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Past. Present. Future.

As SCMAP mark thirty years since its founding, we look back at what has shaped the organization, and all of supply chain through the years—and what will shape it in the years to come.

Page 22

Opener

- 5 Christine Pardiñas on the evolution of SCMAP
- 7 Henrik Batallones on the most profound of changes

Knowledge

- 11 What we're doing to improve connectivity
- 16 How NAIA stacks up against the rest of the world
- 18 Why it's always a good time to revisit your emergency plans

Debrief

- 41 Supply Chain Immersion visits Bacolod
- 48 The second Logistics Services Philippines Conference
- 50 Sharpening returns for a fourth installment
- 52 More steps towards logistics certifications



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From the President Christine Pardiñas

“We in SCMAP have adapted for this year three major thrusts where our projects will be anchored: regulation, capacity building and collaboration.”

It all started with a handful of forward-thinking individuals with a common problem about thirty years ago. They felt shipping lines were demanding increases in their rates in an unjustified and opaque manner. Isn't that always how life is—birds of a feather flock together, and when they flock together, they fly so high...

To build strength and have a stronger voice, the Distribution Management Association of the Philippines (DMAP) was born in 1989, with P&G's Antonio Abellara as the first President. Immediately they scored their first victory: the initial petition for a 39% increase in shipping rates were tempered to just 25%.

That was a time when supply chain was not yet a buzz-phrase. “Production” and “planning” were, as well as “materials requirements planning” or MRP, “warehousing and distribution”, and “quality management”. Inventory management was not yet done through WMS, but through control cards that were manually updated. Personal computers were used for simple reports and not for hard data crunching.

Through the years, MRP evolved into “manufacturing resource planning” or MRPII, and eventually into a more encompassing “enterprise resources planning”. So did DMAP. With more issues at hand, more players in the industry, and ever-evolving technology, the organization needs to keep up. Thus, the evolution to the Supply Chain Management Association of the Philippines in 2007.

Today, we talk about blockchain,

digitalization, e-commerce, Big Data, machine learning, IoT and all technology-related trends. Whether you are in manufacturing, retail or service industries, you will need to go with the flow and learn as fast as you can. We in supply chain should continually adapt with the evolution of technologies and embrace all the challenges that change brings to prepare for progress.

We must think about our customers who are also evolving in terms of their needs through technology. Direct consumers can now demand better quality products and services, as well as buy and track purchases in just one click through their smartphones.

As we continually work to be globally competitive supply chain practitioners, we in SCMAP have adapted for this year three major thrusts where our projects will be anchored: regulation, capacity building and collaboration.

True to our DNA, SCMAP is still very much active in our efforts to create awareness on supply chain issues and be a major influence on decisions towards regulations that affect the industry, one of which is the Joint Administrative Order led by DTI, DOTR and DOF to regulate shipping rates and minimize port congestion. We have also provided inputs to initiatives on infrastructure development and capacity-building. With all these efforts, we are recognized as the private sector representative in most government-led forums.

With the rising demand on more efficient supply chains, we must keep up with the supply of talents as well as infrastructure capacity. As such,

SCMAP programs from the past years to build capability and capacity have been retained and improved to help the members. Our annual Supply Chain Outlook provides industry with viewpoints to serve as reference for planning, while Supply Chain Immersion gives members first-hand experience of end-to-end supply chain concepts and applications.

And, of course, the much-awaited SCMAP Supply Chain Conference, which has evolved into the biggest event in the industry where all experts meet to showcase the latest industry trends and technology. On top of these is the partnership with leading institutions to come up with continuing education programs that can further the learning of industry practitioners.

And finally, collaboration, which ties everything together where all stakeholders meet to share insights and resources, align objectives, find support to come up with relevant information and joint resolutions or just to simply keep in touch.

As we look back, I salute all past SCMAP presidents, directors and member companies for achieving so much. Without them we will all not be here today. Supply chain management is never easy, very dynamic, should always be sexy (yes I know, lean) but never boring.

Congratulations to all of us and a happy thirty years to SCMAP! Cheers to a world class supply chain!

Christine Pardiñas is president of SCMAP and vice president of supply chain for Rustan Supercenters Inc.

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Chain Reaction Henrik Batallones

“I can only imagine how it’s been for those who came before me, those who were here thirty years ago, and those who have come in along the way.”

I was born a little over half a year before the origins of what would become the Supply Chain Management Association of the Philippines first came together. So, before I began working on the cover story for this issue of *Supply Chain Philippines*—a sprawling celebration of this organization’s history, as well as a look at what more it can do in the years to come—I can say a lot of things has changed in the past thirty years.

Then again, that’s what one tends to do when he reaches a certain age: look back at the past with fondness. Well, sure, I’m just 30 years old; you might argue there’s a lot of life still left for me to live—it’s too soon to reminisce! But the breakneck pace of change these days means it’s never too late to look back at a time when things seemed much simpler.

My Facebook feed is filled with my peers constantly talking about how our generation had it good: we live through a time of great convenience, enabled for the most part by greater connectivity, but we grew up at a time when these possibilities were barely just out of reach. I remember a time when we had to wait for local television channels to show a Japanese animated series from the 1970s (I’m thinking of *Heidi*; you might be thinking of *Voltes V*—and my apologies if that makes you feel too old), but I also remember a time when I could watch television shows from around the world just hours after they air, and wherever I may be. (I was watching another Japanese series, *Shokugeki no Soma*, while on the plane to Cebu last August.)

It is fascinating to look back at the past and marvel at how things used to be—just see the reaction to posts of old photos of Manila landmarks. (“*Wala pang traffic noon!*”) But it’s equally as fascinating to look at just how things have changed over the years: what enabled these changes, how the evolution took place, what roadblocks were encountered along the way, how they were overcome. Looking not just at point A and point B, but the line in between, provides us with a better appreciation not just of the change we’ve experienced—and perhaps taken for granted—but also how we can work to make sure that the change we intuitively seek works for everyone, and not just for some.

Besides, the most profound kind of change is the sort you don’t notice much. Chances are you still shop for your household supplies the same way you did a decade ago, unless you’ve wholly embraced the digital revolution and have everything delivered to your house. You still pull up to your nearest supermarket and browse the aisles to look for the things on your shopping list. But you may have noticed that they’re carrying more items now than before. Say, wasn’t this brand of laundry detergent only available at those duty free stores in Subic? You may have also noticed that there aren’t as many empty shelves now as back then. But, hey, the experience remains fundamentally the same.

But then, we live in a time where you can order your take-out from McDonald’s by tapping at a big screen rather than dictating it to a server, and

then paying with your debit card or an app on your phone. It’s a change that can be too drastic for some. “*Huwag tayo diyam, mahirap diyam*,” I overheard one customer say while I waited for my number to come up. However, I’m guessing this sentiment will be short-lived, and we won’t be able to live without those screens soon.

Putting together our cover story for this issue reminded me of all this. All the work SCMAP has done—from its early battles against steep shipping rate hikes, to today’s grappling with new breakthroughs in the last mile, and everything in between—is to make sure that, amidst all this upheaval, you, the end customer, don’t notice much. Or, when you do, it’s not out of inconvenience, but out of fascination, perhaps appreciation, even. Remember a time when you had to spend a lot of money, and wait months, to buy something from abroad that you really wanted?

Working for SCMAP—being at the forefront of these changes, helping not just our members but the public at large in navigating a brave new world that’s slowly tweaking itself at the edges—has been fulfilling. I can only imagine how it’s been for those who came before me, those who were here thirty years ago, and those who have come in along the way. I dedicate this issue to those whose shoulders I stand on now. Thank you for making these profound changes something not to be feared, but to be taken advantage of.

Henrik Batallones is SCMAP’s marketing and communications executive and editor-in-chief of *Supply Chain Philippines* magazine.

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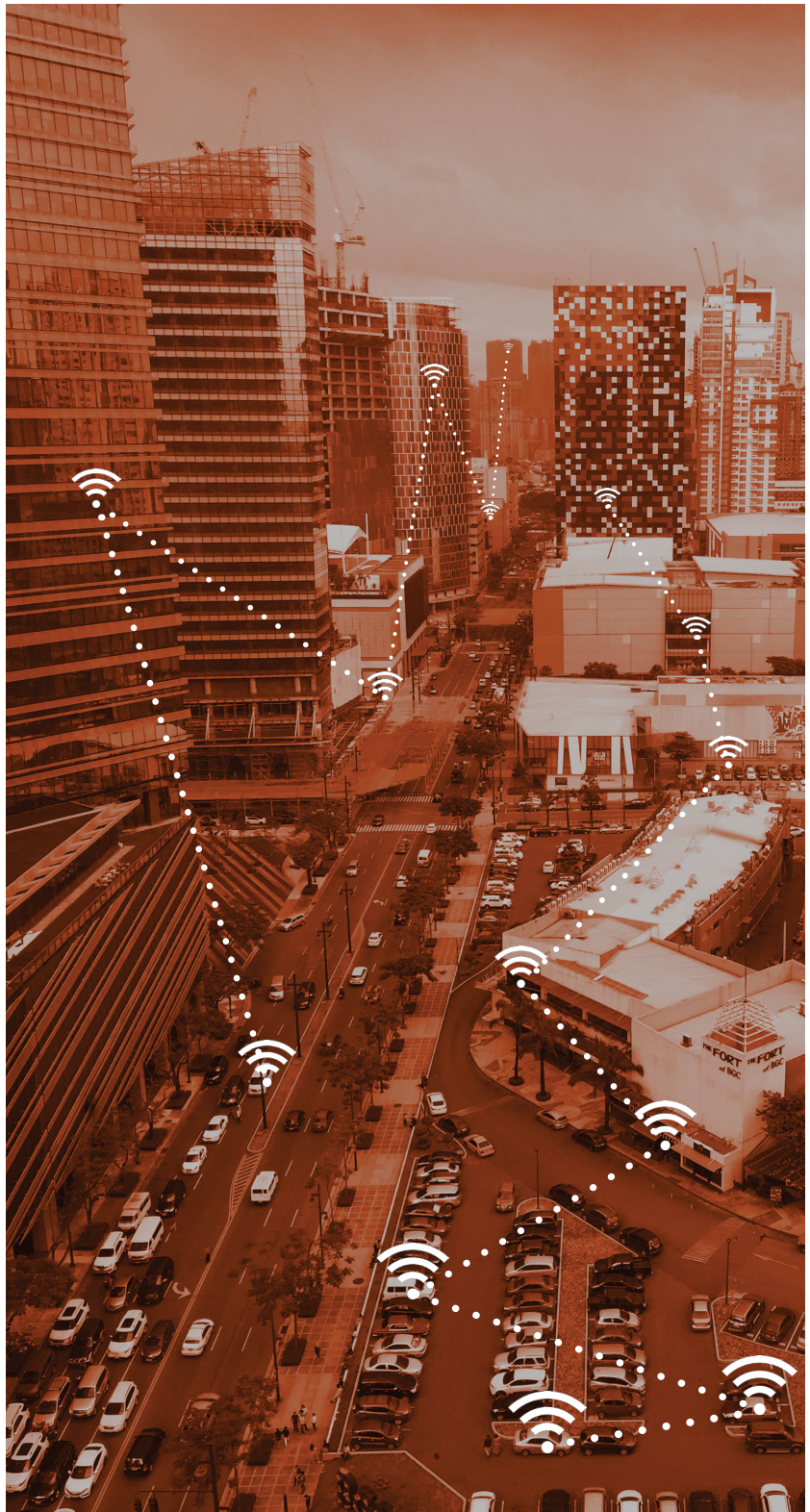
As the Internet plays a bigger role in our supply chains, both behind the scenes and on it, we look at how stakeholders are addressing long-standing complaints about our connectivity

WRITTEN BY HENRIK BATALLONES
AND PIERRE CARLO CURAY

It goes without saying that the Internet plays a very important role in supply chain today. It provides customers with more ways to access our products and services, as well as the ability to monitor the movement (and in some cases, provenance) of items as they make their way to them. For businesses, it provides a greater ability to check in on complex supply chain operations (and other aspects of a business as well) wherever they may be, as well as ways to improve customer service.

But for those opportunities to be truly maximized, a robust and responsive Internet network is key, providing customers with speedy and reliable connections at an optimal cost. That said, in the Philippines, people would tell you this isn't the case. For years there are complaints that Internet in the country is slow, expensive and unreliable. (You'd often hear this whenever a politician seeks to promote telecommuting—working at home—as the solution to solve traffic in Metro Manila.)

The Ookla Speedtest Global Index compares Internet speeds around the world, and the Philippines has languished on the bottom half of the rankings. As of July 2019 we are 110th out of 144 countries when it comes to mobile Internet, with average download speeds of 15.75mbps. On the fixed



Knowledge

broadband front, we are 91st out of 177 countries—an improvement from the previous month, when we were 101st—with average download speeds of 23.6mbps.

Compared to our neighbors, this isn't good enough. Among the ten ASEAN countries, we are eighth in mobile Internet and fifth in fixed broadband. Granted, we are in the same field as Singapore, which has the world's fastest fixed broadband speeds, at 191.93mbps.

That said, countries with advanced digital economies—a robust e-commerce offering, wide acceptance of cashless payment systems, and an embrace of technologies even in traditional retail models—have in common fast Internet. Singapore, South Korea, Taiwan and Hong Kong top the list of fastest fixed broadband speeds; with its recent wide roll-out of 5G, South Korea has sped past other countries to top the mobile Internet rankings, with average speeds of 97.44mbps.

Government on the front lines

There are many factors why the Philippines lags behind. Our geography—mountainous, archipelagic—poses challenges in laying down infrastructure, meaning service varies widely depending on if you're in an urban area or somewhere more farflung. Outdated regulation has also become a stumbling block. The lack of competition—PLDT/Smart and Globe long having a strong grip in the country's telecoms market—has meant a lack of innovation. Thankfully, stakeholders from both the public and private sectors have recognized the role of fast and reliable Internet in a competitive economy, and have begun moves to improve services to all.

Leading the way is the Department of Information and Communications Technology, which was spun off from the then Department of Transportation and Communications in 2016. While the agency has taken a while to gather its bearings and get to action, it has plans and roadmaps in place aiming to improve connectivity across the country.

Perhaps the most important of

The world's fastest mobile Internet is in...

1	South Korea 97.44mbps
2	Australia 63.34mbps
3	Qatar 61.72mbps
4	UAE 61.24mbps
5	Norway 60.90mbps
9	Singapore 50.43mbps
63	Laos 27.18mbps
70	Vietnam 24.60mbps
72	Myanmar 23.77mbps
85	Malaysia 21.29mbps
94	Thailand 20.18mbps
95	Brunei 20.09mbps
110	Philippines 15.75mbps
124	Cambodia 12.23mbps
126	Indonesia 11.77mbps

With South Korea turning on 5G connectivity in April 2019, the country's mobile Internet speeds jumped from 52.53mbps in January to 97.44mbps in July. Considering that the country was at the top of the mobile Internet speed charts before this, it shows how much of a game changer 5G can be.

Figures from Ookla Speedtest Global Index July 2019. Figures cited are average download speeds.

these is the National Broadband Plan, released in 2017, aiming to expand and improve the country's Internet infrastructure. Among its key points include a review of relevant legislation, particularly provisions on foreign ownership, to encourage investment; promoting policies that encourage interconnectivity among telecom companies; invest in physical infrastructure, particularly in hard-to-reach areas; and stimulate broadband demand by supporting content providers and app developers through policy and

regulatory interventions.

The National Broadband Plan's stated aim is to provide a minimum Internet speed of 10mbps across all households by 2020. Considering that's next year, we seem to still have a long way to go.

The DICT has also mounted a National Cybersecurity Plan, which mandates, among others, building infrastructure that is resilient to both natural and manmade disasters. While it mostly focuses on cyber-attacks, it can help ensure continuous connectivity for businesses and consumers at all times.

On the mobile Internet front, the DICT has begun implementing a policy encouraging telecoms to share infrastructure. Known as the "common tower" policy, it identifies facilities where sharing could expand and enhance connectivity, particularly those in government property or in "hard to access" areas. Telecoms are also mandated to either share their existing facilities, or to spin off responsibility for those facilities to a new company which can facilitate sharing. The establishment of "independent tower companies" is also encouraged to fast-track coverage expansion. The end goal may be similar to what is done in Australia, where telecoms share a common network infrastructure (alongside their own), which means speeds are more consistent, and competition is now on the basis of price and other value-added services.

Perhaps the most important step the DICT (and government as a whole) has made is the naming of a new, third telecom company to provide competition to PLDT/Smart and Globe. After the scuttled partnership between San Miguel Corporation and Australian telecom Telstra, the government has awarded a franchise to operate to Mislattel, headed by Davao businessman Dennis Uy, with China Telecom holding a stake. Doing business as Dito Telecommunity, they are expected to launch in 2020, and have promised to initially roll out 4G connectivity before dipping their toes into 5G. In their application to government, they promise that by July 37% of the country will

The world's fastest fixed broadband is in...

1	Singapore 191.93mbps
2	South Korea 156.18mbps
3	Taiwan 151.75mbps
4	Hong Kong 151.02mbps
5	Romania 130.79mbps
30	Thailand 78.47mbps
36	Malaysia 71.52mbps
62	Vietnam 38.63mbps
91	Philippines 23.60mbps
105	Brunei 20.97mbps
109	Laos 19.27mbps
111	Indonesia 19.09mbps
116	Cambodia 18.51mbps
122	Myanmar 16.84mbps

Singapore's fixed broadband speeds have been consistently first in Ookla's rankings. As for the Philippines, the July 2019 rankings mark the first time we've broken through the 20mbps level. However, with other countries providing even faster service than us, we're still in 91st place, after hitting as high as 80 in the last twelve monthly rankings.

Figures from Ookla Speedtest Global Index July 2019. Figures cited are average download speeds.

be covered by their network, with a minimum average Internet speed of 27mbps.

The next steps

The entry of a third telecom has certainly shaken up things, with both PLDT/Smart and Globe announcing they are investing significant sums of money to expanding and enhancing their networks. The former has committed to investing PHP 70 billion to network expansion, while the latter has committed PHP 63 billion. Both are looking to expand both fiber connectivity for fixed broadband, and LTE sites for mobile.

Both telecoms are also starting to introduce 5G connectivity to the country. Smart has begun powering up 5G sites across the country, the most significant of which is located in the New Clark City development in Tarlac. On the other hand, Globe is rolling out 5G as part of its home offerings, with sites now live in selected locations in Greater Manila.

Unlike previous cellular network technologies, 5G is poised to have a wider impact on not just connectivity but also in enabling many other technologies. Apart from faster speeds, 5G promises lower latency rates, meaning there is a shorter delay—as low as one millisecond—from the moment a data request is made to the moment the data transfer begins. 5G also allows for higher connection density, being able to accommodate ten times more active, concurrent connections per square kilometer than 4G.

This means 5G plays a greater role in enabling more competitive and advanced supply chains. It can boost the performance of existing technologies such as cloud computing and blockchain, leading to more sophisticated solutions with results much closer to real-time, improving visibility and enhancing customer service models.

But the possibilities go beyond that. 5G can play a role in enabling more “smart” concepts. For one, it can accommodate vehicle-to-vehicle communications, which can enable concepts like truck platooning, where one driver leads a number of driver-

less trucks. It can provide a stronger platform to the Internet of Things, allowing for smart factories—maximizing automation, augmented reality and artificial intelligence to provide more efficient production processes, and in return, more efficient supply chain networks. (It can even enable smart cities too—imagine, for a start, adaptive traffic lights at New Clark City.) One can imagine 5G will not be the exclusive purview of telecom providers—perhaps the independent tower companies can lead the way here?

Another important difference between 5G and 4G is its shorter reach. Since the technology uses higher frequencies, its waves cannot travel long distances, similar to how AM radio travels longer distances than FM. Therefore, there is a need for more (but far smaller) 5G cell sites to fully cover any given area. This might prove to be an interesting challenge considering the existing telecoms having difficulty building facilities in exclusive subdivisions, leading to lower service levels. Perhaps a review of existing regulations can pave the way for more parts of the country being covered by 5G—but then, ensuring basic connectivity across the country itself remains a challenge.

Other challenges

Improved connectivity can go a long way in making life smoother for the supply chain manager, and for everyone in general—perhaps we can finally (partially) solve traffic in Metro Manila if we can persuade both employers and workers alike that telecommuting is worth it. But improved connectivity is one thing; using it responsibly is another.

While efforts are being made to extend high-speed Internet to more parts of the country, there must be an exerted effort to further promote tech literacy to citizens and businesses alike. This would allow everyone to fully take advantage of the opportunities enhanced connectivity provides, while remaining cognizant of potential issues that might affect it, like data privacy and protection, cybersecurity, and intellectual property.

Efforts to improve connectivity also provides an opportunity for all stakeholders to build an ecosystem that truly enables an equal playing field for all players. After all, the Internet is the great equalizer. Improved connectivity provides every one the means to go the extra mile for their customers. •

Henrik Batallones is SCMAP's marketing and communications executive and editor-in-chief of *Supply Chain Philippines* magazine. **Pierre Carlo Curay** is vice president of strategic solutions for XVC Logistics, co-founder of InsightSCS, and vice president of SCMAP.

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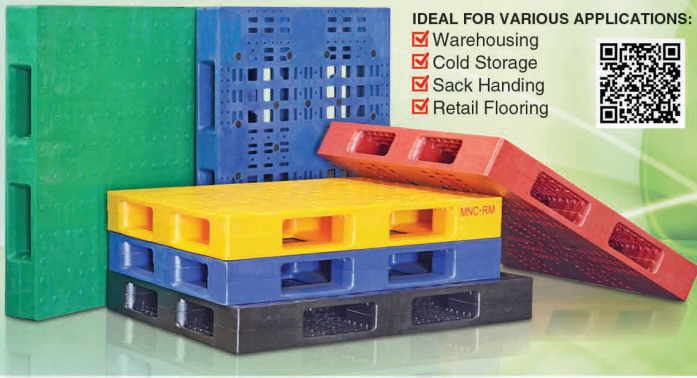
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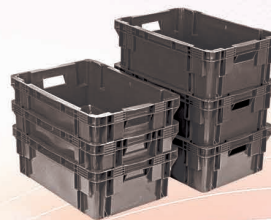
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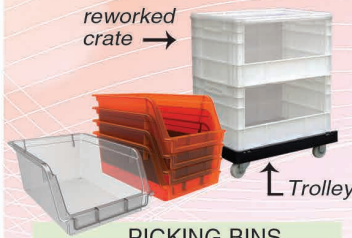
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RytMatch Supply Chain, Inc (RMSCI) is Victory's contract logistics operating unit whose core mission revolves around fulfilling dry and cold storage requirements - whether the requirement is for standard storage, cross docking space, temporary overflow, and even complex order fulfillment processes. With multiple customers residing in the hub, RMSCI offers every customer the benefit of a combined distribution solution, and of other value adding services in the same hub. RMSCI is continuing to build pallet position inventory in strategic locations: around key cities and ports, and north and south of Manila.



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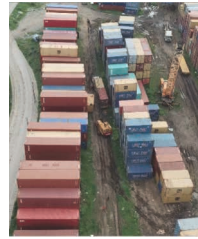
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How do you solve a problem like NAIA?

How does the Philippines' main air gateway compare with our neighbors'—and what else can be done to address its perceived problems?

WRITTEN BY HENRIK BATALLONES

These days, chances are people don't have a good opinion of the Ninoy Aquino International Airport. They'll talk about delayed flights, heavy crowding, inadequate facilities, difficulties getting in and out of (and between the) terminals, and, er, bullets dropped in luggage.

It's no surprise that fixing this problem—whether it be rehabilitating the Philippines' primary air gateway, or building a whole new one from scratch—is high on the agenda. But even here things seem unclear. While the government has recently given the San Miguel conglomerate the go-signal to construct a state-of-the-art "aerotropolis" in Bulacan, other proposals to mitigate the problem are in various stages of progress—from expanding Clark International Airport, allowing for a dual airport set-up, to moving flights to Sangley Point in Cavite.

So, how do we solve a problem like NAIA? Perhaps the best way to begin is to look at what else is being done in other airports. After all, it wouldn't hurt to benchmark with those that have done it. Luckily for us, we are neighbors with the likes of Singapore's Changi Airport and the Hong Kong International Airport. Closer to home, the Mactan-Cebu International Airport is worth looking at, too.

But then, some will say you can begin by making sure all of the other airports in the country are up to speed, if only to ease NAIA's burden a bit. •

Breaking down NAIA

Year opened
1948

Terminals
4

Runways
2

Operating airlines
38

Countries served directly
25

International flights in 2018
113,187

Domestic flights in 2018
145,881

Total passengers in 2018
45,054,308

Maximum passenger capacity
35,000,000

Total cargo volume in 2018
735,698mt

Busiest international routes
**Hong Kong
Singapore
Taipei
Seoul
Tokyo**

Figures taken from Manila International Airport Authority website

The problem—NAIA can barely handle it all

Simply said, NAIA is filled to capacity. The airport's four terminals saw over 45 million passengers in 2018, way above its maximum capacity of 35 million. The Japan International Cooperation Agency estimates 72 million will use the airport by 2030—and there's no more space to expand.

These issues are straining existing facilities and services. Apart from crowded terminals and queuing airplanes, passenger comfort has been sacrificed, thanks to inadequate amenities, retail offerings and transport options. Compared to other airports across the region (and even across the country), NAIA no longer feels welcoming.

But it still has one ace up its sleeve: it's an inner-city airport, with easy access if you're in Metro Manila... if there's no traffic.



Solution #1—Bring other airports up to speed

A short-term solution to decongesting NAIA is to night-rate other airports in the Philippines—meaning flights can take off or land at night, allowing terminals to accept passengers and cargo for longer.

At the beginning of 2019 only 18 of the country's 42 major airports are night-rated. This means most domestic flights have to be done during the daytime, which leads to a queue of planes waiting to land at NAIA and other airports, particularly just before the sun sets.

The Department of Transportation is slowly working towards adding more night-rated airports—five are expected to be added to the list by the end of the year. Work includes adding runway lights and enhancing air traffic systems.

The pattern—How are our neighbors doing it?

It's worth looking at the five airports NAIAs serves the most. Top on the list is Hong Kong International Airport, an important gateway both to China and to the rest of the world.

Opened in 1998, it is the world's busiest airport by cargo traffic. It serves 75 million passengers in two terminals and two runways, with construction on a third runway underway. It is connected to downtown Hong Kong through a direct rail route, the Airport Express, complete with flight check-in at its stations.

Singapore's Changi Airport (pictured) continues to be a benchmark for airports



around the world. It currently serves 65 million passengers in four terminals, with a planned fifth expected to accommodate 50 million more. While it is not served by a dedicated rail line, the country's MRT system connects to it, as well as a battalion of other options. Changi also constantly invests in improving its infrastructure, as well as building amenities that go the extra mile—a swimming pool, a butterfly garden, and the sprawling Jewel Changi shopping complex.

The next three on NAIAs's most-served list—Incheon International Airport serving Seoul, Taoyuan International Airport serving Taipei, and Narita International Airport serving Tokyo—are also busy investing in

amenities and transport connections.

The most important air gateways in the region have several things in common: ample facilities for current and future needs, a comfortable experience for passengers, and more than sufficient transport options leading in and out of the airport. Enabling these plans—apart from space to expand, which is another common factor—is a transport policy that recognizes the interconnectivity of multiple modes of transportation, and its overall impact on passengers, businesses and the economy as a whole.

Some of NAIAs's problems can be traced to a lack of policies that address passenger growth and movement—inadequate transport to and from the airport, or its seemingly haphazard expansion. It is also evident in the lack of direction over NAIAs's future status. Will it be closed in favor of Bulacan, or work alongside Clark or Sangley Point?



CLARK INTERNATIONAL AIRPORT

Space to grow

NINYO AQUINO INTERNATIONAL AIRPORT

Filled to the brim

NEW MANILA INTERNATIONAL AIRPORT

Gateway of the future?



Solution #2—Renovate and rehabilitate

Transport in and out of NAIAs has been boosted with the opening of the NAIAs Expressway in 2016 and the roll-out of point-to-point buses. The Metro Manila Subway will also serve the airport once opened in 2025.

Several parties have expressed interest in expanding NAIAs's capacity and upgrading its facilities. (No new runway, though.) A consortium made up of conglomerates like Ayala, Metro Pacific and Filinvest (with Changi Airports as partner) is designated as original proponents. Megawide-GMR, operators of Mactan-Cebu International Airport, is also looking into bidding.

The government has said the concession to operate will only be for fifteen years: they foresee closing it entirely by then.

Solution #3—Take off (and land) elsewhere

Located roughly 100 kilometers north of Manila, Clark International Airport is now home to several domestic and international flights. But more importantly, it has room to expand. Its new passenger terminal is expected to open in 2020. The government's final master plan sees the airport accommodate 80 million passengers (with three runways) by 2032. Limited transport to and from the airport remains a concern, however.

Sangley Point, a Navy base in Cavite City, is also seen as an alternative: President Rodrigo Duterte has ordered all general aviation flights to move there by November, to decongest NAIAs. However, transport options are more limited—especially when it floods during monsoon season.

Solution #4—Build an all-new 'aerotropolis'

The San Miguel group successfully proposed the construction of a new airport in Bulacan, Bulacan, roughly 35 kilometers north of Manila.

Expected to open in 2024 at the earliest, this "aerotropolis"—which will cost PHP 734 million, at no expense to the government—will have four runways (with the option to add two more) and can handle up to 100 million passengers annually. It is expected to be connected to Metro Manila via a toll road connected to the North Luzon Expressway; no word on other modes, like rail.

However, the government has previously indicated that they cannot compel airlines to shift their operations to the new airport. Whether that is the case remains to be seen.

Lingering reminders

With the “Big One” still looming upon us, it’s always time to revisit our emergency procedures and business continuity plans

WRITTEN BY HENRIK BATALLONES

I write this column on the morning of April 23, less than 24 hours after Luzon was hit by an earthquake that shook both our structures and our fears. Is this the Big One? Is the Big One yet to come? Are we ready?

Sometimes it feels we aren’t, at least not fully. When the earthquake struck I was at my flat on the 23rd floor of a newly-built condominium, doing some work for our upcoming events. I wasn’t initially sure what to do. When it became clear the swaying wasn’t going to stop, I crawled under my table, breathing a sigh of relief that I fit underneath, for once. A few minutes later, I packed what I could pack and went down to the street below, where the building’s security team seemed to have little idea for how to account for everybody inside the tower, or how to organize them (us) during the long wait to return to the building.

But it could be worse. A friend of mine was in a hotel where the fire exits were, inexplicably, locked. My girlfriend, on the other hand, was evacuated so orderly and so efficiently those from other buildings were amazed.

Not everybody would have hard hats, high-visibility vests and enough space to evacuate hundreds of people to, but it’s never a bad time to revisit those contingency plans. Are all of your personnel—both permanent hires and contractual ones—well versed in what to do in emergency cases? Do they know where to go and what to do? Are your team leaders able to take the lead? Do you have the right tools to facilitate the emergency processes?

Apart from the safety of your peo-



ple, it’s also important to be able to go back up to speed, to resume operations quickly so as to lessen disruption. It’s not just about averting empty shelves, or to keep the company financially afloat, but also to ensure that all stakeholders in your supply chain—suppliers, employees, customers—are not affected in the long term by a hiccup.

Are your facilities able to withstand any such disruption? Are the buildings that house your production facilities, or your inventory, built to standards, and beyond? Perhaps, if you’re expanding your capacity, you might want to consider seismic racking, which will definitely cost more—it’s reinforced materials tailored to your immediate geography and the land where your warehouse will sit—but should provide you more ease of mind.

Are your supply chain networks able to withstand such disruptions? How would you deal with impassable roads, say, or isolated towns? What if your suppliers become harder to reach in the face of calamity? Do you have other means of getting those products to you (or vice versa) as soon as possible? Unfortunately, many of these things are out of our control—we can be at the mercy of, say, whether authorities are able to repair roads quickly.

It’s always worth revisiting your business continuity plans, to reac-

quaint all stakeholders in what to do when disruptions arise, and to update these when needed. It would be best if these plans are integrated tightly with your company’s business or logistics plans. Ensure that the mindset of being aware of potential disruptions, and being able to go past them as soon as possible, is alive. We live in a country where there are always lingering reminders of the Big One coming right up—and I’m not just thinking of earthquakes, but also the next big super typhoon, say, or the next political or social upheaval. We ought to be ready.

Oh, and while we’re at it, one more thing. While being evacuated after the tremors, I realized that we were all expected to wait it out in the middle of the road, surrounded by high-rise buildings that could collapse when an aftershock hits. We have not planned our cities and towns properly for these eventualities, and we should have, a long time ago. Take quake-prone Taipei, where building plans require proper evacuation areas before being approved. Perhaps we in supply chain should take the lead, be an example. Would local governments take the cue if we do just that, though? •

A version of this article first appeared on *PortCalls*’ April 29, 2019 issue, as part of our fortnightly column, SCMAP Perspective.

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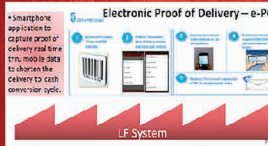
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CHANGING HOW WE DO LOGISTICS

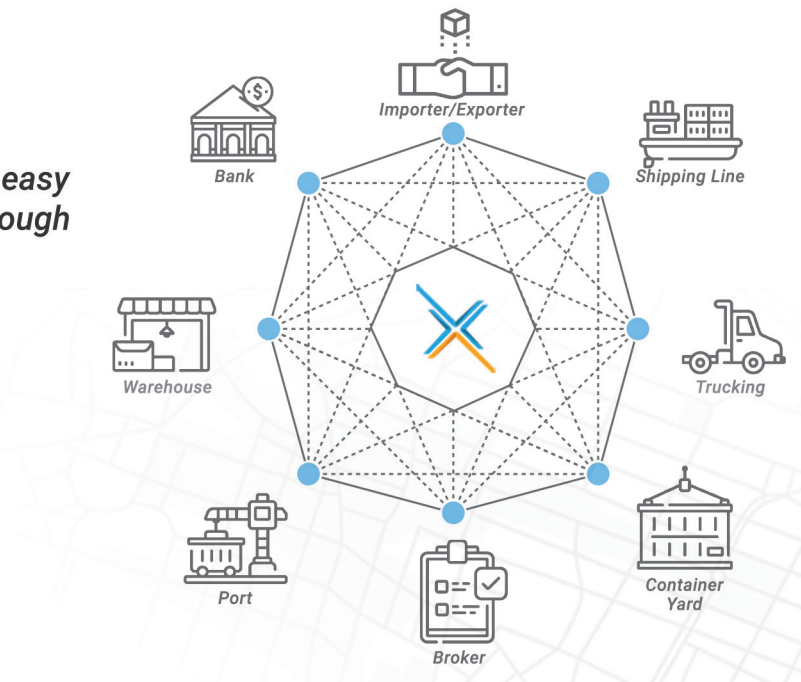
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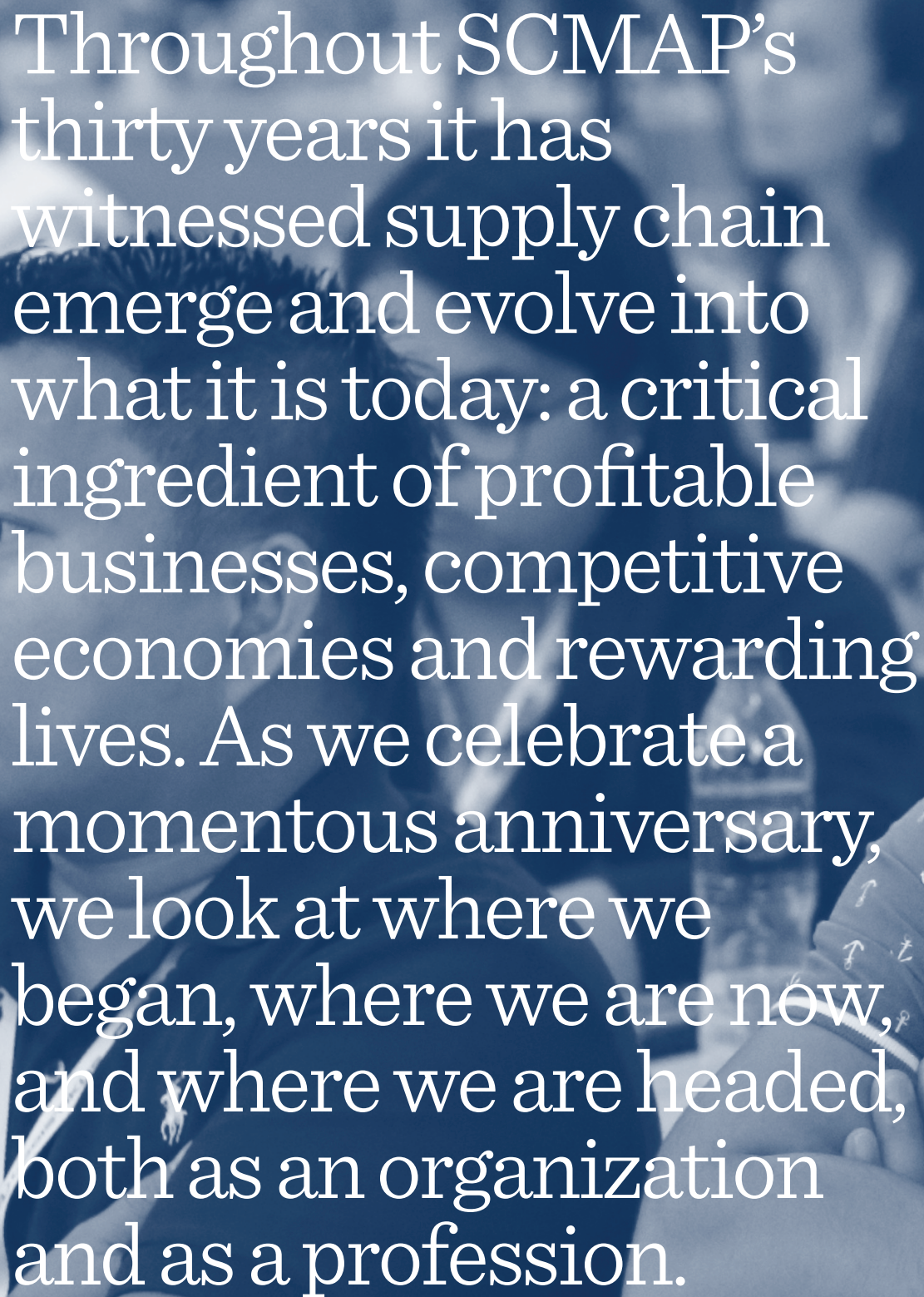
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Throughout SCMAP's thirty years it has witnessed supply chain emerge and evolve into what it is today: a critical ingredient of profitable businesses, competitive economies and rewarding lives. As we celebrate a momentous anniversary, we look at where we began, where we are now, and where we are headed, both as an organization and as a profession.

**PAST.
PRESENT.
FUTURE.**

CELEBRATING
THIRTY YEARS
OF THE
SUPPLY CHAIN
MANAGEMENT
ASSOCIATION
OF THE
PHILIPPINES

WRITTEN
BY HENRIK
BATALLONES

WITH THANKS
TO ANA ROSE
OCHOA,
ANNETTE
CAMANGON,
ARNEL
GAMBOA,
CORA CURAY,
IKE CASTILLO,
MIA SANTOS
AND NORMAN
ADRIANO





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SCMAP emerged at a time when what we know now as supply chain was instead composed of separate, and sometimes conflicting, disciplines and interests.

PART ONE—THE PAST

When the organization that would become the Supply Chain Management Association of the Philippines first came together in 1989, things were quite different.

For one, what we would call “supply chain” had yet to take hold. Businesses were in the midst of integrating what were then separate processes. Materials management brought planning and procurement under the same umbrella as production. On the other hand, physical distribution would encompass the previously separate processes of transportation and warehousing. A few years later, the concept of logistics would begin its shift away from a purely military context and be recognized as essential to any business’ competitiveness.

As a result, the organizations that existed at the time reflected this. The Purchasing Association of the Philippines (PAP) was founded in 1968 to bring together purchasing professionals. A decade later, in 1977, the Production Management Association of the Philippines (PROMAP) was founded, catering to operations management professionals.

In 1989, the Distribution Management Association of the Philippines was finally founded, but with a different thrust than other organizations. In August of that year—the exact date has been lost to history, although perhaps someone out there can help us—representatives from ten manufacturing companies met at the then offices of Procter & Gamble Philippines in Makati, seeking to mount a response to what they felt were steep and unjustified increases in domestic shipping rates.

The ten “starters”, as they were dubbed in 2014 by the late SCMAP executive director Ed Sanchez, were Procter & Gamble’s Antonio Abellera, C.C. Unson’s Remigio Calingal, Eveready’s Quezon Chua, Nestlé’s Simpson Go, Coca-Cola’s Mandy Guerrero, La Tondeña’s Clodoveo Nacorda, Unilever’s Camilo Reyes, Johnson & Johnson’s Malou Santos, Colgate-Palmolive’s Renato Simpao, and Sanchez, who then represented San Miguel.

The challenge was what was seen as a cozy relationship between the Maritime Industry Authority (MARINA) and the shipping lines, represented by the Conference of Inter-Island Shipowners and Operators (CISO). One issue was regulatory capture. The other was cartel-like behavior among the shipping lines. This results in increases from 25% to 100% for different items in 1989.

The ten companies decided it was time to take action. After continuous deliberation, the “starters” formally organized themselves as the Distribution Management Association of the Philippines. Their first action was to formally oppose CISO’s petition for another 39% increase in shipping rates in 1990. It was the first time an oppositor would show up at MARINA’s public hearings on rate increases. While an increase was ultimately permitted, it was limited to 25%, and a proposed valuation surcharge was rejected altogether.

It was to change the dynamic between government regulators and industry stakeholders. The shipping lines were no longer the only voices heard; the end customers—in this case, the manufacturers and distributors who availed of their services—finally had their say. In succeeding years, proposed rate increases were tempered. Later, a policy allowing for automatic rate adjustments due to changing fuel costs was adopted: rates were increased when fuel prices increased to a certain point, and rates would be decreased when the opposite happened.

It wasn’t the only time DMAP would fight for the interests of its members, and the industry at large. It didn’t exist solely to say no, however: the organization called for regulations that are justified, transparent, and truly served the interests of all stakeholders. It opposed efforts by Manila’s port operators to increase cargo handling rates. It protested against Executive Order 59, filed by then president Joseph Estrada in 1998, which called for “further rationalization, modernization and improvement” of government ports, but raised fears of the establishment of a unified port contractor—a monopoly in Manila’s ports. This led to the organization joining the Coalition for Shipping and Ports Modernization, which led protests, government meetings and media appearances in opposition to the move. It also railed against traffic regulations that were seen to hamper flow of goods, such as the proposed “odd-even” scheme by the Metropolitan Manila Development Authority (MMDA) and a 15-hour truck ban in the City of Manila.

In 2001, DMAP challenged the constitutionality of MARINA Memorandum Circular 153, which called for further deregulation of shipping rate adjustments. The petition was dismissed at the Court of Appeals in November;

the following year, another appeal, this time in the Supreme Court, was dismissed on a technicality. Representatives of various shipping lines later charged DMAP, its then president Lorenzo Cinco, and previous president Corazon Curay, of indirect contempt of court, arguing that an update the organization issued to its members about the ongoing case implied wrongdoing on the part of the Supreme Court. It would take nine years for a decision to be made, with the high court ruling in favor of what is now called SCMAP.

When DMAP changed its name to the Supply Chain Management Association of the Philippines in 2007, it was in recognition of further integration of the concept of “logistics” into critical business operations. It was no longer just a competitive edge for businesses, but rather, an integral part of its survival. “Supply chain” was no longer just a buzzword, but a way of understanding how a business works—and, more importantly, the role various professions and processes play in providing value for a company’s shareholders, and more importantly, its customers.

That is not to say that the organization realized this later than most. Early in its history it began organizing events seeking to update its members and other professionals of the trends and developments impacting their work. Its flagship event, the SCMAP Supply Chain Conference, traces its origins to a day-long warehousing workshop in 1991, which would become the Distribution 2000 Conference two years later. It would be called the DMAP Annual Logistics Conference in 1997, adopting its current name ten years later, alongside the organization’s name change. The topics tackled in this event, and others, would reflect the shift from distribution to logistics to supply chain—and a wider understanding of its impact not just to businesses, but to the lives of everybody involved.

While the organization did not organize as many formal training seminars as similar organizations—notably the Philippine Institute for Supply Management (PISM), which evolved from PAP, as well as the Purchasing and Supply Institute of Asia (PASIA)—it tirelessly promoted education through its collaboration with academic institutions like the De La Salle University and the Ateneo Graduate School of Business, industry groups like the Philippine Chamber of Commerce and Industry, and government agencies like the Technical Education Skills and Development Authority (TESDA). It has also engaged with GoNegosyo, bringing supply chain education to entrepreneurs across the country through its Kapatid Mentor Me program.

SCMAP also mounted its own learning events. The first Shipping Immersion Course, in 1992, updated participants on developments and new learnings in the industry, and also provided them an opportunity to observe port and business operations both in Manila and in destination cities across the country. This would evolve into today’s Supply Chain Immersion, providing a heady mix of site tours, workshops and talks. There were also the short-lived Supply Chain Morning seminars, which condensed supply chain concepts to half a day.

Perhaps the most important change to SCMAP across the years was how it began to work with various other stakeholders to achieve policies, reforms and initiatives that would benefit the industry—a marked difference from its origins as an adversary to what was seen as a domestic shipping cartel. This shift happened alongside the emergence of the mindset that the best supply chains work through collaboration between various disciplines across a business, and even outside it.

The Shipping Course Immersion is an early example: it frequently invited representatives from government regulators and shipping lines to discuss new policies and trends. Later, policy makers and industry leaders would speak at SCMAP’s other events—and not necessarily those directly involved in supply chain, as is the case with Department of Science and Technology secretary Fortunato dela Peña speaking at Supply Chain Outlook in 2019.

SCMAP would later be part of initiatives that led to the development of the Strong Republic Nautical Highway, the network of RORO routes that improved connectivity across the Philippines, and later, the first ASEAN RORO route connecting Davao to Bitung, Indonesia—a critical first step in expanding trade networks across Southeast Asia. It also provided inputs to the ROLL IT Project, an initiative between the Department of Trade and Industry (DTI) and the Department of Public Works and Highways (DPWH) seeking to identify infrastructure projects that are critical to industry.

The changes happened within the organization as well. DMAP would lift its membership ban on logistics service providers in 2003, going as far as allowing them to become members of the Board of Directors—although the limit of three representatives remains to this day, to prevent one sector from dominating decision-making. Individual members were allowed in 2006; representatives from the sales and marketing functions of the company, in 2014. It would also expand its reach to across the country, first with the establishment of a chapter based in Cebu in 2013, a chapter in Clark Freeport in 2017, and finally, a chapter in Davao (with some members based in Cagayan de Oro) in 2018.

Perhaps the pinnacle of SCMAP’s move towards increased collaboration came in 2014 when, on the occasion of its 25th anniversary, it brought together various stakeholders in crafting the Philippine Supply Chain Joint Declaration, outlining initiatives and reforms that must be undertaken to further boost supply chain’s role in the national economy. It was presented to then senator Bam Aquino in that year’s SCMAP Supply Chain Conference.

SCMAP’s work across its first three decades has undoubtedly helped bring Philippine supply chain to where it is today: widely recognized as a critical element to the competitiveness of the country’s economy, as well as a key contributor to quality of life for all Filipinos. Of course, it could not have done it alone: there have been many partners and collaborators along the way, from industry to academe to government, both in the Philippines and across the world. And this work will continue in the years to come.



1



2



4

Previous spread

- 1—DMAP's first induction ceremony in May 1990
- 2—DMAP began mounting workshops on warehousing as early as 1991
- 3—Handshakes at a DMAP workshop in 1992
- 4—The first Shipping Immersion Course was held in 1992 in Iloilo City
- 5—DMAP president Norman Adriano opens the 1996 Distribution 2000 Conference
- 6—A dance number (or a game, we can't tell) at the Christmas fellowship in 1996

This spread

- 1—The Logistics Immersion Course in 2007 was held en route to Coron, Palawan
- 2—SCMAP is among the signees of a Memorandum of Cooperation for the development of the first ASEAN RORO route
- 3—Attendees at the 2011 SCMAP Supply Chain Conference
- 4—The SCMAP Visayas chapter is formally established in 2014
- 5—The Philippine Supply Chain Joint Declaration is presented to Senator Bam Aquino as SCMAP marked its 25th year



3



5

For thirty years, SCMAP has been at the forefront of Philippine supply chain.

1989

- Ten manufacturers, faced with what they perceive as unjustified shipping rate increases and cartel-like behavior from shipping lines, come together to establish the Distribution Management Association of the Philippines.

1990

- DMAP is officially incorporated, with P&G's Antonio Abellera named as its first president.
- DMAP appears at its first MARINA hearing. The shipping lines originally petitioned to hike rates by 39%; the final increase was just at 25%, and the proposed valuation surcharge was removed.

1991

- DMAP organizes its first warehousing workshop, which saw 117 participants from 33 companies.
- DMAP begins its collaboration with De La Salle University, providing resource speakers to their seminars on distribution management.



1992

- The first Shipping Immersion Course is organized in May. It is held on board the Superferry 1, en route to Iloilo and back. This would become a flagship event for the organization, held every year except in 2004.

1993

- DMAP organizes its first conference, the Distribution 2000 Conference, in October. This would evolve to the annual SCMAP Supply Chain Conference—the most prestigious event in Philippine supply chain.



1995

- DMAP releases the first ever *DMAP Newsletter* in September of this year. While it only ran for a few issues, it would later pave the way for the magazine you are reading right now.

1997

- Recognizing changes in the industry, the Distribution 2000 Conference is renamed the DMAP Annual Logistics Conference.
- DMAP expresses its opposition to the “odd-even” traffic scheme proposed by the Metro Manila Development Authority.

1999

- DMAP spreads its influence to events across the region, speaking at the Asia Business Forum Logistics Conference in Singapore and the Total Logistics Regional Conference in both Singapore and Malaysia.
- DMAP is among the organizations to oppose Executive Order 59, which sought to create a unified port contractor—seen as an attempt by several shippers and cargo handlers to set up a monopoly at Manila's North Harbor. As a result, the organization joined the Coalition for Shipping and Ports Modernization, which held protests in opposition to the move.



2000

- DMAP executive director Ed Sanchez (pictured) pens his first column for *PortCalls*. It ran for fourteen years, ending just before his death in 2014. The column would be revived two years later, now written by Henrik Batallones.
- DMAP joins the Domestic Trade Development Council, organized by the Department of Trade and Industry, and pushes for measures leading towards a more efficient supply chain.
- DMAP reestablishes its regular General Membership Meetings as a forum for sharing best practices.

2001

- DMAP files a civil action at the Court of Appeals, challenging the constitutionality of MARINA's Memorandum Circular 153, saying that a computation of the freight rate adjustment is no longer required for those rates that were deregulated. The petition was dismissed on November of that year.

2002

- DMAP files an appeal to the Supreme Court questioning the Court of Appeals' decision on Executive Order 213, signed by former president Fidel Ramos, and the basis for MARINA's MC 153. This was dismissed on a technicality.



- DMAP, its president Lorenzo Cinco, and its former president Cora Curay (pictured), are charged with indirect contempt

of court at the Supreme Court by several shipping lines. They allege that one of the organization's updates on the ruling of Executive Order 213 implied wrongdoing on the part of the court.



2003

- DMAP plays an active role in the development of the RORO Nautical Highway, in the belief that it will shrink distribution and transport costs.
- For the first time, the organization allows logistics service providers to sit in its Board of Directors, seeking to promote transparency and synergy between principals and LSPs. This would be institutionalized through an amendment to the organization's by-laws in 2005.

2004

- DMAP and De La Salle University launch a post-graduate program on supply chain management.

2005

- DMAP is among the co-organizers of AgriLink 2005, a conference on issues facing the agriculture industry.

2006

- DMAP opens membership to individual members for the first time.

2007

- Acknowledging the evolution of the distribution industry—a change that was slowly reflected in its events and initiatives—DMAP changes its name to SCMAP, the Supply Chain Management Association of the Philippines. Its flagship event was renamed to the SCMAP Supply Chain Conference.



2011

- Alongside the Philippine Chamber of Commerce and Industry and the Japan External Trade Organization, SCMAP launches the Certified Philippine Logistics Master program, which aimed to professionalize the logistics industry in the country.
- The Supreme Court decides in favor of SCMAP and its leadership in the indirect contempt of court case filed against it by several shipping lines in 2002.



- The first Search for Supply Chain Excellence Awards are given out in this year's SCMAP Supply Chain Conference. The first winners were DHL Supply Chain, Integrated Commissary, and Nestlé's Rhia Pereda.
- The first issue of *Supply Chain Philippines*—this magazine—is released, with future president Arnel Gamboa as its first editor-in-chief.

2012

- SCMAP forges a partnership with the Technological Institute of the Philippines and the Ateneo Graduate School of Business. The latter's Logistics Executive Course would be short-lived, however, as then SCMAP president Gabby Patag would suddenly die of lung cancer the following year.
- The organization plays a pivotal role in the development of the first ASEAN RORO route, connecting Davao to Bitung, Indonesia. The route would ultimately open in 2016.

2013

- SCMAP establishes its first ever regional chapter, seven years after it was first envisioned. SCMAP Visayas was formally launched, with Roberto Cabaero—former president of DMAP—named as charter president.
- SCMAP is recognized by the Technical Education and Skills Development Authority as the leading organization representing the supply chain sector. This begins a string of engagements between the two organizations, leading to the development of a series of national certification programs for warehousing positions.
- SCMAP leads efforts to oppose the proposed total daytime truck ban by the MMDA.



- SCMAP launches Supply Chain Mornings, a series of half-day seminars and workshops on supply chain concepts.

2014

- The Philippine Supply Chain Joint Declaration is signed by stakeholders from the public and private sectors, committing them to work towards a more competitive supply chain sector. This is presented to Senator Bam Aquino in that year's SCMAP Supply Chain Conference.
- Early efforts to establish a chapter in Mindanao begins with an event in Cagayan de Oro.
- Ed Sanchez, one of SCMAP's pioneers and its long-time executive director, passes away from cancer at the end of the year.



2015

- The first ever Vismin Supply Chain Conference—co-organized with SCMAP Visayas—is held in Cebu City.
- SCMAP organizes the first Supply Chain Outlook, a look at the year ahead for the supply chain sector, with decision makers and thought leaders among its speakers.
- SCMAP solidifies its partnership with the REID Foundation on initiatives promoting good governance. The organization moves its offices from the Kapitolyo district in Pasig to the Ortigas business district.

2016

- The Supply Chain Immersion adopts its current name and heads to Cagayan de Oro, where the first Mindanao Supply Chain Conference was held.



- SCMAP joins other industry organizations in the launching of the GoNegosyo Kapatid Mentor Me program, which connects industry experts with entrepreneurs from across the country.

2017

- SCMAP establishes a chapter in North Luzon, based at the Clark Freeport, with Dr. Francisco Villanueva as its first president.
- SCMAP is named the private sector partner for ROLL IT, a convergence program between the Department of Public Works and Highways and the Department of Trade and Industry, seeking to identify

infrastructure projects that are crucial to businesses across the country.

- The SCMAP Supply Chain Conference introduces a new format of panels to better capture the wider impact of the industry on economic competitiveness and quality of life.



- The Supply Chain Immersion is also retooled to fully immerse its delegates in supply chain practices, with a mix of talks (including the first Supply Chain Perspective in Iloilo) and site visits.
- SCMAP Visayas holds the first Sharpening the Supply Chain Practitioners in Cebu City.

2018

- SCMAP establishes collaboration groups to better understand the key issues affecting the supply chain sector.
- For the first time, Supply Chain Immersion is held entirely on land, with a visit to the Subic-Clark corridor.
- SCMAP finally moves to an office it can call its own, still in the Ortigas district.



- SCMAP joins the Pilipinas Angat Lahat Alliance, committing to efforts for poverty alleviation and job creation.
- SCMAP establishes a chapter in Mindanao, based in Davao.
- SCMAP supports the first Logistics Services Philippines Conference, organized by DTI, and signs the Ten Commitments, outlining initiatives to further uplift the supply chain sector.

The thirty years of SCMAP has seen stakeholders from across the spectrum become more accepting of working together for everyone's benefit.

PART TWO—THE PRESENT

“What has SCMAP accomplished?” is a question that is more difficult to answer than you'd think. It's not for a lack of accomplishment, but rather, trying to figure out where to start.

The organization counts among its accomplishments, among others, its successful opposition to proposed cargo handling and shipping rate increases, its advocacy for policies that encourage transparency and competition among regulators and service providers, and its support to initiatives that promote better flow of products and services. The specifics are too many to mention, but these battles have been fought and won in government offices, the courts and, in some cases, the streets.

SCMAP continues to recognize its past as an advocacy-led organization as it works towards more competitive supply chains in the country. But as the profession itself evolved—from distribution to logistics to supply chain—it has had to expand its scope, to go beyond issues that affect physical distribution alone, so it can better respond to the challenges that affect all of supply chain.

In a way, that's meant it's more difficult to point towards specific achievements now, unlike in the early years when the organization can reasonably say its work impacts the bottom line of its members. The challenge for SCMAP now is to think bigger and go further: to understand the impact of supply chain—and the problems that prevents it from being its best—not just to its member companies, but also to its end customers and to the economy at large.

Perhaps luckily for the organization, the evolution towards supply chain has meant a focus on collaboration among previously separate disciplines, professions and stakeholders. It was a long process, but now one can say that there is stronger cooperation among supply chain stakeholders in the country that at any time in the past. Sure, there are still differences—we are still composed of companies who have to make a profit, after all—but everybody recognizes that there are common goals that cannot be achieved alone.

When the Distribution Management Association of the Philippines was founded in 1989, it only allowed members from the manufacturing and distribution sectors. There was a fear that if companies involved in logistics could take part, it would prevent the organization from properly fighting against unjustified rate increases.

Since its founding, however, the landscape has changed. Manufacturers in particular began to focus on their own competencies, which meant some logistics functions were contracted out to new third-party logistics companies, whose functions typically covered physical distribution and storage. Around the same time, companies became more cost-conscious, which resulted in a wave of consolidation, particularly in distribution networks: facilities that are deemed to be surplus to requirements were sold off, and large-scale distribution centers that served major regions became the norm.

Now, apart from its early advocacies, the organization faced new challenges which it had to also address. How do we ensure service levels do not suffer with these new models of engagement? How can all stakeholders do so while keeping costs at their optimal level? How do we encourage everyone to come together to ensure these conditions are met, and beyond?

DMAP's events began tackling these issues from its early years. In 2003, it went one step further by allowing logistics companies to become members of the organization—something it didn't allow before for fear of these companies derailing efforts to keep transport costs down. This now meant DMAP had the unique perspective of seeing the whole of supply chain from an end-to-end perspective: from the manufacturers, who handled planning, procurement and production, as well as the logistics companies, who handled all aspects of physical distribution and storage.

Soon, these logistics companies were able to provide invaluable inputs to some of the organization's initiatives, particularly ones surrounding education, like a post-graduate supply chain management program with the De La Salle University, or the Certified Philippine Logistics Masters program. It also became clear that both “sides”, so to speak, benefitted from learning from each other: manufacturers gained from the perspective of efficiency provided by logistics providers, while logistics providers better understood their end customers from manufacturers. It was the breaking down of silos that the emergence of supply chain demanded—and DMAP, later SCMAP, delivered.

In recent years, as SCMAP began to accept members



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Previous spread

- 1**—Participants at a Supply Chain Mornings event
- 2**—Then Customs chief Alberto Lina inducts SCMAP's 2016 board of directors
- 3**—The first Mindanao Supply Chain Conference in Cagayan de Oro paved the way for SCMAP Mindanao
- 4**—On the sidelines of the 2016 SCMAP Supply Chain Conference with then DBM secretary Florencio Abad
- 5**—Touring the Manila International Container Terminal for an SCMAP General Membership Meeting
- 6**—SCMAP North Luzon's charter board is sworn in

This spread

- 1**—SCMAP is often tapped by various industry groups and government agencies
- 2**—DPWH undersecretary Ma. Catalina Cabral speaks at the 2017 SCMAP Supply Chain Conference
- 3**—Royal Cargo's Michael Kurt Raeuber, the Bureau of Customs' Lourdes Mangaoang and PISA's Pete Aguilar at a GMM on shipping rates
- 4**—Logistics stakeholders sign the Ten Commitments of the Logistics Services Sector
- 5**—DOST secretary Fortunato dela Peña speaks at Supply Chain Outlook in 2019



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from other allied industries such as technology providers and financial institutions, it took collaboration one step further by identifying “pain points” that affected supply chain stakeholders. These included perennial issues such as transport regulations, talent development and cost to serve, as well as emerging trends such as last mile logistics. The output of these groups were then presented to the organization’s members through its events, and also formed part of an expanding knowledge base which was utilized in engagements with other stakeholders in the public and private sectors.

The organization’s engagements with external stakeholders also took a collaborative nature early on. For instance, DMAP was part of the Coalition for Shipping and Ports Modernization, which came together at the turn of the century in response to the controversial Executive Order 59, which attempted to set up a cargo handling monopoly in Manila. Working alongside organizations such as the Export Development Council (EDC), the Federation of Philippine Industries (FPI) and the Philippine Chamber of Commerce and Industry (PCCI), the group pressured government officials and mounted protests and other events to push for fair policies that would lead to cost reductions and service improvements.

This would lay the foundation for the organization’s work with other groups towards better supply chains. There are initiatives towards infrastructure development, from the Strong Republic Nautical Highway under former president Gloria Arroyo, to the pioneer ASEAN RORO route from Davao to Bitung, Indonesia, to the ROLL IT project with the DTI and DPWH. There are inputs to policy deliberations for agencies such as MARINA and the Philippine Ports Authority (PPA), which has contributed to regulations that are fair and transparent. And then there are networks that promote and encourage collaboration amongst stakeholders, like the 4tfy Network alongside SCMAP’s long-time partners, the REID Foundation.

SCMAP’s reach also stretched outside Philippine borders, with work alongside the Association of South East Asian Nations (ASEAN), Asia Pacific Economic Cooperation (APEC) and the Hong Kong Trade Development Council (HKTDC) on regional initiatives.

For the organization, it’s not just about working directly towards policies and initiatives that benefit the supply chain sector, but also in promoting supply chain as an important part of any country, both for its contributions to the economy and for its role in improving quality of life for its citizens. It’s a point SCMAP is keen to make in speaking engagements and consultations—and it’s a point worth making, as supply chain issues slowly become more prominent in the headlines, and the impact goes past the bottom line. From traffic in the roads (and not just in Manila), to the e-commerce boom, to the push for job creation, supply chain’s connections to Filipino life grows deeper, and it’s become more clear that to address these supply chain issues is to also address some fundamental challenges to this nation.

In recent years all this seems to have clicked into place. Stakeholders in both the public and private sectors have also realized this connection and, more importantly, are more open to working together on such initiatives. Perhaps the days when DMAP would go to battle with shipping lines are long gone, with more proactive and continuous cooperation amongst all stakeholders now becoming the norm.

Everybody seems to be in the same page now. Perhaps proof of this is the signing, late in 2018, of the Ten Commitments of the Logistics Services Sector, by SCMAP and nine other logistics industry associations—covering shipping lines, freight forwarders, customs brokers and truckers—as well as the DTI and Department of Transportation (DOTR). The manifesto commits all stakeholders to working towards reforms that will bring down costs, promoting investment in infrastructure and technology, creating education and employment opportunities for those in supply chain, and aligning the country’s supply chain networks with the rest of the world’s.

Soon after the signing, the parties began providing inputs to a proposed Joint Administrative Order that would target international shipping costs and port congestion. Collection of more data that would illustrate the health of the supply chain sector picked up, with the help of other partners like the World Bank. Perhaps more importantly, dialogue between players continued. There are still disagreements, as one would expect, but never before did players from across the sector find themselves in the same table to thrash these differences out (or to respectfully disagree about them). It is truly the values of good supply chains on display: different parties working together towards a common cause, and the breaking down of silos that prevented them from doing so.

In one of SCMAP’s recent General Membership Meetings, executive director (and former president) Corazon Curay remarked that the sector as a whole has gone a long way. In the past, stakeholders both in the public and private sectors had the need to show off their being at the forefront of matters. Now, these same stakeholders have acknowledged that while they are experts on certain matters, they are not as knowledgeable on others—and the best way to move forward is to learn and understand as much as possible from other players, and with the gained knowledge, make better sense of how to address pressing issues and make the most of new opportunities.

SCMAP, with its unique end-to-end perspective and its early thrusts towards collaboration, has helped make these circumstances possible, and thrive. Already its efforts, with the help of its members and partners, have made strides towards more competitive supply chains. But there is no time to bask in these glories. As more understand the importance of supply chain to a country’s competitiveness and liveability, the more stakeholders have to keep up efforts to be at par with the rest of the world. As we have seen in rankings like the Logistics Performance Index and in our own personal observations, we have a lot more to do. Thankfully, we are in a better position now than thirty years ago.

SCMAP would not be where it is today without the help of our friends from the outside, including...

Philip Tuazon

Philip was administrator of the Maritime Industry Authority (MARINA) when DMAP first opposed the proposed rate increases by shipping lines. “He said to DMAP something like this: ‘Go on and increase your numbers, so that the shipping lines will have a group that will oppose them,’” the late Ed Sanchez recalled in his column for *PortCalls* in 2013.

Vicente Gambito

Tet was formerly vice president of Sulpicio Lines, and former president of the Conference of Inter-Island Shipowners and Operators (CISO)—the organization on the other side of the fence. But he later came to support DMAP, in his strong belief in the need to bring down logistics costs. He was also an early advocate for the implementation of a roll-on roll-off (RORO) service, a cause which DMAP embraced early on.

Meneleo Carlos Jr.

Ito (1) is a veteran of Philippine industry, as president of the conglomerate Resins Inc., as well as being active with organizations such as the Federation of Philippine Industries and the Export Development Council. His advocacy towards improvement in logistics costs and service saw him oppose, alongside DMAP, Executive Order 59, which would have established a monopoly in Manila’s ports.

Dr. Enrico Basilio

Through his various roles in the academe, Henry (2) advocated for improved logistics services and costs. He first worked with DMAP during the height of the furor over Executive Order 59, and continues to collaborate with SCMAP today on various initiatives, most recently on fighting for just international shipping costs.

Ronilo Balbieran

Roni (3) helped redefine SCMAP’s role as the supply chain landscape in the country began to change. Through his role in the REID Foundation and as consultant for various government agencies, he linked the organization to various efforts aiming to make Philippine supply chain more globally competitive, and continues to underscore the value of collaboration between the public and private sectors.

Dr. Ma. Catalina Cabral

The current undersecretary for planning of the Department of Public Works and Highways, Cathy plays an instrumental role in the development of the country’s physical infrastructure over the past few years. She has engaged with SCMAP in defining projects that are critical for a competitive supply chain sector.

Mary Jean Pacheco

The assistant secretary of the Department of Trade and Industry’s Competitiveness and Innovation Group is an advocate for ensuring a competitive logistics services sector. Jean has played a key role not just in bringing together industry stakeholders to facilitate constant dialogue, but to also equip those in government with the means to better understand the challenges and opportunities facing supply chain today.



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...and not forgetting those who worked tirelessly from the inside.

National presidents

- Antonio Abellera (1990)
- Camilo Reyes (1991)
- Ma. Lourdes Santos (1992)
- Eduardo Sanchez (1993)
- Roberto Cabaero (1994) (4)
- Rolando Gonzales (1994)
- Norman Adriano (1995-96) (5)
- Eric Perdigon (1997)
- Corazon Curay (1998-99, 2001-02, 2006-09, 2015-16)
- Enrique Castillo (2000-01, 2012) (6)
- Lorenzo Cinco (2002)
- Ma. Arlene Azul (2003)
- Ana Rose Ochoa (2004)
- Ceferino Gabrino (2005)
- Dennis Llovido (2010)
- Gabriel Patag (2013)
- Arnel Gamboa (2013-14)
- Mark Philip Comandante (2015)
- Nestor Felicio (2017-18)
- Christine Pardiñas (2019-20)

Chapter presidents

- Roberto Cabaero (SCMAP Visayas, 2014-16)
- Gilbert Cabatana (SCMAP Visayas, 2017-18)
- Marivic Esmero (SCMAP Visayas, 2019-20)
- Dr. Francisco Villanueva (SCMAP North Luzon, 2018-)
- Dr. Malou Monteverde (SCMAP Mindanao, 2018-)

And not forgetting...

- Al Lagera
- Annette Camangon (7)
- Boy Arceo
- Carla Sanchez
- Chuck Rojo
- Cyril Rodriguez
- Elsie Oafallas
- Gus Arguelles
- Max Yap
- Monette Bausas
- Olive Ramos

And all the directors, committee members, colleagues and friends who devoted time and talent in the past thirty years and beyond.

As the role of supply chain becomes clearer to more players, new challenges and opportunities emerge that must be addressed.

PART THREE—THE FUTURE

In the last thirty years, what we know now as supply chain began to take shape. With a better understanding of its implications, a stronger thrust towards customer satisfaction and the advent of new technology, supply chain has evolved, and will continue to do so.

As the premiere supply chain organization in the Philippines, SCMAP also had to evolve to reflect the widening scope of supply chain—as previously separate disciplines work together towards common goals; as its impact on a business’ competitiveness, as well as a community’s, is better understood.

This evolution is not one for SCMAP alone. Across the decades other supply chain organizations have either consolidated or shifted their focus as a response to the many new challenges facing the sector today. Yet, SCMAP’s unique end-to-end perspective has allowed it to understand the role of competitive supply chains in nation-building. Thus, it has worked not just to work towards this goal, but to demonstrate how the values of good supply chains go beyond businesses. While the organization does not expect to dip its toes into every single issue with the faintest connection to supply chain, it has used its position to advocate not just for the companies and industries it represents, but also to show how the work we do goes beyond what we are directly involved with.

Some of the developments that have an immediate impact on our work in supply chain lies in the entry of new technol-

ogies. These innovations have allowed businesses to operate more efficient supply chains; monitor the movement of goods, services and capital from anywhere at any time; and provide new conveniences to customers and other stakeholders.

While there are understandable reasons to delay the adoption of these technologies, it’s become imperative that companies make the investment in order to keep up both with customer demands and with industry-accepted practices around the world. Take warehouse automation: companies here have always pointed out the long return on investment just a few years ago, but now they are rushing head-first into investing in these systems. But adoption of these technologies can also impact the employees of these businesses. Apart from those whose work will be partially or fully impacted by these technologies, there are those who may not be prepared to use these technologies in their day-to-day work.

As supply chain moves away from administrative work and towards analytical and judgment tasks, it has become important to equip all employees with the means to adapt to these disruptions. While there are several supply chain education programs on offer—whether from industry associations or from academic institutions—they tend to focus on profession-specific knowledge and skills, and might not equip those taking it with what we call “other essential skills” that allow them to be adaptive, creative and globally competitive. Similarly, those working on the warehouse floor itself—forklift operators, warehousemen and the like—find themselves unable to upgrade their skills in a systematized manner that would allow them to move up the career ladder and bring more value to their companies.

On the other side, the move towards new technologies may turn off customers who are accustomed to particular ways of working. Take cashless payment systems: while uptake in neighboring countries is high, in the Philippines more people are still paying through physical cash. Not that going entirely cashless is an ideal scenario, either; other countries have seen customers disenfranchised by this shift, with some governments going as far as banning all-cashless stores.

And then there’s the question of whether these technologies can be brought in to the country in the first place. Efforts must be put in to enable the ecosystem that would allow these innovations to flourish and be usable to as many people as possible.

One of the more pressing concerns of supply chain managers, particularly those in transport, is increasing congestion on the roads, as well as in seaports and airports. This has a direct impact on the bottom line, affecting companies’ ability to deliver their products on time, and in extreme cases has resulted in empty shelves. The effects of this has stretched further, with truck drivers deciding to change jobs to their difficulty completing trips, and therefore, earning their wages.

While it’s good to note that the government has increased

investment in physical infrastructure—some major road projects serving Greater Manila are already halfway through completion—the fact remains that our cities are not able to cope with recent economic growth and its resulting population shifts. And while there are pronouncements from the highest levels of government seeking to address these issues once and for all, one can't help but think that these approaches are mostly band-aid solutions which fail to see the forest for the trees—take the seeming obsession with equating EDSA traffic with all of Metro Manila's traffic woes.

At first glance, urban planning does not seem to connect at all with supply chain, but that's assuming all it does it make beautiful communities. Sure, that is part of it, but urban planning primarily ensures that communities work: that people can get to where they need to go in as easy a way as possible; that they can be productive members of society by providing them the means to do so, and also to pursue their passions; that they can raise happy and healthy families by granting access to basic services, as well as recreation.

This does not just apply to existing cities, particularly as the Philippines seeks to develop new urban hubs in the regions, like current initiatives in the Clark-Subic corridor. Ideally we do not solve the problem of Manila's congestion by shipping it wholesale elsewhere in the country. Shifting growth to other regions also means enticing those in Manila for its conveniences, for better or worse, with the promise of better quality of life.

When done right—and consistently—urban planning

can be a win for supply chain, allowing for more reliable and timely transport of goods to customers—which, in turn, drives down costs. (Imagine the possibilities a strong public transport system, for one, brings to last mile logistics providers.) More importantly, urban planning ensures that when new developments do pop up, they are equipped to deal with the challenges of both the present and the future, rather than crumble under the weight of an expecting population and economic growth.

It's these connections between supply chain and other issues that don't necessarily make sense in the beginning that any stakeholder should be willing to, at the very least, explore. Supply chain, after all, is not just about delivering, but about serving, and that has implications outside of the immediate transaction you are fulfilling.

As supply chains continue to become more global, they have become more susceptible to geopolitical developments and upheaval. The past few years, for instance, has seen the rise of populist and authoritarian regimes, as well as the introduction of protectionist policies that have raised uncertainties in global supply chains.

As a non-partisan organization, SCMAP has chosen—and will continue—to deal with these upheavals through continuing dialogue with relevant stakeholders, as well as updating its membership and other stakeholders on its implication to supply chain.

It isn't the only global issue impacting supply chain, however. Climate change—or “climate crisis”, depending on who you're talking to—is already starting to have a direct impact on businesses, as it threatens the supply of raw materials, the means of production and distribution, and the welfare of employees and partners alike.

In recent years we have seen this debate move from television screens and social media feeds and into the streets, with demands for immediate action from government and business intensifying. At the same time, rising environmental awareness has led to a budding culture of reusable bags, straws and cups.

While supply chain managers have likely discussed these issues through the framework of green logistics—targetting distribution networks and logistics operations as a means of improving efficiencies and shrinking the carbon footprint—there is a wider role supply chain can play in addressing this issue. It is up to us to identify more sustainable ways of sourcing, producing and distributing products, both through due diligence and through preparing our partners to ensure they are up to speed with current and future requirements in this front. More importantly, supply chain's model of collaboration towards the achievement of common goals can provide a template for stakeholders—government, businesses, consumers, and everyone else in between—to address this most pressing of issues.

But to get there, it is up to organizations like SCMAP to advocate, communicate and educate, both to the supply chain sector and beyond. It is something we will continue to do for the next thirty years and beyond. •

Planning sustainable and resilient cities that prioritizes ease of movement will be a concern for supply chain in many facets



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Debrief



Sweet, sweet supply chain

Supply Chain Immersion visits Bacolod, the center of the country's sugar industry, and provides a full view of supply chain's impact on communities now and in the future

WRITTEN BY HENRIK BATALLONES

Throughout the history of what we now call Supply Chain Immersion—our unique annual event putting delegates in the middle of supply chain as it happens—we've only visited Bacolod once, over two decades ago, and even that was after we visited nearby Iloilo.

For years we have been hoping to return to the city, and with the event's new format put in place a few years back, we thought we had a good reason to return. Bacolod, after all, is the center of the Philippines' sugar industry. For decades it was the nerve center for most of the country's sugar exports, bringing prosperity not just to the sugar barons but also to farmers and their families.

While the industry saw a steady decline over the past few years, Bacolod gained a new reputation for its high quality of life, and has made strides in reigniting its economy. Seemed like a good opportunity: to show not just sup-

ply chain at work, but its impact on the people it touches. It also tied in nicely with our recent events tackling food security, further illustrating supply chain's role in improving lives.

And so, on May 16, our group of over 50 boarded MV St. Michael the Archangel for a weekend of immersive learning and close-knit (and fun) networking.

We were joined by experienced and renowned speakers. URC Flour's Jun Arive began the first day with a workshop on problem solving and collaboration, which led to some friendly competition among the participants. Pio Bernardo of Personal Collection then talked about the challenges of demand planning. DHL Supply Chain's Scott Gerrie, who flew in from Bangkok to take part, discussed opportunities and advances in transport management. Finally, XVC Logistics' Carlo Curay provided another look

Debrief

towards the technologies set to impact supply chain.

The first day ended with a fellowship dinner which saw our mostly young delegates not let go of the microphone as they sang karaoke all night. That's when we knew we were in for a good weekend.

After a good night's rest, and a tour of the vessel the following morning, we finally arrived in Bacolod, with some Masskara performers out to welcome us. Another familiar face said hello: Bimsy Mapa, previously with 2GO—and a long-time fixture of our previous Immersion events—was set to tour us at the Central Azucarera de La Carlota, one of the country's biggest sugar mills, where he now works. This included an overview of the supply chain of the country's sugar industry, from plantation to store shelves, as well as a deeper look into the particular challenges facing the sector today—from low yields, to farmers giving up on their lands, to proposed regulations possibly impacting the industry's viability. We also got a look at how bioethanol is manufactured, complete with a quick tour of the nearby facilities of Roxol Bioenergy.

The event's new format was designed to make participants learn not just the principles of supply chain, but also its real-world applications. While listening to the speakers at La Carlota (and munching to Bacolod's famed piaya, which somehow tastes better there) we began to see how stakeholders in the industry adapts to the many challenges sent its way: embracing new technologies to increase productivity (there was a video of drones being used to apply fertilizer) and engaging with farmers to help them improve their yields—a win-win solution for all. What we also saw was how the industry—which, by its nature, relied heavily on a responsive logistics network, as it brought sugar from plantations across Negros, to the port in Bacolod, and out to customers around the world—impacted life across Negros.

As a first-timer to Bacolod, I was particularly excited for the tour, which we scheduled for May 16 but stretched across the second the third days, if only because travelling from the port



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Previous spread

1—Outside the Roxol Bioenergy facilities

This spread

- 1**—The question: what can you do with...?
- 2**—URC Flour's Jun Arive led a workshop on collaboration
- 3**—Personal Collection's Pio Bernardo spoke on demand planning
- 4**—DHL Supply Chain's Scott Gerrie spoke on transport management
- 5**—XVC Logistics' Carlo Curay discussed new technologies
- 6**—Hearing it straight from the ship's crew
- 7**—Finding the right angle (and light)
- 8**—Enjoying the view from the bridge, in close-up
- 9**—A moment with someone else's pet
- 10**—Whose turn is it to sing now?
- 11**—Taking notes

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11

Debrief



- 1—A grand welcome in Bacolod
- 2—At the Central Azucarera de La Carlota
- 3—Seafood lunch
- 4—Taking in the Ruins
- 5—Bimsy and Cidni Mapa
- 6—An opportunity for photographs
- 7—Sugar mills in my mind
- 8—Balay ni Tana Dicang
- 9—Exchanging phone numbers upon arrival





to the sugar mills took an hour and a half. With the help of tour guides Cidni Mapa and Xyrielle Deala, we didn't just experience the sights and sounds (and tastes—this place is renowned for its food, after all) of the city, but also understood how the sugar industry's fortunes affected life in the city.

Bacolod, after all, has grown off the riches of the many sugar plantations that surround it, leading to unique architecture, more refined and cosmopolitan tastes, and a more laidback way of life. But when the sugar industry came close to collapse in the 1980s, the city went down with it too: the Masskara festival stemmed from the city's need to put on a brave front in the face of adversity.

Now, things have settled down a bit: while the sugar industry doesn't seem to be heading back to its halcyon days any time soon, the city and its surrounding towns have emerged stronger thanks to agricultural diversification, the booming BPO industry, and tourism. The city is slowly seeing a faster pace of development not dissimilar to neighboring Iloilo, with new infrastructure projects allowing it to be able to absorb booming business as well as increasing tourist numbers.

We spent our time in Bacolod taking in the delicious food (including the popular chicken inasal), the wonderful sights (we visited the Ruins, aided by tour guide Roger Lucero, who you might have seen on *Pinoy Big Brother*) and the many stories that made us understand just how Bacolod—and Negros—came to be. We also visited neighboring Silay City, called the "Paris of Negros" because of its impeccably-preserved homes. It seemed our delegates enjoyed, too: despite the packed schedule they took time to explore Bacolod on their own, even if just for a slice of cake at Calea across our hotel, or for boxes of napoleones to bring home.

When we landed in Manila on the evening of May 16, I saw that our delegates have forged particularly close relationships—and they told us they particularly enjoyed this year's Supply Chain Immersion. Tall order for next year, then. •



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TRANS-ASIA WOOD INCORPORATED (TAWI) was incorporated in 1997. TAWI has evolved from a humble manufacturer of one-time use pallets for an Australian construction material company to a plantation/sawmill/lumber sourcing arm of TAWI Group to ensure its sustainable operations.

- ✓ Tree Plantations
- ✓ Sawmills

QUADSYS INCORPORATED (QSI) was incorporated in 2003. It is the division of TAWI GROUP that is focused on providing competitive pallet lease packages, customized pallet solutions, and other after-sales support.

- ✓ ECR Wooden Pallet Rental
- ✓ Carton Pallets for Export
- ✓ Collapsible-Returnable Pallets
- ✓ Other customized wooden pallet



EASYHOMES INCORPORATED (EHI) broke ground in 2007. Since then, EHI has designed and supplied/installed 150,000++ linear meters fences for TPLEX, MCX, Alveo/ Ayala, SM Prime Holdings, Belle Corporation, Landco Pacific Corp, PA Builders, CENQ, and others. EHI was awarded by the Intellectual Property Office of the Philippines as the company with "Most Number of Patents Filed 1998-2017."

- ✓ Fence, Hybrid CHB
- ✓ Housing shells, Partition Walls
- ✓ Other Pre-cast Products

TAWITECH INCORPORATED (TAWItech) was incorporated in 2018. It was established to create software applications to support TAWI GROUP's current and future operations. TAWItech's first product is AYUN!, an asset monitoring system used for tracking returnable packaging equipment within interlocking supply chains.

- ✓ Software app development of Asset Monitoring System
- ✓ Other Applied IT Solutions

Looking forward to the future of logistics

The second Logistics Services Philippines Conference explores what's on the horizon for logistics services as they seek to provide more value to businesses

WRITTEN BY HENRIK BATALLONES

Only seven months separate the first Logistics Services Philippines Conference and the second—partly because of a slight change of focus from the Department of Trade and Industry, who organized the event—but it seems a lot has happened since.

The first conference, if you may recall, saw stakeholders from across the supply chain sector, including SCMAP, sign the Ten Commitments—a document that outlined initiatives to improve the competitiveness of the logistics services industry. The points include addressing urgent operational concerns, promoting investment in critical infrastructure, and advocating for supply chain education.

Fast forward to the second conference, held last July 15-16 at the Philippine International Convention Center, and a lot has happened. Stakeholders have met several times to discuss pressing issues. The planned Joint Administrative Order set to address port congestion and shipping costs may have taken longer than anticipated—it was originally set to be put in place in February, but consultations among concerned agencies still continue as we go to press—but it's still worth noting that putting various stakeholders in one room to amicably discuss these reforms was pretty hard to pull off before.

Strides were made in other fronts: the Technical Education and Skills Development Authority's efforts to introduce certification programs for logistics workers was in full steam,





and bureaucratic requirements for service providers in economic zones were streamlined. But there were more challenges to tackle, particularly promoting the role of the logistics services sector in making businesses, large or small, competitive. So, the decision was made to align this year's conference with the National MSME Summit, meaning entrepreneurs also had a chance to see what logistics service and product providers—from freight forwarders to software developers—had to offer for them.

The conference's panels, thus, focused on the possibilities that the sector offers. The first saw a dialogue with big players in the industry—including Air 21's Bert Lina and Chelsea Logistics' Chrissy Damuy—as they discuss their optimism for the industry and what they think should be done to make the sector more competitive and efficient.

The second panel centered on the possibilities offered by Logistics 4.0—the deeper integration of technologies, from automation and robotics to analytics and cloud computing, into logistics processes. Among the speakers for this session was SCMAP vice president Carlo Curay, who talked about the possibilities offered by blockchain in providing value to MSMEs.

The event's overall thrust is to ensure that logistics service providers are able to take advantage of the opportunities offered by the fast pace of change in both supply chain and industry as a whole. "Intelligent industries must be supported by smart logistics," DTI secretary Ramon Lopez said in his keynote, seemingly challenging the logistics services sector to step up their game in tandem with government's efforts to foster an environment that enables competitiveness and innovation.

With the other underlying message of the conference and its lead-up—of even closer collaboration between the public and private sectors, recognizing each side's role in a more competitive and inclusive economy—that challenge doesn't seem so daunting. Who knows what will happen when the conference returns next year? •



- 1—DTI secretary Ramon Lopez leads the opening of the conference
- 2—Lopez delivers the keynote address
- 3—DTI undersecretary Dr. Rafaelita Aldaba
- 4—PMTLAI president Marilyn Alberto
- 5—SCMAP vice president Carlo Curay
- 6—SCMAP's Henrik Batallones as reactor
- 7—Learning about the supply chain sector
- 8—Showcasing local products alongside logistics services
- 9—An e-commerce workshop on the second day
- 10—Presidential spouse Honeylet Avanceña with logistics partners

Sharpening the fourth time around

SCMAP Visayas' flagship event returns with a diverse mix of topics impacting supply chain's ability to serve

WRITTEN BY HENRIK BATALLONES

The fourth edition of Sharpening the Supply Chain Practitioners, the flagship event of SCMAP Visayas, was held last August 23 at the Waterfront Cebu City Hotel and Casino.

Over 70 delegates from 27 companies across both the Visayas chapter and the national organization took part, with speakers discussing a diverse mix of topics that affect the supply chain profession—solidifying SCMAP Visayas' status as the premiere supply chain organization in the region.

SAP's Kenneth dela Cerna kicked off the day-long affair with a look at intelligent enterprise and how new software solutions can improve competitiveness for both big and small business.

P&A Grant Thornton's Third Librea followed with a discussion of the Data Privacy Act of 2012, which compels businesses to take measure to protect sensitive personal data. The law is seen to have a wide impact on supply chain, particularly on businesses that directly deal with customers, as well as on how it deals with current and prospective employees.

Northpoint Inc.'s Rochelle Gonzaga held a discussion on measures her company takes to ensure food safety and security, and also elaborated on threats, both intentional and unintentional, that can affect food supply chains.

Finally, Lalamove's Geekel Goden talked about how the wider range of transport options available to businesses how helps to close the last mile and boosts competitiveness of small businesses. •



- 1—Sharpening ongoing
- 2—SCMAP Visayas' new members are inducted
- 3—SAP's Kenneth dela Cerna
- 4—P&A Grant Thornton's Third Librea
- 5—Northpoint's Rochelle Gonzaga
- 6—Lalamove's Geekel Goden
- 7—SCMAP Visayas director Alfie Amontos hosted the event
- 8—Closing remarks from past SCMAP Visayas president Gilbert Cabataña
- 9—SCMAP Visayas president Marivic Esmero kickstarts the open forum



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Reinforcing standard competencies

SCMAP continues capacity-building efforts through work on certification programs with TESDA

WRITTEN BY ANA ROSE OCHOA

The Technical Education and Skills Development Authority (TESDA) held its Warehousing Services NC IV Supervisory Level Competency Assessment Tools validation activity last July 24 at the TESDA Development Institute in Taguig City.

The pilot validation process is done to determine if the candidate can perform the standards expected in the workplace based on the competency standards. SCMAP lent its support for this activity as it is aligned with its thrust towards capacity-building, to ensure a steady supply of quality practitioners with the productivity, quality and global competitiveness required in workplaces across the country.

The assessment tools consist of written exams, oral evaluation and a demonstration of supervisory skills. An evaluation of the assessment tools by the participants, from various logistics service providers, was also done.

The Competency Assessment Tools were developed by industry technical experts Annie Espiritu, Juliet Yao, and Ana Rose Ochoa, and supervised by TESDA's Benedicto Maayo and Mercedes Javier, acting chief of the agency's Competency Programs and Standards Development division.

The next step would be the presentation before the TESDA Board for approval prior to the CATs' promulgation.

TESDA is the government agency tasked to manage and supervise technical education and skills development in the Philippines. •

Ana Rose Ochoa is a past president of SCMAP and current member of the organization's events and academe committees.



1—Validation underway
2—Arguably they're the first to take the test
3—One on one
4—The validation team, from left: Juliet Yao, Annie Espiritu, Mercedes Javier, Benedict Maayo and Ana Rose Ochoa

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New members

SCMAP welcomes its new members:

ABest Express represented by Charis Gutierrez

Academy of Developmental Logistics represented by Samuel Bautista

Airspeed Philippines represented by Maan Camille Cornelio-Lumbang

Centro Manufacturing Corporation represented by Raphael Juan

Edward Keller Philippines represented by Tirso Antonio Pereja

Kuehne + Nagel represented by Michael Ryan Miranda

MOF Company (Subic) Inc. represented by Natalie Netta Pena

Wyeth Philippines represented by Elmer Tatlonghari

Coming up

4 October Mindanao Logistics Summit—Grand Caprice Convention Center, Cagayan de Oro City

18 October SCMAP Visayas General Membership Meeting—Cebu City, more details soon

15 November Supply Chain Perspective—Davao City, more details soon

19-20 November Asian Logistics and Maritime Conference—Hong Kong Convention and Exhibition Centre, Hong Kong

21 November General Membership Meeting—EDSA Shangri-la Manila, Mandaluyong City

5 December SCMAP Christmas Fellowship—Ascott Bonifacio Global City Manila, Taguig City
For more updates visit our website scmap.org, as well as our Facebook, Twitter and LinkedIn accounts. Details are subject to change.



2019 ALMC to focus on connectivity challenges

The Asian Logistics and Maritime Conference returns for its ninth edition on November 19-20 at the Hong Kong Convention and Exhibition Centre.

Co-organized by the Hong Kong SAR government and the Hong Kong Trade Development Council, the event

is expected to once again bring together over 2,200 delegates from across Asia, as well as over a hundred companies in the accompanying exhibit.

This year's event will particularly focus on the new challenges raised by recent geopolitical developments, particularly the ongoing US-China trade war as well as political volatility across the world. The first day's plenary session will tackle how logistics players



1



2



3



4

SCMAP board sees moves with new directors

The past six months saw some changes to the SCMAP board of directors, as vice president Clarissa Castillo (1) exited her position in the organization.

Castillo, who represented Johnson & Johnson, departed at the beginning

of June after being named to a new regional position within the company, based in their offices in Singapore.

As such, the board has named Pierre Carlo Curay (2) as the organization's new vice president. He is currently vice president of strategic solutions for XVC Logistics, and is also the founder and chief executive officer of InsightSCS.

Replacing him as the organization's auditor is Anghelita Santor (3). She spent fifteen years in various positions for Nestlé Philippines, and most recently was named supply chain head for newly-acquired subsidiary Wyeth Philippines.

Named as new director is Renato Casas (4). Currently assistant vice president for logistics of JG Summit Petrochemical, he had previously sat on SCMAP's board. He was selected to the position based on the results of last year's election for the current board of directors.

As mandated by the organization's by-laws, the new officers were decided through a vote among the directors.



have adapted to the changing situation, and what further preparations must be done.

The second day's plenary session will look at the connection between supply chain efficiency and the customer experience, and how technology has further emphasized the link between the two.

Other panels will look at digitization in supply chain, smart shipping, and updates on developments affecting logistics in the region, such as emerging markets and the continued development of the Guangzhou-Hong Kong-Macau Greater Bay Area.

The ALMC also presents networking opportunities, business matching sessions and side visits to various logistics facilities exhibiting the competitive advantage of Hong Kong's logistics industry, details of which will be revealed in due course.

SCMAP and *Supply Chain Philippines* will once again be a media partner for this event.

For more information about the event, visit www.almc.hk.



SCMAP officers take part in UP MBA panel

Some of SCMAP's officers were among the speakers in a panel organized by MBA students of the University of the Philippines last June 11 at the university's new Bonifacio Global City campus in Taguig.

SCMAP president Christine Pardiñas, secretary Dina Pilapil and marketing and communications executive Henrik Batallones spoke on various topics demonstrating the impact of the supply chain sector on lives, and challenges facing the industry in general. Also speaking at the event was Mary Jean Reyes, newly-installed supply chain head of Tim Hortons

Philippines.

Among the issues tackled were the impact of supply chain issues on the national economy, the opportunities raised by digitization and the challenges resulting from emerging new retail models.

The talks were then followed by a lively panel discussion where the students—who were representing various industries, from finance to retail—better understood supply chain's wider impact.

The students were under the watch of Dr. Ma. Gloria Talavera, head of UP's business administration division, who also previously organized a supply chain panel featuring speakers from SCMAP.



Transport regulations tackled in June GMM

SCMAP's General Membership Meeting last June 20 looked at upcoming transport regulations and its potential impact on supply chain operations across the country.

UP-NCPAG's Dr. Henry Basilio kicked off the affair, which was held at the EDSA Shangri-la in Mandaluyong, with a look at the proposed Joint Administrative Order by the DTI, DOF and DOTR that seeks to address port congestion and high international shipping costs.

Marilyn Alberto, president of the Philippine Multimodal Transport and Logistics Association, then discussed pertinent international regulations that will impact shipping, and how it can affect the bottom line.

Finally, Mary Zapata of the Confederation of Truckers Association of the Philippines discussed issues facing the trucking sector, including road congestion and proposed age limits on vehicles.

SCMAP executive director Corazon Curay also took part in the open forum, a spirited discussion on how we can make the most of these regulations.

August GMM focuses on Internet connectivity

Efforts to improve Internet connectivity, and its particular importance on an increasingly digital supply chain, were the topics discussed during SCMAP's General

Membership Meeting last August 15 at the EDSA Shangri-la in Mandaluyong.

The event came at the heels of government efforts to bring better connectivity to the whole country, particularly the naming of the Mislattel consortium as the third telecoms provider in the country.

Among the points discussed are how fast Internet is benefitting our ASEAN neighbors, and how 5G technology is set to also enable new "smart" technologies that could impact productivity and convenience for both businesses and customers.



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We move the global competitiveness of Philippine supply chain.

The Supply Chain Management Association of the Philippines is the country's premier supply chain organization, playing a key role in supporting its role in enhancing the country's competitiveness and improving Filipino lives.

Founded in 1989 as the Distribution Management Association of the Philippines, SCMAP now has over 200 members from the manufacturing, retailing, distribution and logistics sectors, spread across the national organization based in Manila, as well as chapters based in Cebu, Clark and Davao.

The organization is led by a ten-member Board of Directors, elected annually by the general membership; the Board later elect the officers amongst themselves. They are supported by the Secretariat, led by its Executive Director.

What we do

SCMAP promotes and advances the supply chain industry by connecting with stakeholders, engaging them in meaningful discussions on industry trends and developments, and moving the sector towards global competitive-

ness. Its work centers on three pillars:

Advocate—Throughout its history SCMAP has advocated for policy reforms involving the supply chain industry. Government agencies, industry groups, non-government organizations, academic institutions and other stakeholders turn to SCMAP for insight into the profession and the role it plays in the national economy. These discussions have led to policy reforms and other initiatives that help keep Philippine supply chain, as well as the economy at large, competitive.

Communicate—Through regular events across the country SCMAP strives to keep its members up to date on industry movements, developments and opportunities. The SCMAP Supply Chain Conference, held every September, is the most important event in Philippine supply chain, bringing together major players in supply chain, business and government. Also, through regular membership meetings, collaboration groups and its biannual magazine *Supply Chain Philippines*, it provides avenues for members to discuss supply chain issues and promote benchmarking and best practices.

Educate—Through its work with various institutions and organizations, SCMAP has committed itself to promoting supply chain education. The organization helps formulate programs and initiatives aiming to bring supply chain awareness to everyone—from

those working in the front line, to entrepreneurs, to middle-level and corporate-level supply chain managers—through its work with TESDA and GoNegosyo. Its annual Supply Chain Immersion event also brings a unique perspective on supply chain, with local tours and interactive workshops.

Why you should join

SCMAP membership supports the organization's work towards moving the global competitiveness of the country's supply chain. Members can provide input to discussions on supply chain policies through surveys, focus group discussions and consultations.

Through SCMAP's work, it members—and the supply chain sector at large—have benefited from efforts to improve supply chain processes, from preventing disadvantageous regulations and impositions to calling for transparent and justifiable logistics costs.

Members can also tap into the organization's wide network of supply chain managers, experts and stakeholders. SCMAP's regular events provide a venue for connecting and networking with colleagues.

Membership to the organization is open to both companies and individuals.

For more information, as well as updates on our events and activities, visit scmap.org, or follow us on Facebook, Twitter and LinkedIn.



As the official magazine of the Supply Chain Management Association of the Philippines, *Supply Chain Philippines* provides an essential briefing on trends and developments affecting the industry, and the national economy as a whole; discussion on supply chain issues and concerns; and updates on the activities and advocacies of SCMAP.

Published twice a year, in April and September, the magazine is distributed to all SCMAP members, which includes the country's top manu-

facturers, retailers, distributors and logistics providers. It is also given away in SCMAP events, as well as in events the organization supports both in the Philippines and across the region.

The magazine is read by supply chain stakeholders from government, business and the academe.

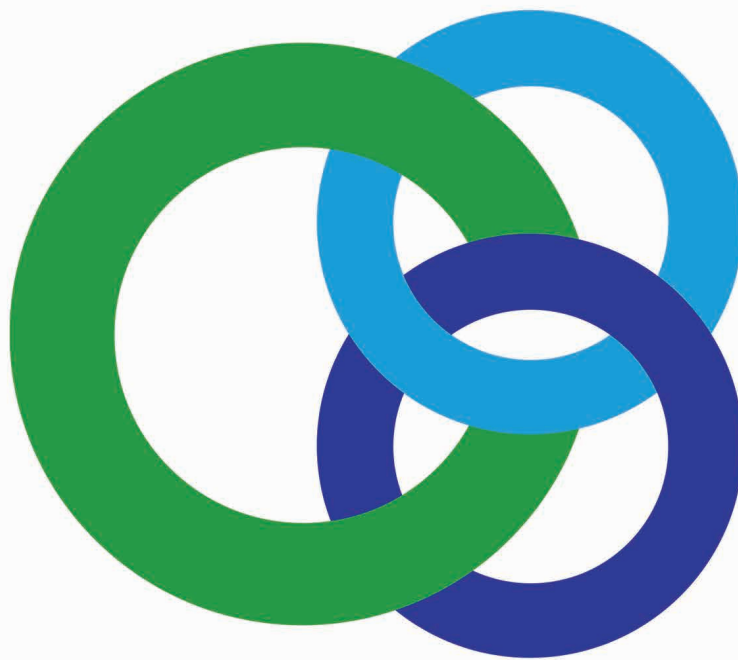
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