



# Canada Philippines Business Council

## CPBC UPDATE NEWSLETTER

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### Philippine Global Value Chain (PGVC) mission Completes seminar and meetings in Toronto



On July 26 – 28, 2009 senior executives of companies that are members of the Business Processing Association of the Philippines, led by Cesar Sanz, President and CEO, ventured to Toronto to present their opportunities to provide outsourcing and other business processing services to Canadian companies.

This issue of the CPBC Update Newsletter is the President's Report to the CPBC Boards of Directors and Advisors and members of good standing on the proceedings of this latest advancement in Canada Philippines business relations.

**RECEPTION AND DINNER IN HONOR OF THE DELEGATES,  
SUNDAY, JULY 26, 2009 -7:00 P.M., @ GOLDEN VALLEY BANQUET HALL –  
2 PRINCIPAL RD., SCARBOROUGH, ONTARIO**

The Reception & Dinner were well prepared by the co-hosts – Philippine Chamber of Commerce, Toronto (PCCT), Canada Philippines Business Council (CPBC), and the Philippine Consulate General in Toronto who also jointly funded the occasion. The guests numbered more than 35 and included the delegates, officials from the Department of Foreign Affairs and International Trade (DFAIT) and Ontario Ministry of Economic Development and Trade (MEDT), some officials from the PCCT, CPBC and Philippine Consulate, Global Reach and the community media representatives. It was a convivial evening to begin the activities of the Filipino delegation in Canada. CPBC Consultant Cora de la Cruz acted as the MC for the evening and Karen Tan of *Talakayan Radio Pilipino* entertained the attendees with a lively song. The food was well served by Mr. Henry Sia, proprietor of the venue and VP of PCCT, and the invocation by Elizabeth Leggett, director of PCCT. The event was well covered by the Toronto group of Filipino-Canadian press and TV. The pictures below show the group photo of the delegates and their new friends, and the spirited networking conversations among everyone, encouraged by the President of PCCT Rafael Nebres, President of BPAP Cesar Sanz and your president of CPBC Forte Gerardo and Consul Edna Lazaro.





# Philippines Global Value Chain Seminar

Ontario Investment and Trade Centre, 35<sup>th</sup> Floor, 250 Yonge Street, Toronto ,  
Monday, July 27, 2009

- 8:30 am      **Registration**
- 9:00 am      **Welcome and Introductions** - Forte Gerardo, President, Canada Philippines Business Council.
- 9:05 am      **Opening Remarks:**
- Bill Macheras, Deputy Director, Ontario Region, Foreign Affairs and International Trade Canada
  - Alejandro Mosquera, Philippine Consul General in Toronto
  - Corie McDougall, International Marketing Consultant, South and Southeast Asia, International Trade Branch, Ontario Ministry of Economic Development and Trade
- 9:15 am      **Keynote Presentation** by Mr. Oscar Sanz, CEO, Business Processing Association of the Philippines (BPA/P) – Overview of Business Opportunities in the Philippines.
- 10:00 am      **Introduction and Profiles of the Mission Participants** – Mr. Martin Crisostomo, External Affairs Director, BPA/P
- 10:15 am      ***“Insource or Outsource? Onshore or Offshore? A Canadian Insider's Perspective to Generating Value in Outsourced Operations.”*** Presentation by Anthony Woods, Incoho Inc., a provider of commercial collections, B2B demand generation and research work. The company has established a call centre in the Philippines.
- 10:30 am      Questions and Answers
- 10:45 am      Coffee break
- 11:20 am      ***“Partnering with Philippine Providers: What, Why and How.”*** **An overview of advantages, risks and best practices.** Presentation by Howard Kiewe, Info-Tech Research Group.
- 11:45 am      **“Why Ontario” as a Location to Expand Your ICT Business** – Presentation by Bryan Harvey, Investment Branch, Ministry of Economic Development and Trade
- 12:00 noon      Networking Lunch – buffet - Galleria
- 1:00-3:00 pm      One-on-one meetings, by prior appointment

This portion of your President's report summarizes the results and gives advice for future business development initiatives in Canada / North America for the Philippines Global Value Chain industry. It is excerpted in part from the seminar organizer's report.

Forty-five (45) people representing companies, educational institutions and associations attended the event, representing a total of thirty-eight (38) companies/organizations. This does not include the three Canadian speakers and representatives from the Philippines Consulate General, the Government of Canada and the Government of Ontario. The feedback that the organizers and hosts have received has been very positive.

This experience showed the important initiatives being taken by the Government of the Philippines to develop an impressive national capability in business process outsourcing. These efforts have thus far resulted in an increasingly recognized reputation for excellence.

The Toronto experience also showed that businesses which have established operations in the Philippines are very happy with their decisions. Many more companies have been made aware of the opportunities in the Philippines as a result of the seminar and meetings, and the organizers and hosts felt optimistic that more business will be generated as a result.

It was also suggested that the BPAP initiate discussions with the following organizations after the seminar.

- ✓ CORE (Centre for Outsourcing Research and Education) The Canadian umbrella organization of outsourcing companies, a joint initiative.
- ✓ Computer Animation Studios of Ontario, The organizers and co-hosts also cited that the key organizations in Canada for animation are
- ✓ The International Animation Festival, which is held in Ottawa

The photos that follow depict the activities during the business seminar and one-on-one meetings between delegates and attendees.



As the seminar moderator CPBC President Forte Gerardo remarked “.. Let me open this morning's seminar to highlight its significance by citing Thomas Friedman, who said in milestone book *"The World is Flat"* :

" ‘... In the future, globalization is going to be increasingly driven by the INDIVIDUALS who understand the flat world, adapt themselves quickly to its processes and technologies, and start to march forward... They will be every color of the rainbow and from every corner of the world.’ "

“Well, look it, here we are among the kind of PEOPLE referred to as DRIVERS in the collaborative relationships among persons and technology, corporations and nations and certainly for today between Canada and the Philippines.”

“ Let us all learn and work together to make this session productive all around.”

## The Presenters



Anthony Woods, President of Incho Inc., Howard Kiewe, Sr. Research Analyst of Info-Tech Research Group, and Bryan Harvey, Investment Branch, Ontario Ministry of Economic Development and Trade.

This is a news report on the Keynote Presentation of Mr. Oscar Sanez, CEO of BPAP at the Seminar as published in Vol. 37 No. 7 – ATIN ITO Philippine News Feature Toronto, Ontario - July, 2009

## Way to go:

### **BPO 3rd economic pillar of growth for RP**

*Monday, 07.27.2009, 11:58pm (GMT-5)*



*BPO CONFAB- Oscar Sanez, Chief Executive Officer of the Business Processing Association/Philippines pitches for the Philippines as choice destination for business process outsourcing (BPO) before Canadian company representative, and federal and Ontario officials in a conference last Monday, July 27 the Ontario Investment and Trade Center in downtown Toronto. Sanez said that BPO has now become the third pillar of economic growth in the Philippines after OFW remittances and the agriculture sector.*

Like the Overseas Filipino Workers (OFW) phenomenon, the Business Process Outsourcing (BPO) sector has become an unexpected and welcome pillar of economic growth and development in the Philippines.

“Ten years ago, it was zero. Now the BPO sector comes up third in GDP (Gross Domestic Product) generation after the OFWs and the agricultural sector,” Mr. Oscar Sanez, Chief Executive Officer of the Business Processing Association/Philippines (BPA/P), said in a briefing before Canadian company representatives, federal, Ontario and Philippine consular officials last July 27 in Toronto.

Sanez is a former country manager for Procter and Gamble in Australia and New Zealand Philippines. He heads the BPA/P, a non-profit organization composed of more than 200 companies in the Philippines involved in BPO, including call centres, animation groups, and games and software developers.

According to Sanez, the BPO sector now produces US\$6 billion in revenues and directly employs more than 400,000 Filipinos, and he expects the amount generated to double by 2011, and employed workers increasing to 750,000 by that time.

“With an estimated three other Filipinos benefitted indirectly by a worker in the sector, it is not hard to see the significant impact of the BPO industry in the (Philippines) economy now and in the years to come,” Sanez added.

As presented by Mr. Sanez, more than 60 percent of the industry, in revenue and employment, is accounted for by call centres, about 17 percent by animation and design, and the rest by business processing, like medical and legal transcription, accounting, publishing and printing.

Martin Crisostomo, BPA/P external affairs director, remarked to Atin Ito that the Greater Manila Area is now “the BPO capital of the world”, in number of workers and companies involved, and that “Emerald St. in Ortigas is the hub of the mostly 24-hour operations in the Philippines.”

Currently, the OFW sector in the Philippines representing 9 million overseas workers in about 190 countries generates around US\$16 billion annually, or about 10 percent of the country’s GDP. Deployment of workers abroad started in 1972, only as a palliative to the unemployment problem during the early years of martial law, but the program had grown and has since been acknowledged for its important role in shoring up the economy. Critics however rail at the huge social costs the program has wrought on the country as a result of prolonged family separations.

In his briefing and presentation, Sanez said that the Philippines now ranks second only to India as choice country for BPO, but nevertheless has the resources, capacity and potential of taking the top spot. He cited the huge talent pool of English-speaking college graduates, the availability of infrastructure for faster delivery, lower costs of overhead, the government’s tax and other investment incentives, and the natural beauty of the country as factors making it attractive for interested foreign companies to do business in the country.

Anthony Woods, an executive of Incoho Inc., which established a call centre in the Philippines eight years ago, echoed the advantages of doing business in the Philippines as cited by Mr. Sanez, adding that he was impressed by the high level of work ethic and customer service rendered to his company by his Filipino employees.

Mr. Woods, however, said that the laudable trait of “eagerness to please” exhibited by his workers may not work to an employer’s advantage at all times because this could also result in situations where the worker would profess knowledge and proficiency in the work only to please the employer when in fact he does not.

Such trait, according to him, would also not be of use in business activities like consumer collection, where one has to be firm and in control in order to generate positive results.

“It is therefore important”, Woods said, “that the employer should be fully engaged at all times in the work being outsourced, have a competent local partner, and know what types of business

activities would be good for outsourcing.”

Concluding his remarks, Woods said that after eight years, he has no regrets in establishing his business in the Philippines. He said, nevertheless, that if he has start his business again, he would be locating his company in a city outside of Manila, where the talent pool is larger, and keeping good workers continuously under employ would be easier due to lesser competition.

Howard Kiewe of the Info-Tech Research Group, which conducted site interviews in the Philippines, confirmed the positive advantages of using the Philippines for BPO work as cited by Mr. Nanez and Mr. Woods.

As to security concerns, Mr. Kiewe said that the problem areas are too far away from the BPO centres. On the other hand, he said the foreign executives he interviewed did not consider the reported corruption in the Philippines as a significant negative factor considering the limited nature of interaction by the business with the government bureaucracy. Mr. Kiewe’s presentation has indicated Transparency International’s rating on corruption in the Philippines at 32%, compared to India’s 25%, and Canada’s 2%.

Mr. Sanez led a delegation from the Philippines composed of Mr. Crisostomo of BPA/P; Ms. Rowena Bagadion, President of the Animation Council of the Philippines; Ms. Maria Cristina Coronel and Ms. Lucilla Flores, President and Vice President, respectively, of Pointwest Technologies; Mr. George Martel, President of Sencor; Mr. Graham Gulliver, Managing Director and Mr. Jose Velez, Consultant of The Outsourcing Alternative-MultiRational Corp.; Ms. Grace Castillo, Head, Enterprise Segment Sales of Globe Telecom; and Ms. Prinsicita Katigbak, Asst. Vice President, PLDT.

The mission, dubbed Philippines Global Valuer Chain Mission, visited Toronto from July 27-28. Presentations and meetings with Canadian companies were held at the Ontario Investment and Trade Centre in downtown Toronto last July 27, 2009. The meetings were co-sponsored by the Canada-Philippines Business Council, Filipino-Canadian Chamber of Commerce, and the Philippines Consulate-General.





Your president also received expressions of thanks from delegates and co-hosts alike for initiatives and supports given by your Council and its co-hosts --the Philippine Chamber of Commerce – Toronto (PCCT) led by its President Rafael Nebres, and the officials of the Philippine Consulate General in Toronto under Consul General Alejandro Mosquera and Consul May Lazaro towards the completion of this event.

CPBC nominated several attendees and your president remarked that many Canadians of Filipino Origin throughout Canada are entrepreneurs in their own respective rights as IT specialists and in that light the Filipino delegates were encouraged to be in touch with them in various Canadian cities. As a result of our recruiting Mr. Fernando Talavera, President of Argentis and member of CORE, to be a member of CPBC as well, your president has accepted his welcome enthusiasm to chair the 1<sup>st</sup> Committee on IT Services and Technology Trading within CPBC - as envisioned in our current action plan.

Your president also initiated putting into effect the reciprocal memberships of CPBC with BPAP and the ACP as well as the Philippines-Canada ICT Business Council of Toronto. It was observed that your council's reputation as a national organization focused on business and commercial relations, was properly seen; in response to the DFAIT's inquiry if CPBC may be called upon again in the future for similar events, your President, of course, positively responded.

The event's effectiveness can be said to have stemmed on the following elements:

Wise advice and guidance on the tenor and policy of the event from the Regional Office of the DFAIT, represented by Deputy Director Bill Macheras and Trade Commissioner Geoff Jones. Director Macheras welcomed the delegates and participants to the seminar, described the relevant services and offices that DFAIT contributes to the efficiency of the global supply chain, and cited the strength of Canada's IT industry.

The generosity of the Ontario Investment and Trade Centre for hospitality through the use of its penthouse seminar room and refreshments. The Ontario MEDT was represented by Corrie McDougall and Mohan Moshan.

Expertly organized seminar and business sessions days put together by the consulting firm of Global Outreach Enterprises, headed by Margaret Vokes with cooperation of Mr. Martin Crisostomo, external affairs director of BPAP.

Useful and excellent presentations made by the speakers engaged for the seminar. For an objective press report on some substantive points of their respective speeches, please read the report (above) published on front page of the **Atin Ito** newspaper, included in this summary report. We thank the presenters for their generosity to share their presentations.

And finally the purposeful participation of the BPAP delegates and the Canadian participants in both the social and business activities organized for the mission. A list of the participants in the Seminar is being attached to this report as well.

For your information and consideration.

Forte Gerardo  
President

Aurora, ON Canada  
August 11, 2009