

PHL needs more investment in IT training, open business ecosystem — experts

THE PHILIPPINES needs to invest more in enhanced educational programs, an open business ecosystem, and digital infrastructure to become a more competitive regional hub for information technology (IT) talent, according to experts.

Japanese technology firm Sansan, Inc. said that the Philippines is actively attracting and supporting global IT companies through its high-level IT education and a large pool of talented engineers.

“The Philippines has an opportunity to attract more foreign companies to set up tech hubs in the country that serve the wider ASEAN region, especially for software development and engineering talent,” said Sansan Executive Officer Fujikura Shigemoto.

“This will boost foreign direct investment into the country’s economy, supporting the government’s agenda,” he said in an e-mail interview.

The information technology-business process management (IT-BPM) industry saw an 8.4% growth with an additional 121,000 full-time employees (FTEs) out of the total number of 1.57 million FTEs in 2022, according to the Department of Information and Communications Technology (DICT).

The sector’s revenues increased to \$32.5 billion in 2022 from \$29.5 billion in 2021.

By this year, the IT and Business Process Association of the Philippines (IBPAP) sees the IT-BPM industry growing to about 1.7 million FTEs, with revenues reaching \$35.9 billion.

Mr. Shigemoto noted that the country must increase access to quality education and training by targeting key areas of technology and entrepreneurship.

“This should include initiatives to partner with leading technology firms and educational institutions to provide enhanced educational opportunities and training programs,” he said.

IBPAP President Jack Madrid said a national talent upskilling program would help improve the IT-BPM workforce and ease the ‘talent crisis’ plaguing the sector.

Mr. Madrid told *BusinessWorld* in an e-mail that there is a need to form an IT-BPM services online talent hub, as well as establish early-stage interventions to improve the employability of senior high school and higher education institution graduates.

He also proposed raising the capacity for specialized degree courses to increase talent supply for the IT-BPM sector.

Moreover, Makati-based teach learning

platform CloudSwift Global Systems, Inc. has partnered with the Education department alongside various schools last year to deploy its virtual laboratory access for the upskilling and employability of senior high school and college students. — **Miguel Hanz L. Antivola**

FULL STORY



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Social commerce:

A lifeline for Filipinos amid crises

By Miguel Hanz L. Antivola

SOCIAL COMMERCE, which involves leveraging social connections for e-commerce, has emerged as a viable income source for individuals impacted by crises, according to experts.

“It was something that was growing quite rapidly in other parts of the globe — in China, Indonesia, and India,” said Brian P. Cu, chief executive officer and co-founder of hyperlocal e-grocery platform SariSuki, in an interview with *BusinessWorld*.

“Why not create a platform that can provide broader access?” he added, addressing current issues related to community access to mobility, basic needs, and income.

In April 2021, when SariSuki was launched, the national statistics agency reported a record-high unemployment rate of 17.7%, corresponding to 7.3 million unemployed Filipinos in the labor force. This starkly demonstrated the repercussions of the economic shutdown caused by the coronavirus pandemic on the labor market in the Philippines.

Farmers and individuals residing in rural areas remained two of the poorest sectors in terms of poverty incidence in 2021, with 30% and 25.7%, respectively.

According to the Asian Development Bank, digital transformation and remote working will transform business processes and jobs in response to lockdown measures caused by the pandemic, but they will also exacerbate the skills mismatch in the labor market.

SariSuki said that it aims to address these challenges by rethinking the grocery platform in the country, providing a social commerce model that helps partners in earning extra income while working from home.

The startup initially drew inspiration from *pasabay* and sell groups online, involving Mr. Cu’s wife, who began her own community selling venture in January 2021. In this model, she consolidated orders through social media platforms and arranged product deliveries to her customers.

“It started growing bit by bit with friends and family, then increased to referrals from those customers,” Mr. Cu said.

“We saw that there was an opportunity... Through social selling, we can sort of take out the middlemen,” said Manuel “Bam” Florencio Aurelio Mejia IV, chief commercial officer and co-founder of SariSuki.

“I know it’s a lot, but we were able to take the margins out to give a living to our community sellers, and also provide good quality and lower price items to their customers,” he added.

PUTTING TRUTHS TOGETHER

When creating a business idea, it is crucial to first have a firm grasp of realities rather than constantly seeking what has not been done before, Mr. Mejia said.

“I would call it a sound business idea... I wouldn’t say that’s an innovation, but that’s more on putting truths together and making a bigger sum out of those two parts.”

“It’s just hitting on the common threads of a human being,” he added. “A human being wants to earn, and other consumers don’t trust e-commerce platforms.”

“You go to Alfonso, Cavite... It’s a rough road, we have a seller there that goes around selling rice. There are similarities, but it’s a different setting.”

While the roots of SariSuki came about personally through Mr. Cu’s wife, this eventually led to collating the issues and needs of the people into one solid business idea.

“The personal and the social aspect of the business can never be separated. It’s always one, and one flows from the other,” Mr. Mejia said on personal and community aspects coming together in business.

PREPAREDNESS

However, more than the flows, the pandemic lockdown also caused ebbs for startups like SariSuki as mobility became limited, work-from-home setups had to be accepted early on, and preparedness needed to be equipped at all times.

“Those senses need to be heightened. You need to be extra prepared. Before you had a plan B, now you have to have a plan C and plan D, so there’s a lot more work,” Mr. Cu noted.

Preparedness also comes with worry for businesses born during a crisis. “Are you just a pandemic business? What happens when mobility gets released, gets opened up again?” he said.

Revisiting objectives and addressing them in every forward step can help a business stay afloat amid unexpected circumstances and inevitable difficulties, he added.

GAINING TRUST FROM STAKEHOLDERS

A bulk of the challenges startups like SariSuki face is building the foundation and trust for stakeholders to participate in their model.

“It’s not easy. Of course, when you’re a startup, people don’t trust that you’ll be there for the long term, especially farmers. Farmers have worked with traders for decades, and they know the person’s always there,” Mr. Cu said.

Being involved in the agriculture industry, farmers and prices of goods are observed to be volatile to abuse by retailers and traders, he noted.

Ideally, Republic Act No. 758, or the Price Act of 1992, gives the Trade department the authority to set price ceilings for basic goods via a table of suggested retail prices (SRPs) prescribing to retailers a maximum selling price for individual products frequently purchased by ordinary consumers, also capping prices during emergencies.

“But the farmers are also risk-averse. They don’t want to just get rid of that relationship even though [it is] — I wouldn’t say abusive, but not in their favor,” Mr. Cu said.

“It’s not that just because you’re there and you’ll offer money, they’ll jump and start selling to you.”

Mr. Cu also highlighted the disparity between the industry and that of fast-moving consumer goods (FMCG), where e-commerce is considered a prevailing trend.

“So it takes time. Sometimes capital can help you leapfrog and shorten time, but not always. It’s still a lot of hardwork, a lot of on-the-ground persistence.”

Building a sense of kinship with stakeholders and earning their trust over repeated transactions become key actions for businesses aiming to establish themselves.

“It’s a delicate balance, but it’s not unsolvable. It’s a balance that can be struck, achieved, but it takes a lot of hardwork. There’s no secret.”

“There’s no magic sauce. It’s incremental compounding every single day, every single week. You’re there with them. They know who you are. You build a relationship. *Para kang nanliligaw* (It’s like you’re courting someone).”

TECHNOLOGY AND USER ENGAGEMENT

Similar to courtship, there are certain aspects to people being wooed that can be taken for granted or overestimated. In SariSuki’s case, it is the technology that binds its processes.

“A lot of the communities that we work with — simply pinning their address on a map, they don’t know how,”

Mr. Cu said. “So we had to make it as simple as possible.”

Understanding the user demographic and having a good product manager become important strategies for businesses to leverage technology while also making it easy for stakeholders to adopt.

However, it can boil down to the people themselves who are shy to reach out to more customers for growth as well. This was also the case for SariSuki where community leaders find it difficult to gear the tech itself.

“We’ve had community leaders who have grown their business multiple fold. They’ll start with P10,000-20,000 a month in sales and grow that to P500,000 in six months because they’re able to leverage social media and connections they have in their little barangay,” Mr. Cu said.

“But we also supplement that with lessons. So we’ll give them social media marketing lessons, financial literacy lessons in order to strengthen their personal toolkit to improve the way they run a business,” he added.

If fully leveraged by 2030, digital technologies could create up to P5 trillion in economic value, equivalent to about 27% of the country’s gross domestic product in 2020, according to a study conducted by global tech advisory firm Access Partnership and commissioned by Google.

This requires the Philippines to enhance digital skills training and education, accelerate digital adoption and innovation, and promote digital trade opportunities.

“I think that’s the beauty of it. That’s the challenge. It’s a hard thing to do — to have tech adoption be done by a startup,” Mr. Mejia said.

“There’s desire. You just need to tap that desire,” he added. “We try to make it fun for them to sell and see what they earn. I think that’s what we want to really focus on.”

SUSTAINABILITY

The true north for startups is profitability without heavy reliance on funding. “It’s a lot of internal, inward-looking questions on how you can improve,” Mr. Cu said.

He also emphasized the importance of providing a valuable product or service to customers and taking care of stakeholders. However, he also noted that startups today have fewer options and flexibility compared to the previous decade.

FULL STORY



Read the full story by scanning the QR code with your smartphone or by typing the link bit.ly/Commerce053123

WeWork’s woes show return-to-office is no party

By Lionel Laurent

WEWORK, Inc. isn’t working — again. The flexible-working startup once worth \$47 billion that tried to make the office a party has lost its CEO and CFO in the space of a few days. Its share price has fallen to levels that could see it delisted. At a time when so many workplaces are seeking a “wow” factor to woo the laptop class back to the office, it’s a cautionary tale.

WeWork’s problems, ranging from cash burn to high debt, have been around for a while. What’s new is that WeWork seems to be failing to shine amid the strange post-COVID circadian rhythms that should favor flexible offices. With everyone from Alphabet, Inc.’s Google to Deutsche Bank AG going “hybrid” for the foreseeable future — with neither remote working nor the office winning outright — WeWork is still failing to break even. First-quarter occupancy of 73% was below its full-year target of 76%.

The company looks just as vulnerable as the rest of its office brethren. For all of the reports about the future of work and new amenities like rooftop bars for mixing post-meeting martinis, there’s no magic formula to address rising interest rates, increasing layoffs and tech retrenchment in the world of white-collar work. This has squeezed demand and attracted short sellers to WeWork’s stock — Bloomberg Intelligence’s Arnold Kakuda says the return-to-office push feels “tapped out.” Badge data point to occupancy rates around 50% in several US metropolitan areas, which have flatlined.

And for those arguing that creating more fun in the office will help, WeWork’s woes suggest otherwise. With younger workers already keen to network in the office and worried about being laid off, a Bloomberg Intelligence survey published

in February found that older workers had adapted to flexible work the best, with a rising share of 55-65 year-olds changing employers. It also found that commuting — not cocktails — was overwhelmingly the issue, with two-thirds of respondents saying high transport costs discouraged them from going to the office.

So for all of the criticism of work-from-home from the likes of JPMorgan Chase & Co.’s Jamie Dimon — who called it management by “Hollywood Squares” — the cliché of the office-loving manager and the stay-at-home Gen-Z worker bee looks off. If cities and workplaces really want to lure people back to their workplaces, perhaps they should make them better to work in, not party in. Improved public transport, more affordable real estate, quieter workspaces with faster Internet would change the game. Given studies that show the average knowledge worker needs as many as 23 minutes to get back on track after being interrupted, who wants to work to the sound of a ping-pong table?

WeWork itself seems to have gotten this message, though perhaps a little late. I spoke to Julien Thooris, the chief marketing officer at one of its startup tenants MyTraffic, about life in a recently opened WeWork in the heart of Paris. He said the atmosphere was “studious” — not a word you expect to associate with the brainchild of Adam Neumann — and that the main attractions were lease flexibility, the bundled cost of cleaning and utilities, and its central location, rather than the prospect of a happy-hour cocktail.

Developers may be right in thinking that whatever went wrong with WeWork’s first incarnation, there is something to the idea of tech-style flexibility and less dingy offices after COVID: Some 20% of European offices could become co-working spaces according to Savills. But as WeWork’s plunging stock price suggests, the return to the office is proving to be no party. — **Bloomberg**

UK takes steps to stop retailers from offering free vape samples to teens

LONDON — The British government said on Tuesday it would close a loophole that lets retailers give free samples of vapes to children in a clampdown on e-cigarettes, whose colorful designs and fruity flavors make them stand out on grocery store shelves.

“I am deeply concerned about the sharp rise in kids vaping and shocked by reports of illicit vapes containing lead getting into the hands of school children,” Prime Minister Rishi Sunak said in the statement released by the Health department, referring to a BBC report last week.

“The marketing and the illegal sales of vapes to children is completely unacceptable.”

The statement cited a 2023 survey by public health charity Action on Smoking and Health (ASH) of 11-17 year olds in which 2 out of 5 young people said they smoke vapes just to try it, while 1 in 5 said they do it due to peer pressure.

The issue is not unique to Britain, where selling vapes to under 18s is illegal. An estimated 2.55 million US middle and high school students reported using e-cigarettes during the early part of 2022 in a survey, a level health officials said was “concerning.” — **Reuters**

Wilcon Depot: A continuous journey for sustainability

Wilcon Depot, the Philippines’ leading home improvement and construction supply retailer, finally unveiled its “Wilcon Sustainable Choice” with a media launch on May 26, 2023 at Wilcon Depot Balintawak.

After years of conducting sustainability practices across various aspects of the business, Wilcon Depot has taken its commitment to sustainability a step further through this campaign. The event was attended by Wilcon executives, AVPs and various media partners who were enthusiastic about the company’s move toward sustainability.

The event began with Wilcon Depot SEVP-COO Rosemarie Bosch-Ong as she welcomed the attendees and introduced the company’s commitment to sustainability. “We believe that sustainability starts with every one of us, from the individual to the organizational level. That is why we have implemented initiatives within Wilcon Depot to reduce our carbon footprint, minimize waste and water consumption, and promote eco-friendly products. From installing solar panels in our store to segregating waste and paperless transactions, we are taking these steps to be more environmentally responsible.”

Wilcon Depot’s journey toward sustainability started years ago, and the company has been making impressive strides through various campaigns and initiatives in promoting eco-friendly business practices. This journey has been cemented with the integration of sustainable practices in its daily operations, such as the implementation of a plastic reduction program and increasing energy efficiency through the use of LED lighting systems and HVAC units to improve indoor air quality and provide comfort for everyone inside warehouses. The company also educates employees and customers on eco-friendly practices.

Wilcon also understands the importance of using recycled materials in products that’s why they carry items that are made up to 98% recycled materials. By choosing these products, customers can help to reduce waste and support a circular economy, where materials are recycled

and reused instead of being disposed of in landfills.

During the speech of President and CEO Lorraine Belo-Cincochan, she emphasized that Wilcon Depot’s commitment to sustainability extends far beyond corporate social responsibility. “These are just small steps, but we believe that every little progress counts in making a big difference. And as we move forward with our sustainability initiatives, we will continue to prioritize our role as responsible citizens while also driving innovation and growth in our industry.”

Wilcon Depot offers home products and solutions that conform to energy and environmental design factors.

To further promote sustainable living, Wilcon has sustainable product displays for building materials, sanitarywares, housewares, outdoor and indoor living items, and more in its stores to encourage customers to choose eco-friendly options when designing and renovating their homes.

Aside from offering eco-friendly products, Wilcon Depot also has solar power installations in 60% of its stores, which augment its daily energy consumption. In addition, Wilcon Depot has implemented green building practices such as using environmentally-friendly materials and maximizing natural lighting and ventilation.

The company has implemented a waste management program that includes recycling, composting, and responsible disposal of hazardous materials. It also conducts various community outreach programs to promote sustainability and environmental awareness.

As a retailer, Wilcon will help customers make a positive impact on the environment while still achieving their home improvement goals. The company believes that sustainability is not just a choice but a responsibility.

For more information about Wilcon, you can log on to www.wilcon.com.ph or follow its social media accounts on Facebook, Instagram and TikTok, and subscribe and connect with it on Viber Community, LinkedIn, and YouTube.