

Philequity Corner

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Hard work, Perseverance and Determination

For most of the past two years, we have expounded on various developments which we deemed crucial to our economic recovery and transformation. We have talked about and advocated on the necessity of reforms, reviving key industries, dealing with natural and man-made catastrophes, the banking sector consolidation and how all these developments would affect the capital markets.

In retrospect, there appears to be a common thread to all these topics: the virtues of perseverance, consistency and the value of hard work.

The Banco De Oro-Equitable PCIBank merger

Among the topics we have discussed so far, these virtues were perfectly exemplified in how the Sy family successfully put into an impressive and inspiring conclusion the acquisition and merging of Equitable PCIBank with their Banco De Oro.

What made the story further interesting is how a once-fledgling bank took on one of the industry's biggest bank, a classic David-versus-Goliath or prey-turned-hunter story. The merged entity, to be called Banco De Oro-EPCI Inc, will end up being the country's second biggest in terms of market capitalization, total assets and total deposits, and third in net loans. For all we know, this might just be the prelude to BDO's becoming the country's biggest bank.

One for the (business) books

The acquisition story is one with numerous interesting twists, challenges, and obstacles. However, the behind-the-scene story is still more impressive and inspiring. It tells of a family's tale which could make a very interesting case study for business schools. It shows that beyond being technically and financially savvy, character and principles are just as crucial in spelling out the difference between success and mere survival.

In our column in August last year (see "*The Mind of A Taipan*," August 15, 2005 issue), we wrote about how the family patriarch Henry Sy, Sr. rose from humble beginnings to being among the world's biggest businessmen in terms of networth. Just about everyone must have heard of his story: a Chinese immigrant boy who had defied all odds and became one of the country's most successful businessmen/visionaries.

Continuing a *Taipan's* legacy

But little is known how, through his examples and training, he has shaped his children's characters and set them on comparable path to success. And apparently, his children learned well. Now, Teresita, Henry Jr, Hans, Elizabeth, Herbert and Harley have emerged from behind their father's shadow and are carving out reputable careers of their own.

Their efforts and achievements, both on individual and collective basis, are now being recognized by prestigious organizations and magazines, here and abroad.

Lessons for us all

What can we learn from the Sy legacy? We will attempt to discuss some principles to which Henry Sy, Sr. has attributed his success. By discussing these, we intend not to flatter him or his children but rather to help impart to our readers (particularly to the youth, young entrepreneurs and perhaps even to our leaders) as to what can lead us to economic success. We do not pretend to know all but these are what we have either heard straight from the proverbial horse's mouth or gleaned from the family's business moves.

1. **Nothing substitutes for hard work.** Mr. Sy once said that what you lack in circumstances, you make up through hard work. But beyond just catching up with your competitors, work even harder to surpass them. Success, he said, will not last without continuous hard work.

This, the Sy children learned early in life. Even in childhood, they were exposed to the various facets of their businesses not through books, manuals or plain instructions. They personally experienced working as cashiers, stocking shelves, dealing directly with customers (even the difficult ones) and even emptying garbage cans. They were exposed to hard work early in life such that it became easy for them just to get into it. In fact, they have learned to mix fun with work in a way that business matters can be casually discussed even during family gatherings.

In a chat with Teresita Sy-Coson right after the announcement of the BDO-EPCI merger, one commented that she can now heave a sigh of relief and can have a restful year ahead. "Oh no," she clarified, "On the contrary, the harder part of the job has just started." This is already after more than two years of surmounting difficulties and challenges through hard work. As she had intimated to Philequity fund manager Wilson Sy, "What happened to us is just a matter of working consistently even in bad times until the upward swing of the economy takes us to higher level. No special skills needed. Just perseverance and long hours of work."

2. **Maintain your integrity.** The Sy patriarch often emphasized the need to be trustworthy and good-hearted, in and out of the corporate world, in order to keep long-lasting relationships.

In one of her speeches, Ms. Coson said that her father has always taught them to be fair, credible and trustworthy – the basic traits to build integrity. It was crucial to pay suppliers on time not just to keep one's good credit standing but also to enable them maintain theirs, she said. Being on top or on a superior ground is not license to be abusive or to take advantage of others.

3. **The value of setting goals and planning ahead.** Mr. Sy is a known dreamer. But more importantly, he has good foresight and matches this with good planning and firm determination to pursue his goals. "One must have a dream. But one must also learn to plan well," he said.

Perhaps, Mr. Sy's greatest credential is his success in building an empire of malls from a 30-sqm shoe store in Carriedo. How would have one anticipated that the once grassy lands that are now Makati and Ortigas, and the once inaccessible area in Quezon City would make perfect locations for SM malls? Just recently, doomsayers predicted that the SM Mall of Asia is bound to fail due to accessibility problems. But they were proven wrong. Upon opening, the new mall set a record in terms of consumer traffic.

4. **Perseverance even amid adversity.** Perseverance and determination should go hand in hand with hard work. Time and again, the family has withstood political and economic crises and even prospered afterwards. Spotting an opportunity even during challenging times seems to be an inherent skill of the family.

The family has commanded respect from the business community not only because of the current size of their businesses but more so because of the circumstances when these were started. SM North Edsa was opened amid the political and economic crises in the early 1980s while SM Megamall and SM Sta. Mesa were built amid the economic downturn that resulted from the series of coups later in that decade.

And again, their perseverance and determination were exhibited in their takeover of Equitable Bank. It was a deal carved over two years and had to hurdle a lot of legal challenges and boardroom maneuvering. Not to mention, the occasional media bashing. However, these did not deter the family from pursuing what they saw was a good opportunity. “It was an opportunistic investment that initially turned sour but remained an opportunity nonetheless,” Ms. Coson would tell investment analysts afterwards. Now the goal of putting up a synergistic business empire has come to fruition.

In conclusion, there is no shortcut to success. It is not even inherited. But fortunately, as the Sy family has exhibited, it can still be achieved given the proper virtues and attitude. On a larger scale, the country can still achieve its economic goals. The momentum has been set. But perseverance and hard work are still needed to keep this momentum intact. Hopefully, the government together with the *taipans* and the other businessmen can eventually bring about a prosperous Philippines Inc.

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