organization defined that these leaders should not just be knowledgeable in any field of management, but in supply chain.

The partnership between De La Salle University Dasmaringas and Fast Logistics is the first of a kind in the industry of supply chain. The flexible sequence of courses in the program is duly accredited and recognized by the



Commission on Higher Education.

While it was initiated by Fast Logistics and targeted for the management development of its leadership team, there are currently more than thirty students enrolled under this program from various industries.

### **What have been the results of the project since it was implemented?**

We were able to graduate 22 employees with a Diploma in Executive Business Administration already. They comprise of two vice presidents, two assistant vice presidents, seven senior managers, and eleven managers.

Twenty of these graduates are currently pursuing a degree in Executive Masters in Business Administration. They are now crafting their strategic management papers focusing on the companies under Fast Logistics and the Chiongbian Group of Companies.

### **What were the major challenges you had in the project implementation and how were these resolved?**

The major challenge is finding the right academic institution to partner with in coming up with program, designing the right curriculum and finding the right professors who will teach in the program. Another challenge is to have this program recognized and accredited with CHED.

We are privileged to have partnered with De La Salle Dasmaringas to be able to pursue this project. They really played a major role to helping us craft the curriculum and immediately acquired the necessary accreditation from CHED to start the program.

Also, with the vast experience in the supply chain management field and continuing advocacy of our company president, Ike Castillo, to develop the supply chain



The first batch of graduates from Fast Logistics and De La Salle University Dasmariñas' executive business administration program

profession in the Philippines, the project was implemented in no time.

**In what way did your company and/or stakeholders support the implementation of your project?**

Through the initiative of our President and COO, Mr. Ike Castillo, and the approval of our Chief Executive Officer, Mr. Willy Chiongbian, the company has so far invested a total of P2.3 million for this project to be implemented.

The willingness and dedication of our employees who were chosen to be the first batch of this program is also the key to the successful implementation of the project. These employees have shown their commitment by attending class every Saturday and passing all the courses.

**How did you prepare for the panel of judges site visit and your oral presentation?**

We prepared a presentation about our organization and the details of project. We also got testimonies from our DLSU-D partners to further validate the authenticity and viability of the project.

**After you received the award, who in your company was first to know about this great news?**

Since the award was given during the second day of the SCMAP Conference, the award was known by the Fast Logistics representatives attending the event.

Our Vice President for National Sales, Ms. Ruth Que—one of our graduates in the program—and the Fast Logistics team received the award on behalf of the management. The news was immediately cascaded on that day.

**How did you celebrate your victory?**

We have yet to celebrate since our President and COO,

as well as three other Operations Committee members, just got back from attending the Council of Supply Chain Management Professionals Conference in San Antonio, Texas, where Fast Logistics was chosen as one of the finalists in the 2014 Supply Chain Innovation Award.

**What are you most proud of in winning the award?**

This award is not just a validation of the success of our program in developing our leaders in the organization, but a recognition as well that an industry/academe partnership is very feasible in advancing the supply chain management profession in the country.

**Do you have other projects that you would like to enter into future SSCE award search?**

Yes, we have, and we are very excited about the ongoing project that we are currently implementing in relation to our requirement of skilled and professional supply chain practitioners.

**What advice can you give to companies who intend to join the Salute to Supply Chain Excellence Awards?**

Participate and be involved in sharing best practices in our industry for us to be a more competitive as a country in terms of supply chain management, and also to be able to contribute in the advancement of the supply chain management profession in the country.

**What suggestions could you offer to improve the SSCE search process?**

Create an online environment where supply chain practitioners in the country can share excellence in supply chain thereby promoting awareness and involvement. Come up with a more aggressive campaign to promote awareness of the search for supply chain excellence.

**How do you sustain the teamwork, innovation and passion for excellence in your company?**

Teamwork, innovation and excellence is already part of our company core values, together with commitment and customer delight.

We are able to sustain our values by consciously and consistently living it and relating these values in all that we do.

We incorporate and encourage sharing of our values with our Fast Impact Teams and SYNERGY (our S&OP process) reviews and recently have incorporated these core values to our competency model which we had already defined and identified specific behavioural indicators.

**Are there any other insights you would like to share with SC practitioners that would help them in their quest for SC excellence?**

The key to achieving the desired supply chain excellence is coming up with innovative programs and forging the right linkages to be able to implement these programs. •

# A challenge for supply chain as the Pope visits

*Pope Francis is visiting the Philippines this January, and there's a lot to deal with—especially since he's visiting Tacloban, still recovering from the effects of Yolanda. Avel Acedo takes note of the supply chain challenges this occasion presents*

Preparations are in full swing for Pope Francis' visit to the Philippines, which takes place on January 15 - 19, 2015.

The official logo of the visit as well as its theme, "Mercy and Compassion", had been approved together with the official song entitled "We Are All God's Children," which includes a choreographed routine.

Presidential Communications Secretary Sonny Coloma said the National Organizing Committee, led by Executive Secretary Jojo Ochoa and Catholic Bishops Conference of the Philippines (CBCP) president Socrates Villegas, met already to iron out details of preparations for the Pope's visit.

Important issues and plans that need to be addressed by the government and the church were discussed to ensure that the occasion would be a success. President Benigno Aquino III formed the committee to ensure that the government, the church and private groups have proper coordination in terms of the schedule of the pope, his security and transportation.

Up to five million people are expected to turn out to see the Catholic Church's first Latin American pope during his January 15-19 trip, presenting considerable security and logistical challenges for the authorities. Metro Manila traffic will most likely be rerouted away from the Quirino Grandstand in Luneta Park where His Holiness will celebrate a Holy Mass.

The Pope will arrive in Manila on January 15, 2015 on board the Sri Lankan flag carrier, SriLankan Airlines. He will be welcomed personally by President Benigno Aquino III. The following day, the Pope will pay a courtesy call to Aquino in Malacañang. He will also celebrate mass at the Manila Cathedral, then meet families at the Mall of Asia Arena in Pasay City.

On Saturday, January 17, Pope Francis will visit Leyte, where he will celebrate mass near the Tacloban Airport, as well as meet survivors of Typhoon Yolanda. He will return to Manila and meet with the youth at the University of Santo Tomas in the morning of January 18. In the afternoon, he will celebrate mass at Luneta. Millions of Catholics are expected to attend the said mass.

The Pope will leave for Rome on January 19, on board a Philippine Airlines plane.

According to Cardinal Tagle, masses to be celebrated by the Pope in Tacloban, Palo, and Rizal Park will be open to the public. Pope Francis is also expected to deliver speeches in English, but Bishop Mylo Vergara said there





may be interjections.

Unusually heavy vehicular and human traffic may happen during the time when Pope Francis is in Metro Manila. Public transport vehicles including hundreds of trucks coming from and going to the MICT, South Harbor, and Manila North Harbor are expected to be rerouted.

Given the Pope's schedules and itineraries, motorists and truckers are advised to avoid Manila specifically all areas leading to the Rizal Park or Luneta on January 15 and 16 and near Mall of Asia in the afternoon of January 16. Heavy traffic is expected also in the vicinity of the University of Santo Tomas where Pope Francis is scheduled to meet with the youth on January 18.

The exclusion of Cebu and Bohol in Pope Francis' itinerary is expected to translate to faithful Catholics of those provinces (and in nearby areas) in going to Tacloban City to see the Pope and attend the Holy Mass to be celebrated near the Tacloban city airport.

Such a scenario would create an artificial demand for travelers or an exodus of people and may encourage shipping lines to consider fielding extra vessels to serve and transport them. It is also possible for devout Catholics of Mindanao to travel to Tacloban either by boat or land (via RORO vessels) through Lipata port in Surigao to Liloan port in Southern Leyte.

Increase in demand of goods, merchandise, food and water are also expected. Tacloban's airport and seaport are likewise expected to be busier than normal. Business activities in Tacloban city and outlying areas such as Palo would be given a boost by the Pontiff's visit.

On the communications side of the forthcoming Papal visit preparations, telecommunications companies, namely PLDT (and its subsidiaries Smart and Sun Cellular) and Globe Telecom, are also gearing up for the



expected and unusual heavy surges in demand for both voice and data traffic throughout Pope Francis' stay in the country. In fact, Smart has started the deployment of several units of MEOW (Multi Elements on Wheels) Vans to Tacloban City and Palo, Leyte.

Coloma said that there would be an international media center inside Manila Hotel, a Vatican media center at the Diamond Hotel, and a field press center in Tacloban City.

He also invited the public to log on to the official papal web site [www.papalvisit.ph](http://www.papalvisit.ph), which has the latest updates, information on the Pope, background information on his itinerary, and his activities leading to his visit. •



# Over 90% savings on lighting costs—unbelievable?

*Cliff Eala talks about how intelligent lighting systems can give your operation savings—and how you can get started*

When I talk to people about saving over 90% on industrial lighting applications, I get a stare of skepticism, and expressions of disbelief. I have learned to anticipate this because it opens up the opportunity to show how it can be done today with Intelligent Lighting.

Zuellig Pharma has done it. Zuellig is the country's leading healthcare and pharmaceutical distributor. Their National Distribution Center in Cabuyao, Laguna recently upgraded to an intelligent lighting system under the supervision of Zuellig's vice president for distribution Ashley Antonio, and NDC operations director Danny Cabrera. The upgrade doubled the light levels in the facility while enabling a potential improvement of 94% in lighting costs.

Splash Corporation has done it. Splash is a formidable player in the personal care industry with brands like Skinwhite, Maxipeel, Vitress, Kolours, Extraderm and Biolink among others. As early as 2012, Splash upgraded their lighting at their warehouse facility in Canumay, Valenzuela in line with their energy conservation initiatives. This upgrade improved light levels while saving Splash 94% on lighting costs.

Koldstor Centre Philippines has done it. Koldstor is a recognized leader in the cold chain logistics industry. Koldstor upgraded to an intelligent lighting system at their cold storage facilities in Imus, Cavite, spearheaded by Koldstor president Anthony Dizon, and engineering head Andy Ochoa. With the implementation, Koldstor achieved over 92% savings, has increased illumination, and boasts of a lighting system that is void of toxic Mercury and hazardous breakable glass parts. Anthony Dizon is the current president of the Cold Chain Association of the Philippines (CCAP).

The keys to achieving such significant results with lighting upgrades are Integrated Intelligence and Wireless Control.

**Integrated Intelligence.** By building into each lighting fixture motion and daylight sensors, consumption and occupancy loggers, and microprocessors ("little computers") that control lighting behavior, lighting fixtures can efficiently deliver the required light when and where it is needed. Nothing more. Nothing less.

**Wireless Control.** By incorporating wireless communication and software into the lighting system, users can group lights by zones, configure them quickly and easily,

optimize dimming intensities and sensor time delays, to deliver demand driven lighting.

Integrated intelligence and wireless controls are only truly possible with LEDs as the light source. It is imperative that one works with LEDs of uncompromising quality, with recognized industry certifications for quality and useful life (UL, CE, DesignLights Consortium, FCC, IENSA LM-80, etc).

The road toward a successful, energy efficient, lighting upgrade is fraught with "LED failures". Allow me to share some best practices for industrial lighting applications.

- **Use LED luminaires that will not degrade by over 30% after 100,000 running hours (24/7 for approximately 10 years).** Check the product's IESNA compliant LM-80 report, the gold standard for measuring LED useful life.

- **Use the appropriate optics.** LED light is directional. The correct optic lens will provide the required light dispersion. Narrow optics are suited for aisles, while wide optics are suited for open spaces.

- **Use one integrated sensor per luminaire.** Wiring a single motion sensor to a row of luminaires will cause significantly higher consumption versus a "one sensor per luminaire" set up. Additionally, choose luminaires that have integrated sensors versus those that require wiring external sensors. These external wirings can void quality certifications and warranties. It is also a major headache to maintain a lighting system with parts from different manufacturers, more so when the lights are mounted 12 meters above ground in a 24/7 facility.

- **Use sensors specifically designed for rugged industrial applications.** Stay away from general-use motion sensors. Aside from being designed only for low residential ceilings, general use sensors have a short detection range, poor sensitivity, and cannot handle harsh hot or cold temperatures in industrial environments.

- **Use flexible lighting controls.** The lighting system should be capable to adjusting to detailed level dimming intensities and sensor time delays for optimal efficiency.

- **Evaluate both an outright purchase and a "no cash-out, shared savings" scheme for the lighting upgrade project.**

Intelligent lighting is a breakthrough innovation, and brings significant business benefits when professionally implemented. The unprecedented metrics of 2-3 year paybacks, and over 90% savings from real world cases tell us that intelligent lighting has earned a spot in the operational efficiency agenda of industry. •

Cliff Eala is the president of Synerbyte Limited. This article was first published in the *Philippine Daily Inquirer* on April 21, 2014, and was published with the author's permission.

*Best Value in Logistics Solutions...*



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## The long road forward

Metro Manila's severe traffic problem poses supply chain challenges, but how do we go about solving it? **Henrik Batallones** has some thoughts (but not necessarily answers)



The Manila city government implemented its controversial truck ban for most of 2014 to, according to them, lessen vehicular traffic in the city.

Well, we in the supply chain industry know of its most alarming effects. Manila's ports were clogged for months; while some cargo traffic was diverted to ports in Batangas and Subic, those ports soon struggled to cope as well. Raw materials were stuck in the ports, slowing down production, or in some cases, shuttering them. Imports also trickled down, meaning some items could not be found in stores. While the ban was lifted in September, its effects are still felt as I write this, three months later.

Sure, there were many other factors contributing to our ports' congested state. Trucks couldn't go in and out as much as they can, because of the extended hours of the truck ban. Processing of shipments take an average of three days, adding to the backlog. And then there's the traffic. Anybody who go to work—or to anywhere, for that matter—within Metro Manila will tell you that the traffic situation just seems to get worse, and it doesn't matter whether you drive or take public transportation. If you look at it that way, you might agree with Manila vice mayor Isko Moreno's defense of their daytime truck ban: that the ports have been congested before the ordinance took effect.

Even the port operators argue that the state of traffic in Manila contributes to their woes. For one, ICTSI head Christian Gonzalez argued, during the SCMAP CEO/CSCO Forum held last September, that the roads connecting the ports to Manila's major thoroughfares are no longer adequate. It does seem that, no matter how many road widening projects are implemented, it's filled to the brim with vehicles, occupied by drivers exasperated because they're going nowhere. And it can't just be the trucks the Manila government tried to ban: the ordinance did not have a profound effect on the city's traffic situation, much like the bus ban it implemented in 2013.

Yes, we all agree that severe traffic in NCR is an important issue, and solving it will increase productivity, improve the performance of our supply chains, and perhaps make us feel better. Perhaps the solution to this problem, however, doesn't just lie in banning vehicles from traveling during rush hour, or adding roads...

## How to get around in Metro Manila

The Philippine government has commissioned numerous studies and plans aiming to alleviate the traffic situation in Metro Manila. The most recent, a collaboration between the National Economic Development Authority (NEDA) and the Japan International Cooperation Agency (JICA), was released to the public earlier this year, and its findings suggest an urgent need to expand the capital region's transport network.

Metro Manila's land area is a mere 620 square kilometers, bound by the Manila Bay to the west, and the Lagu-

na de Bay to the east. The 2010 census puts the region's population at 11.9 million people; there is an increase of roughly two million people every ten years. And those are just residents of Metro Manila: that number grows if you add those who live in the provinces but commute to the capital daily for work or school.

Consider me, for instance. I live in Cavite—okay, I'm 15 minutes away from Alabang, but still—and I'm one of those people who commute to Metro Manila for work every day. If I am to get to my Pasig office in time, I should leave the house before six in the morning. A "legal" commute—meaning I'll take one tricycle, two jeepneys and one bus—would be cheap, but it will take me at least two hours to get to my destination. The inconveniences of the journey—transferring vehicles, cramped seats—makes that route uncomfortable enough for me to rethink things.

In recent years the government has rolled out the UV Express system, essentially shuttle services that take a more direct route from the suburbs to major business districts. While it has filled a gap in many commutes, it does not serve every route. In my case, there are UV Express trips to Makati, but not to Ortigas, so I still have to ride a colorum van in the morning. It's more comfortable—I only need one tricycle, the van, and a short walk to my office building—but the under-the-table nature of the route doesn't leave enough assurances for when you, say, get involved in an accident. Trip length? An hour and a half, on average. (I have to point out that the colorum van drivers that I have talked to want to operate legally, although the LTFRB, understandably, limits the number of UV Express franchises issued annually.)

I could, of course, drive. At first glance, it is a more preferable method of travelling: you have control of your time, you're seated comfortably, and you don't have to endure a radio station you don't like. If I drive to my office, it should take an hour, unless there's some terrible traffic on my route. But this is an expensive option: you pay for your gas, you pay for your toll, you pay for the maintenance of your car.

Charles Montgomery, a Canadian journalist and the writer of the book *Happy City: Transforming Our Lives Through Urban Design*, argues that the high cost of maintaining a car is a trade-off for the comfort and convenience of owning one. As private vehicles occupies more space per person than other modes of transport—usually you're the only one in your car, as opposed to roughly a hundred people or so in one coach of the MRT—the cost of making sure it works properly is bigger, and all of the burden is carried by the one person using it.

Yet, it seems more and more Filipinos are willing to bite the bait for convenience. I can't blame them—what other options do they have? Buses and jeeps are uncomfortable, take too long to travel because of a need to make more stops and pick up passengers, and potentially unsafe, whether due to crime or accidents. Metro Manila does have a train system, but its scope is limited,

concentrated in the central part of the region; if you're coming from the uppermost parts of Quezon City, or from Rizal, or from Parañaque, you're out of luck. (And don't forget that the MRT is operating beyond capacity, proven by the lines you see televised every morning.)

The result is a self-perpetuating cycle. Traffic worsens. Public transport options become limited. People decide to buy their own cars—and not just one, otherwise you'll be beholden to the number coding scheme. More cars fill the roads, which impact on those operating buses and jeepneys. Manong driver will have to stop more often to get more passengers to make up for the smaller number of trips he makes. Repeat.

## The SG experience

I was in Singapore last October for a week-long conference, and as anybody who's been in the island state for an extended period of time can attest, the difference between it and Manila traffic-wise is stark.

The distance from my hotel at the Robertson Quay area, to my office at the Tuas industrial district, is roughly 25 kilometers. Travel time by car is, on average, 30 minutes, give or take a car breakdown on one of the city's major highways. Now, the distance from my Cavite home to my Ortigas office is a little bit longer—30 kilometers—but travel time by car is, on a good day, an hour.

Where does the difference lie? For one, Singapore is not as reliant on cars as Manila. Their bus system is comprehensive and covers every nook and cranny of the city. The distances you may have to walk between stops are short and pleasant. The MRT system, while not as comprehensive as once thought—my hotel is a 15-minute walk to the nearest station, at least until 2021, when one of many expansion lines currently under construction is completed—is efficient, comfortable and relatively accessible.

However, an important factor in Singapore's traffic situation is the astronomical cost of owning a car



## MEANWHILE, IN SINGAPORE...

**Top:** While there are cases of congestion, especially when vehicles break down or when the volume is massive, most of the time, Singapore's major roads have tolerable traffic.

**Middle:** Singapore's 153-kilometer MRT system serves 2.8 million people annually, and expansion is still underway.

**Bottom:** Yes, that is a truck traversing the Ayer Rajah Expressway—the main highway closest to the Jurong port region—during rush hour.

have a similarly extensive bus and train system, and plans to expand the MTR are afoot. Traffic in and out of the ports are managed by an intricate network of elevated highways, thus allowing trucks to travel at any time without causing congestion. Much like in Singapore, this unlimited access allows imports and exports to flow unhindered without much impact on civilian movement.

Other ASEAN cities also have relatively extensive public transport systems in place, despite their road network being geared towards cars. For instance, while Kuala Lumpur and Bangkok are heavily congested cities, both have developed mass transit systems. The Malaysian capital has two light rail lines, a monorail line, three commuter rail lines, and an airport link. The Thai capital

there. The country has a Vehicle Quota System limited the number of vehicles on the road, an answer to limited land space and increased development. To buy a car, one has to have a Certificate of Entitlement (COE), which allows vehicle ownership for only ten years. Only a limited number of COEs are made available every year, and are raffled off through a competitive bidding process. You may lose out, but at least your public transport options are efficient and, dare I say, enticing. Or you can buy yourself a Mercedes-Benz because, well, you've spent a lot of money for the right to own a car, so why not buy a fancy one?

I'll have to admit that, while it makes for an efficient transport system, Singapore's traffic management method is a bit extreme. And, besides, congestion is unavoidable. The world's most progressive cities all suffer from traffic, in varying degrees. However, it's worth mentioning that these cities have developed extensive public transport systems, so not everybody has to rely on a car.

Hong Kong, for instance, is only marginally bigger than Singapore, but it is densely populated, and the traffic can be severe, especially during rush hour. (Just ask anyone whose commute sees him crossing Kowloon to Hong Kong Island, or vice versa.) However, they

has two light rail lines, an underground rail line, and an airport link. Both cities also have extensive bus systems in place.

On the other extreme is the Indonesian capital, Jakarta. Like Manila, it prioritized expanding road networks instead of mass transit options, resulting in heavily congested roads. In 2004, the city opened TransJakarta, the first bus rapid transit system in Asia: buses, specially built to only accept passengers in designated stops, ply dedicated (and cordoned-off) lanes in major routes. (A similar plan is being studied for implementation in Cebu.) Jakarta is also constructing a monorail system, slated to open in 2018.

### Late to the game

We in the supply chain industry try, as much as possible, to use multiple modes of transport in bringing our goods from point A to point B. Multiple routes, multiple methods, multiple providers, as long as it gets our products to its destination faster and with less cost. On the other hand, it is surprising to realize that the national government has focused its infrastructure spending on expanding roads, at the expense of other modes of transport.

It has to be said that, at the dawn of the 20th century, Manila—then population: 300,000—was served by electric-powered trams, operated by the company that we now know as Meralco. The system, which stretched 86 kilometers and served Manila and its surrounding towns, closed before the outbreak of World War II.

A mass transit system would not be reestablished until 1984, when the first part of LRT-1 was opened. By then, Metro Manila had a population of roughly six million. A second mass transit system—the MRT, which traverses EDSA—was not opened until 1999; the following year's census sees Metro Manila's population hover near the ten million mark—and that does not include traffic from the

provinces.

Currently there are three mass rail transit lines serving Metro Manila. The third, the LRT-3 from Manila to Santolan in Pasig, is operating under capacity. The MRT has been extended to connect to LRT-1, although one station remains closed. There have been plans to expand this system under the administration of Gloria Macapagal-Arroyo, but these remain unrealized.

Manila was also served by a rail line that we now know as the Philippine National Railways. What used to run from La Union in the north to Bicol in the south—a good 1,100 kilometers—is now a limited service from Metro Manila to Bicol, as the PNR deteriorated due to natural calamities and neglect. It has also ceased to become a viable means of transport for cargo, although the archipelagic nature of the Philippines already limited the appeal of rail to industry.

The bulk of the capital region's public transport options are land-based: buses, jeepneys and taxis. In the 1970s there was a government-owned bus network—the Love Buses—but now there are many competing franchises, where drivers can pick up as many passengers as possible, despite risk to life. While the Land Transport Franchise and Regulatory Board monitors these, arguably more streamlining is needed.

Manila's current road network can be traced to a plan drawn up in 1945. It allowed for the construction of ten radial roads from Manila to the provinces; these roads have developed into major thoroughfares such as the North Luzon Expressway and South Luzon Expressway (developed in the 1960s), Roxas Boulevard, Quirino Highway and Marcos Highway. It also allowed for six circumferential roads that will loop around Metro Manila; some of these roads have also become major thoroughfares, such as EDSA and C-5. However, there have been few road projects since the glut of expansion

### BIG PLANS FOR METRO MANILA

The last few years saw increased focus in constructing new highways in and out of Metro Manila, the most recent being the Subic-Clark-Tarlac Expressway (SCTEX). But the government is far from finished.

#### Tarlac-Pangasinan-La Union Expressway:

The highway provides easier access to the northern provinces from SCTEX. It is now partially open, with the final stages currently underway.

**Daang Hari Link Road:** The project connecting Daang Hari road to the South Luzon Expressway, opening up access from Cavite, is expected to open in 2015.

**NAIA Expressway:** It plans to alleviate traffic from in and out of the NAIA complex, and also to connect the SLEX to Pagcor Entertainment City in Pasay. Construction is currently underway.

**Skyway Phase 3:** An unsolicited proposal to extend the Skyway all the way to NLEX, thereby providing an alternative to EDSA, was approved in 2013 and expected to finish in 2016.

**Cavite-Laguna Expressway:** Providing an alternative to Governor's Drive, it connects Kawit, Cavite and Biñan, Laguna. The project is delayed after President Noyon Aquino ordered a second bidding process.





in the 1970s and 1980s. C-5 was significantly expanded in the 1990s, while the first stage of the Skyway system—an elevated highway complementing SLEX—was opened in 1999.

As our road networks remained static, the number of users and commuters went up: latest figures from the Land Transportation Office state that the number of registered vehicles in NCR went up an average of 2% over the past three years, and now stands at over 2.1 million. A majority of these are private vehicles: there are roughly 446,000 cars, 156,000 SUVs, and 576,000 utility vehicles. On the other hand, there are only 13,000 buses, 72,000 trucks and 17,000 trailers. With our infrastructure not built to cope with these increasing numbers, we end up with that self-perpetuating cycle I mentioned earlier. We end up with gridlock, and more frequently, with average road speeds at below 20kph. And it gets worse when a massive accident or strong rains snarl everything.

## Another dream plan

The 2014 NEDA/JICA report is just the latest report commissioned by the government to outline a long-term plan for improving and expanding transport infrastructure in Metro Manila and surrounding provinces. Some previous recommendations were implemented by the government, albeit not fully: an example is the NAIA Expressway, which is a modified version of a recommendation made in 2000. These recommendations, however, mostly focused on roads: the current road map points towards other transport systems, with proposals including the construction of new radial roads leading out to the provinces, and a subway rail system.

The report's long-term goal is to decongest Metro Manila by encouraging growth elsewhere in the region. Apart from Manila, the Subic/Clark/Tarlac and Batangas/Lipa/Lucena regions are pegged as "regional growth centers", with suburban expansion (supported by transport systems) in the provinces of Bulacan and Cavite. Arguably some of these are already happening, especially with the opening of the Subic-Clark-Tarlac Expressway (SCTEX) and the extension of SLEX to Batangas, but it is believed that the expansion of transport options to these regions will encourage growth, provide jobs and also decongest Metro Manila.

These recommendations strike at what I believe is the main reason for Metro Manila's traffic woes: poor urban planning. I can't tell if it's because of a lack of coordination between the sixteen cities and one municipality that make up Metro Manila, or if it is the lack of a plan itself, but it's easy to see that the capital region has grown haphazardly over the past few decades.

As it stands, Metro Manila is dominated by a few commercial districts—say, Makati, Ortigas, Eastwood—and is surrounded by suburban areas that have limited transport options. There is high incentive to get a private vehicle so one can easily get around the city. As expan-

sion continues further out to the provinces, our current infrastructure is unable to support this growth, leading to strain and congestion.

The current wave of growth—with the rise of condominiums, townships and mixed-use structures—will also put a strain on our already creaking road network. While mixed-use developments help in making some services more accessible to those in it—imagine the convenience of just walking to the grocery instead of driving—the flipside is in the effects of increased population density. With more people living in a smaller space, there will be yet more strain on the roads that serve it.

This, by all means, is no easy feat, nor is it quick. If we are serious about decongesting Metro Manila—and at the same time encouraging growth elsewhere in the country—we have to invest time, money and commitment to the effort. Building a new rail system, or a new highway, does not just take a year or two to put up. Even widening a road doesn't take mere months. Singapore took many decades before becoming what it is now—and they're still working on it.

Ultimately, decongesting Metro Manila is in the best interests of those in the supply chain industry. It allows for shorter delivery time, which leads to higher productivity, and more of our products being available to a bigger number of people. Further opening access to ports in Batangas and Subic will enable us to better serve our customers outside of Metro Manila, for one. And if people can get to our goods faster and with less inconvenience on their part, we might just encourage them to support our offerings more.

Manila's severe traffic issues are more complicated than they look like; it certainly takes more than removing buses or trucks on the road. Thus, any efforts towards solving it will be a massive undertaking. It need not be as drastic as what Singapore is doing—they are demolishing the iconic Rochor Centre apartment complex, despite being listed as a protected landmark, to give way to a new highway—but in a case like Manila's, solving the traffic issue, and all of the problems that it directly causes, will require a huge amount of political will and a well-thought plan that they can stick to. One can't help but believe that political considerations have prevented otherwise important infrastructure and urban planning projects from taking off the ground. One can't also help but fear that those projects that do get going might be effectively halted when a new administration takes over. And then there's the question of funding these projects.

But it is an undertaking that we should be pursuing. I personally hope to see both the public and private sector devote themselves to this wholeheartedly. Identify key projects; follow through with integrity and honesty; and make sure that any result will be in everyone's best interests. We may not fully see the change in our lifetimes, but we deserve better than to get stuck in the road for two hours, impatiently cursing a hypothetical whoever, knowing we can't do anything about it. •



# That was the year that was

*SCMAP president Arnel Gamboa wraps up a momentous year for the organization, as it turns a quarter of a century old at the center of the nation's biggest supply chain issues*



The induction of this year's board, held last February 7 at the EDSA Shangri-La, officially kicked off its reform agenda. The BOD challenged themselves in changing the face of SCMAP, both internally and externally.

However, SCMAP hit the ground running in 2014 early, when it held a private sector forum on the effects of the MMDA's proposed modified truck ban. Held on January 2 at the Astoria Plaza, the inputs of the said forum was later used in our efforts to lobby our stakeholders' issues and concerns with the MMDA.

This year we conducted our improved SCMAP CEO/CSCO Forum, held on September 4 at the EDSA Shangri-La. Participants encompassed almost all sectors of the supply chain community, including government agencies, port operators, trucking associations, manufacturers, distributors, 3PLs and retailers. The format was tweaked to be more relevant to its audience, with topic teasers and primers introducing an open forum between stakeholders. Among the topics discussed were the Manila government's extended truck ban, port congestion, JAO 2014-01, and ASEAN economic integration.

The highlight of this year's SCMAP Supply Chain Conference is a more balanced mix of topics, covering several sectors, such as manufacturing, planning and even retailing. But the game-changer is the presentation of the Philippine Supply Chain Joint Declaration, which was the main output of the CEO/CSCO Forum. Containing commitments from the supply chain community in solving

the problems that it faces, it was presented to Senator Bam Aquino during the conference's plenary session. It is a testament to the stakeholders' show of solidarity and resolve in addressing beleaguering issues of the country's supply chain industry.

We have also launched Supply Chain Mornings, a series of half-day seminars on different aspects of supply chain management. I believe they are good value for money, perfect for the budget of those who seek to expand their technical skills. I think it is worth continuing these in the coming year.

Throughout the year SCMAP has been celebrating its 25th anniversary in many ways.

This year's Logistics Immersion Course, held last May 16-18, returned to one of its pilot destinations: Palawan, which was visited during the early days of our predecessor, DMAP.

We also collaborated with Fast Logistics president (and former SCMAP president) Ike Castillo with the release of an updated edition of his book. SCM101+25, released to celebrate SCMAP's silver anniversary, saw contributions from SCMAP board members, and was released during the SCMAP Supply Chain Conference.

This year, SCMAP also expanded its presence to Mindanao this year, with the inauguration of a chapter in Cagayan de Oro. Three SCMAP presidents from past and



present were there to grace the occasion, which was graced with high attendance. With a presence in Luzon, Visayas and Mindanao, SCMAP can now roll out programs across the nation, and maintain representation regionally to voice out key concerns unique to their area. Expect a bigger voice and influence in 2015!

However, SCMAP also pushed to make the organization more fun for its members. This year's SCMAP Bowling Fest, held last March, was well-attended.

We also launched our first CSR activity, Walk the Watershed, held last October 11. We launched the project in an effort to widen the awareness of our members on taking care of the environment, as well as to pay it forward to our less fortunate brethren—in this case, a community of school children. We donated school supplies and other items for the benefit of the students, as well as the teachers of Casili Elementary School.

Perhaps the most significant project we have begun implementing this year is the further definition and scoping of functions of the board of directors and of the secretariat. Elected and appointed officers are tasked to provide functional directors for their area focus and roles, define specific deliverables for said focus, and perform representational functions for events and meetings.

On the other hand, the secretariat will provide the support needed to realize the elected officers' plans; liaise between SCMAP, government agencies and partner organizations; facilitate research for projects, programs and position papers; and perform office duties.

This year, we have resolved to expand the secretariat, and we have taken the first step by appointing a Secretary General. This position is now ably filled by former DMAP president Norman Adriano. His appointment will boost SCMAP's capacity in networking, media relations and industry intelligence. The Executive Director, on the other hand, will handle the organization's internal affairs.

We have also begun streamlining our processes, the first step being the computerization of our financial systems with the help of Narratek.

With SCMAP now taking center stage on key supply chain issues, the secretariat will now present a different face when it comes to advocacies. Recent interviews with the media have proven that this is the right path for the organization.

We have forged partnerships with more organizations this year. SCMAP has taken part in events such as the Asian Logistics and Maritime Conference in Hong Kong, and locally, Franchise Asia Philippines 2014, Asian Food Expo 2014, SIAL ASEAN 2014, Transport and Logistics Philippines, and the Philippine SME Business Expo 2014. We have also strengthened our ties with the Procurement and Supply Institute of Asia (PASIA).

With a larger base for new members, SCMAP broke records as new member companies joined in from Luzon, Visayas, and Mindanao. Our goal was for thirty new members—fifteen in Luzon, and an additional fifteen in



Visayas and Mindanao—but we actually recruited sixteen new members in Luzon, nine new members in our Cebu chapter, and eleven members in our newly inaugurated Cagayan de Oro chapter!

And so we have proposed amendments to the SCMAP charter, to ensure that future members of the board are more prepared, as well as to maintain better continuity for our programs and projects between terms. Proposed changes include the extension of the president's term, from the current one year to two years, and the creation of a president-elect position—basically a president in training, to ensure continuity. These changes would guarantee more immediate success for SCMAP.

We have also activated the Advisory Council of Elders (ACE), composed of past SCMAP presidents, to be led by a chairman. Its creation has long been enshrined in SCMAP's by-laws, and with this move, it is envisioned that there will now be an executive-level intervention in the plans of the incumbent board, now aligned with the long-term and strategic objectives of the organization. The council will provide a much-needed system of checks and balances for the incumbent leadership.

This Advisory Council will convene twice a year, and will meet with the President, Vice President and Secretary General to discuss major thrusts, plans, and other concerns. The members of the council will be introduced to the membership during the upcoming Christmas Fellowship on December 4.

All this paves the way for SCMAP's next twenty-five years. As we embark on the road to gold, we will ensure that SCMAP remains strong and relevant to the supply chain industry in the Philippines, and around the world.

I hope that you deem us in the SCMAP board to have done sufficiently in the past year, and I hope you trust us in doing the same for this coming year.

Here's to a prosperous 2015 for all of us in SCMAP! •

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# AROUND SCMAP





# For the kids of Casili, SCMAP walks the Marikina watershed

*Avel Acedo reports from SCMAP's first CSR activity, benefitting children who have to cross a river just to get to school*

Walk the Watershed, an activity of SCMAP's Green Logistics Committee, finally took place on Saturday, October 11, 2014. Originally scheduled in July, it was rescheduled due to the effects of Typhoon Glenda.

The CSR activity was undertaken through the collaboration between SCMAP and Smart Communications, Inc. Public Affairs Department's Community Partnerships Team, headed by Mr. Darwin F. Flores.

It was conducted at the Casili Elementary School in Rodriguez, Rizal. It was also meant to create environmental awareness on the need to explore the vast Marikina Watershed, offer help and assistance to students in a remote barangay who regularly have to cross several rivers just to be able to attend their classes.

During the walk, participants from Smart Communications, SSI Schaefer Philippines and Oriental Motolite Marketing Corporation couldn't resist stopping from time to time to take photos of the view and a few moments to enjoy and feel the fresh air and the state of vegetation that includes fruit-bearing trees along the trail.

Throughout the whole walk to and from Barangay Casili, the weather was just amazing and cooperating with the trekkers: a bit cloudy and the sun was not shining bright as it should be. An advance party from Smart was ably assisted by the local folks who manually hauled the goods from the drop-off point all the way to Casili Elementary School.

Feeling exhausted, the trekkers took a brief rest and partake of the snacks and buko juices prepared by the parents and teachers of Casili Elementary School. The students were huddled on the stage while waiting for the gift-giving activity. Most of them reportedly arrived in school as early as 7:00am.

A total of 155 loot bags were distributed to the students and teachers alike. Each loot bag contained rubber boots, slippers, raincoats, tumblers from Smart Communications, Inc., ID laces from PLDT, tote bags, and items from Universal Robina Corporation.

The trekkers were all excited during the actual gift-giving, as if feeling blessed for having been able to provide help and share blessings to the marginalized students even in a small way. It was really comforting to see the students, whose eyes clearly manifested joy in

The three-kilometer walk to Casili Elementary School took an average of 45 minutes, in rocky terrain. It was the easiest route; most students of the school cross one river up to eight times—a two-hour trip



having received something and likewise being treated to a light snack that includes juices in tetra packs. A group picture taking followed after the gift-giving.

A special lunch under the tree was served to the trekkers, prepared by the host parents and teachers of Casili Elementary School. Locally cooked dishes were served complete with desserts made of locally grown fruits. It was made known afterwards that Smart Communications, Inc. was the one who arranged and sponsored the lunch with the support and assistance of some volunteer parents and the teachers as well.

Throughout the brief stay of the trekkers, stories were told on the hardships and difficulties confronted by the students, year on year. Besides the lack of classrooms, the lack of proper infrastructure puts the students' lives

of Casili Elementary School at risk. This is particularly true in Rodriguez, where Barangay Casili is geographically part of. During rainy season, the students have to confront the swell to a gushing torrent.

The Walk the Watershed activity is the first social advocacy activity SCMAP has embarked on, a fitting one on the occasion of its 25th anniversary. Through this walk, the participants have fulfilled a mission and a profound experience with nature and develop a stewardship attitude towards our environment.

The most fulfilling aspect of it all is on being able to offer and provide help, support and assistance to those who really are in need. Truly engaging indeed, it is hoped that a bigger and widely supported similar activity be undertaken by SCMAP in 2015 and beyond. •





Casili Elementary's six teachers and 149 students, alongside their parents, warmly welcomed SCMAP's trekkers, who gave away gifts and snacks in return.



Avel Acedo, who spearheaded the activity as head of SCMAP's Green Logistics Committee, with Joyce Panaligan of Smart's Public Affairs Department.



Smart's Darwin Flores first took a photograph of a teacher who fell off her raft while attempting to cross the river to go to work. It went viral, and since then Casili has received donations from several groups.



The loot bags included slippers, raincoats, school supplies and other gift items.



It's now easier for some to cross the river: fiber glass boats have been donated in the years since the viral photo.

# Dispatches from the Asian “superconnector”



With recent developments, Hong Kong finds itself in a prime position to solidify its status as the region's most important logistics hub

*After attending this year's Asian Logistics and Maritime Conference in Hong Kong, Henrik Batallones ponders whether the Philippines can find its niche in an ever-changing supply chain*

Interesting things were afoot my plane landed in Hong Kong for this year's Asian Logistics and Maritime Challenge. On that week, the stock exchanges of Hong Kong and Shanghai connected their markets, enabling traders from one exchange to buy stocks on the other. China later inked a comprehensive trade deal with Australia. On the streets, pro-democracy protests are standing their ground, crossing the two-month mark and still calling for genuine democracy.

This is the backdrop for what is perhaps the biggest logistics event in Hong Kong, a city that made its fortunes on positioning itself as a major trading position. The ALMC, co-organized by the Hong Kong government

and the Hong Kong Trade Development Council, began in 2011. The 2014 conference, held last November 18-19 at the Hong Kong Conference and Exhibition Centre, saw over 1,600 delegates from across the world discuss the latest trends in supply chain, logistics and shipping.

SCMAP is one of the supporters of the event, with copies of *Supply Chain Philippines* distributed to delegates. Also, I, alongside SCMAP director Manny Onrejas, represented the organization as delegates.

The conference highlighted the many disruptions happening in global supply chains: the rise of e-commerce in China and the changing role of brick-and-mortar stores; the change in the flow of fashion goods, including the return of some production to the United States; and the development of a new “Maritime Silk Road” connecting China, now an economic powerhouse shifting its focus from exports to imports, to the rest of the world. Speakers included bigwigs from companies in China, Hong Kong and around the world, including representatives from LF Logistics, Procter & Gamble, eBay, Lenovo, the Hong Kong-based supermarket company Dairy Farm, and the World Trade Organization.

The most striking takeaway I had from the conference is how Hong Kong has positioned itself to adapt,



Hong Kong Chief Executive C.Y. Leung delivered the welcome remarks to this year's Asian Logistics and Maritime Conference



Professor Edwin Keh of the Hong Kong Research Institute of Textiles and Apparel led a panel on the changing nature of the fashion supply chain

SCMAP and Supply Chain Philippines were exhibitors at this year's ALMC

and even to take control, of these developments. In his opening remarks, Hong Kong's Chief Executive, C.Y. Leung, touted the city's strategic location, quality of life and business-friendly policies as beneficial to businesses, calling it a "natural connector" between China, the rest of Asia, and the rest of the world.

Hong Kong continues to position itself as a logistics and maritime hub, expanding its infrastructure—including a bridge connecting Hong Kong to Macau, dramatically cutting travel time from four hours to 45 minutes—and promoting innovative logistics practices. Professor Anthony Cheung Bing-Leung, of the Hong Kong Logistics Development Council, described the city as an important part of the new Silk Road, and a "springboard" for China as it takes on the global market.

Inevitably I ask myself: what about the Philippines? We also positioned ourselves as a major port, strategically located in the Asian region—but where did we falter? Now we're in between Singapore and Hong Kong, two major trading stops, and all we are known for in the logistics world is the congestion of our ports messing everyone up.

That said, we still play a role in the global supply chains. One of the panelists in the ALMC is Roger Lee, the

CEO of TAL Group, an apparel company with production operations across Asia, including the Philippines. Many international companies are tapping into our workforce, although our labor is not as cheap as it used to be: Myanmar now leads that fold in the region. We may not be up there in the value chain, but we surely have the means to move up it.

One of the topics discussed in the ALMC is the need for businesses to find a niche as disruptions in business change the way we create and receive products. I think the same applies to countries, too. For the Philippines to be competitive, we have to find our niche within this new world order, so to speak. Do we position ourselves as a transport and trade hub, or do we remain as a producer of parts that are later assembled in other countries and shipped out as finished products? This is not a bad thing for us, by the way, but maybe it is time we rethink where we are and where we want to be. Where do we begin if we want to attract more foreign investment, enabling us to move up the value chain? •

For more information, visit [www.hktdc.com](http://www.hktdc.com) or [www.almc.hk](http://www.almc.hk). Many thanks to Sunny Chau of the Hong Kong Trade Development Council for allowing us the opportunity to take part in this year's ALMC.

## **SCMAP elects 2015 board**

SCMAP has elected a mix of new and old faces to the board of directors for 2015.

New to the board this year are German Martizano of Unilever Philippines and Rowena Macatiag of Smart Communications Inc. Henrik Batallones of SSI Schaefer Philippines, who currently acts as marketing committee chair, also joins the board.

Staying with the board are Arnel Gamboa of Benby Enterprises, Cora Curay of XVC Logistics, Donny Quintos XVIII of The RedSystems Inc., George Yumul of ABM Global Solutions, Manuel Onrejas of Fast Logistics, Mark Philip Comandante of Universal Robina Corporation and Max Yap of Oriental Motolite.

The election was held alongside SCMAP's final General Membership Meeting of the year, held on November 20 at the Astoria Plaza. As of this writing, the board has yet to elect the organization's new officers for 2015.

Also, the elections saw the approval of several amendments to SCMAP's by-laws, which allows for more flexibility and continuity in the organization's programs. Among the amendments is the extension of a president's terms from one year to two, and the creation of a new president-elect position that allows for a smoother transition between boards.

In the coming months, elections are also slated to happen to SCMAP's Cebu and Cagayan de Oro chapters. A date has yet to be scheduled for the former, while the latter is still in the process of recruiting new members to satisfy the requirements of the organization's by-laws.

## **SCMAP appoints secretary general**

SCMAP has appointed Norman Adriano, the organization's former president during its time as the Distribution Management Association of the Philippines, as its new secretary general.

The position was created in recognition of the organization's wider visibility among industry groups and government organizations. The secretary general is envisioned as the "ambassador" of the organization, representing SCMAP in industry gatherings, government hearings and other events where the organization is invited.

An industrial engineer by profession, Adriano has held various positions in several multinational and local companies. He was previously part of Synnovate Logistics. He served two terms as president of DMAP, from 1995 to 1996. Last September he co-hosted, with director Mark Philip Commandante, the SCMAP CEO/GSCO Forum and the SCMAP Annual Supply Chain Conference.

## **Supply Chain Mornings wraps up**

The last two installments of Supply Chain Mornings for this year were held in October and November.

October's session was led by Ninoy Rollan, and was a leadership seminar entitled "Am I Ready To Lead?" Rollan, who heads Transfluent Management Inc. and is an SCMAP individual member, also teaches leadership and human resources modules at the Ateneo de Manila Graduate School of Business.

Another Ateneo professor, Gus Arguelles, took charge of November's session, on strategic procurement. Previously the academe committee chair of SCMAP, his career experience included stints at Procter and Gamble Philippines and Eveready Philippines. The seminar even saw a foreign delegate, Marie Anniatasia Achille from Quintiq; her company also sponsored that day's General Membership Meeting.

## **SCMAP at Philippine SME Expo**

SCMAP took part in this year's Philippine SME Business Expo 2014, held on November 21-23 at the SMX Convention Center. The organization was one of the exhibitors, showing its support for SMEs.

Organized by MediaCom Solutions, the event gathers SMEs in efforts to make them more competitive. Apart from talks from leading SME entrepreneurs, the event offered business matching meetings and a recognition of the best SMEs in the Best PhilSME Brands Awards.

## **New members inducted**

Congratulations to SCMAP's three new members, who were inducted as 2014 comes to a close. Enfinity, represented by Joel Deveras and Lindey Vivas, was inducted during the General Membership Meeting last October 16. Material Solutions, represented by Marylan Agbay and Jam Miranda, and Implem Partners, represented by Juvy Agarpao, were inducted during the General Membership Meeting last November 20.

## **And coming up...**

SCMAP's 2015 board of directors will be down at work laying out activities and events for the coming year. The annual planning session will be held, again, at the Smart Staff House in Tagaytay City on January 10-11. For more updates, like our Facebook page: [www.facebook.com/supplychainphilippines](http://www.facebook.com/supplychainphilippines)

### **MIDDLE PAGE BRAIN STRAIGHTENER**

**Answers to this issue:** (1) water (2) missing you (3) one foot inside the door (4) horseback riding (5) forgive and forget (6) more often than not (7) six feet underground (8) reading between the lines (9) no hitting below the belt (10) fly by night (11) growing economy (12) railroad crossing (13) backward glance (14) four seasons (15) three degrees below zero



SCMAP Secretary General Norman Adriano and Vice President Cora Curay induct the organization's new members during the General Membership Meeting held last November 20



Ochie Ochoa mans the SCMAP booth during the Philippine SME Business Expo 2014 at the SMX Convention Center.



The scene at SCMAP's fifth General Membership Meeting of the year held last October 16



Gus Arguelles leads the final Supply Chain Mornings of the year, on strategic procurement

## Read between the lines

*A bit of an IQ test to exercise your heads after the holiday excess—what do these diagrams stand for?*

1.

HIJKLMNO

2.

ABCDEFGHI  
JKLMNOPQR  
STVWXYZ

3.

DO12"OR

4.

esroh riding

5.

GIVE GET  
GIVE GET  
GIVE GET  
GIVE GET

6.

often not  
often not  
often not

7.

ground  
feet feet  
feet feet  
feet feet

8.

R/E/A/D/I/N/G

9.

~~belt  
hitting~~

10.

night fly

11.

ecONomy

12.

~~RAILROAD  
RAILROAD~~

13.

ecnalg

14.

winter  
spring  
summer  
autumn

15.

0  
BSA  
BSN  
BSME

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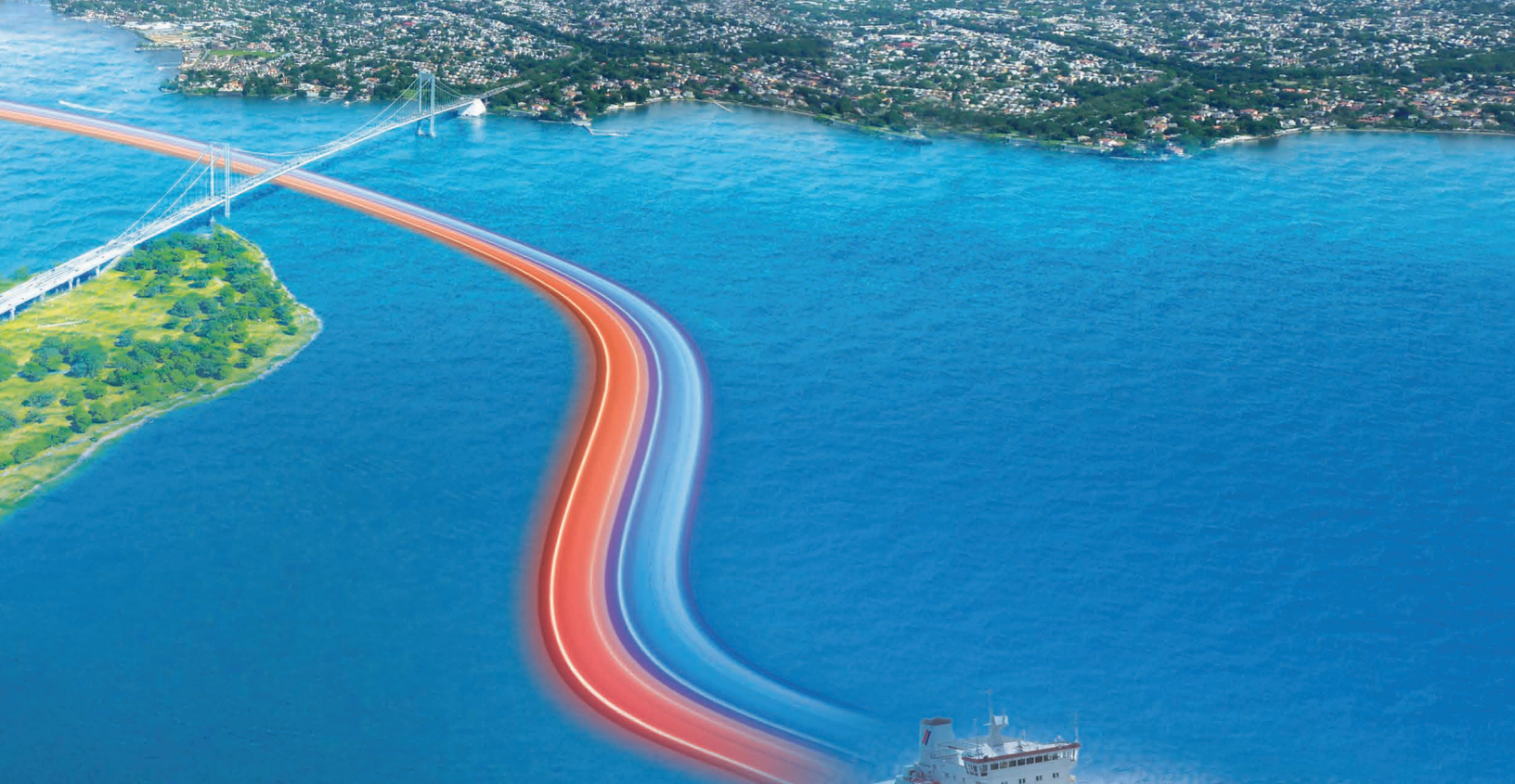
you been up to?

Supply Chain Management Association of the Philippines  
ko Batallones [?] · November 19

again from Hong Kong! Today is the second day of the  
Maritime Conference.

magazine, Supply Chain Philippines, is one of the event's  
media exhibitors. If you're around, drop by our stall and get a copy!

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