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SMEs must beat cultural barriers to digitalize

By Beatriz Marie D. Cruz

Reporter

SMALL and medium enterprises (SME) can better digitalize their operations if they can overcome organizational and cultural barriers, according to the chief executive officer (CEO) of a top Philippine bank.

"Mid-sized companies have a much better chance at succeeding in transformation," Rizal Commercial Banking Corp. President and CEO Eugene S. Acevedo told a technology summit in Manila on Tuesday.

"Do you have to pay for transformation and innovation?" he asked. "No. Do you have to pay for culture? No. You only pay for technology."

"But the most important things [in digital transformation] are actually freely available," he added.

Mr. Acevedo said digital transformation should focus more on organizational changes than on investing in the best technology. "You can buy digital tools, but you cannot buy transformation."

He likened the difficulty in adopting digitalization to teaching children to eat their vegetables.

"You can buy the best vegetables, but if you don't create an environment where they feel encouraged and motivated to eat them, you'll struggle," he said.

"Similarly, you can invest in the best or latest technologies, but without fostering a culture that embraces change, your digital transformation efforts will fall short," he added.

Some challenges in leveraging digital transformation include

employees' resistance to change, wrong leadership practices and the absence of support from various levels of the company, Mr. Acevedo said.

He cited the Filipino psychological concept of *hiya* or shame, which often guides behavior and reinforces accountability, but could stifle innovation.

He also noted the concept of *pakikisama* or camaraderie, which "builds strong teams as it encourages cross-functional collaboration, but sometimes, it can suppress dissent or new ideas."

Finally, the *bahala na* habit or fatalism reflects Filipinos' "willingness to act in uncertainty and adapt."

"When these three traits are acknowledged and integrated into the organizational culture,

they become weapons and assets rather than obstacles."

The Philippines fell to 61st out of 67 economies in the 2024 World Digital Competitiveness Ranking compiled by the International Institute for Management Development.

"When you talk about transformation, it changes the way you do business and how you do your work, so you have to also enhance your skills," Management Association of the Philippines President Alfredo S. Panililio told reporters on the sidelines of the summit.

"You have to be able to look at yourself and say: 'How do I remain relevant in this new business model?' So, it starts with really the [company] culture embracing this change, and the leadership embracing change," he added.

AI key to increased ESG adoption – ESGpedia

MORE Philippine businesses including small and medium enterprises (SME) are expected to adopt environmental, social and government (ESG) frameworks on sustainability with the rise of technology, particularly artificial intelligence (AI), according to Singapore-based ESG data and solution provider ESGpedia Pte. Ltd.

They need to engage more with ESG as mandatory local sustainability reporting takes effect next year, ESGpedia founder and Managing Director Benjamin Soh told *Business World*.

"Over the next few years, technology will be key in helping businesses not just comply but thrive in a more demanding regulatory environment," he said in an e-mailed reply to questions.

Mr. Soh said ESG adoption gives SMEs a competitive edge as the market puts higher value on sustainability.

"It helps them not only meet regulatory requirements and build operational resilience,

but importantly, increase their competitiveness for business deals and tenders by being able to showcase their sustainability commitment and credentials to stakeholders," he said.

"Proactive ESG action is now seen not just as compliance but as a driver of long-term business value," he added.

Mr. Soh said ESG adoption among SMEs has been hindered by lack of awareness, limited expertise and complex ESG frameworks.

He added that ESGpedia could help SMEs with end-to-end digital tools that automate carbon calculations, emission tracking, sustainability reporting and supply chain monitoring, removing the need for costly expert consultants.

"ESGpedia helps companies embed ESG into their operations by digitalizing sustainability reporting and making it easier and more accurate," he pointed out.

"Our platform helps SMEs align [themselves] with local and international standards,

generate credible sustainability reports and unlock new opportunities in global supply chains," he added.

ESGpedia offers a platform that turns operational data into structured ESG reports aligned with global standards and local frameworks. The company uses AI to extract and validate data.

The platform has built-in validation tools that check inputs against logical thresholds and minimize errors. It also requires supporting documents for ESG claims and allows third-party audits.

The company's AI technology strengthens transparency, lowers risks of greenwashing and provides a full audit trail, Mr. Soh said.

ESGpedia is a one-stop digital platform of ESG data and solutions for corporations, SMEs and financial institutions across the Asia-Pacific region to attain ESG goals. — **Revin Mikhael D. Ochave**

Economic measures, from SI/1

Malacañang releases a list of priority bills to help fast-track legislative action on measures viewed as critical to national development, as mandated under Republic Act No. 7640.

Out of the 64 priority bills for the 19th Congress, only 33 have been enacted into law, based on the accomplishment list on the Legislative-Executive Development Advisory Council's website.

Priority bills that failed to hurdle the 19th Congress include a measure that sought to reform the military pension system, which economic managers earlier warned is currently unsustainable and could trigger a "fiscal collapse." It passed the House of Representatives on third reading but was left pending on second reading in the Senate.

A proposed shift to a cash budgeting system, which would restrict appropriations to a single fiscal year, also failed to secure congressional approval. The measure aimed to streamline government spending by ensuring funds were allocated and utilized within a defined timeframe, but it languished in the House's appropriations and Senate's finance committees since it was filed more than two years ago.

The 20th Congress, the last under the Marcos administration, is set to convene on July 28.

Measures to be prioritized in the next Congress should include economic reforms aimed at bringing the country's debt levels back within internationally accepted thresholds, Rizal Commercial Banking Corp. Chief Economist Michael L. Ricafort said in a Viber message.

The Philippines' debt as a share of the gross domestic product (GDP) rose to 62% at the end of the first quarter, the highest in

two decades. It is slightly higher than the 60% threshold considered manageable by multilateral lenders for developing economies.

The government seeks to bring the ratio down to 60.4% by end-2025, and to 56.9% by 2028.

The National Government's (NG) ballooning budget deficit is also a concern. In the first four months of the year, the budget deficit widened by 79% to P411.5 billion from the P229.9-billion gap a year ago amid faster government spending.

"The government's deficit is quite worrisome," Philippine Chamber of Commerce and Industry Chairman George T. Barcelon said in a phone call. "There should be a program to cut down on unnecessary expenses."

He said Congress should eliminate bloated appropriations in the annual budget, including the purchase of overpriced goods and "pork barrel" projects disguised as financial aid programs.

The NG's deficit ceiling for 2025 is capped at P1.54 trillion or 5.3% of GDP.

Jose Enrique "Sonny" A. Africa, executive director at think tank IBON Foundation, said there should also be a shift towards "progressive" taxes, such as higher income duties on large corporations and a wealth tax.

"The 20th Congress should make decisive shifts towards progressive taxation with wealth taxes, higher income taxes on large corporations and rich families, and windfall land value taxes while reducing consumption taxes that disproportionately burden the poor," he said in a Viber message.

A House bill seeking to impose a 1-3% tax on people with a net value of taxable assets exceeding P1 billion failed to gain traction in the chamber. There was no counterpart proposal in the Senate.

Finance Secretary Ralph G. Recto said last year he is not in favor of taxing the wealthy, citing that such a measure could be "counterproductive."

However, Mr. Barcelon said Congress should not make changes to the corporate income tax rates. "If you touch those, you will hear foreign investors saying you're changing the rules every so often."

In 2021, the Philippines lowered the corporate income tax rate to 25% from 30% under a law aimed at improving investment competitiveness.

"I would not be in favor of an increase in income tax on companies," British Chamber of Commerce of the Philippines (BCCP) Executive Director Chris Nelson said in a phone call, citing that the government should instead focus on attracting foreign investments.

High electricity and logistics costs also dampen the Philippines' appeal to foreign investors, Mr. Barcelon said, urging policymakers to tackle long-standing structural issues in the energy and transportation sectors.

Mr. Africa said the government should pursue "real" reforms in the energy sector, including increased state control, to lower high electricity costs.

The next Congress should review the implementation of existing laws designed to enhance the country's appeal to foreign investors, Mr. Barcelon said.

The BCCP supported the call for the monitoring of the implementation of investment-related laws.

"[It's] critically important that the implementing rules and regulations are clear and obviously support the bill itself," Mr. Nelson said.

Philippine business groups and foreign chambers are finalizing a joint list of priority reforms, which they plan to unveil ahead of President Ferdinand R. Marcos, Jr.'s State of the Nation Address in

late-July, American Chamber of Commerce of the Philippines Executive Director Ebb Hinchliffe said in a Viber message.

The legislative agenda should also include measures facilitating technology transfers and upgrading the country's cybersecurity capabilities.

The next Congress must prioritize legislation requiring foreign companies operating in the country to transfer technology and collaborate with local companies to spur domestic industry growth, Mr. Africa said.

"Too many liberalization laws sought to reinforce foreign investor privilege rather than strengthen Filipino industry or public enterprises," said Mr. Africa.

A bill pushing for a review of foreign investments into the country should also be prioritized, he added.

"They can study current global foreign investment trends and, for instance, legislate strategic reviews of foreign investment where these are screened for their contribution to Filipino industrialization and even any national security risks," he said.

Mr. Nelson said lawmakers must prioritize a cybersecurity bill in the next Congress. "This is a key issue across economies in the world."

The Philippines' weak cybersecurity systems have led to national security vulnerabilities and economic losses, with incidents ranging from foreign actors allegedly breaching the President's office and stealing sensitive documents to more than 80% of businesses facing cyberattacks last year.

Congress should also look at prioritizing a measure mandating digital payment platforms for government and business transactions and amending the bank secrecy law, said Mr. Hinchliffe.

Career Opportunity in NOONA BUSINESS CONSULTING SERVICES INC.

Position: MANDARIN MARKETING SPECIALIST
1 VACANCY

JOB DESCRIPTION:
Mandarin Marketing Specialist is responsible for planning, executing, and optimizing marketing campaigns tailored to Mandarin-speaking audiences. The role requires a strong understanding of the Mandarin-speaking market including cultural preferences, digital trends, and consumer behavior. The specialist will collaborate with cross-functional teams to ensure that marketing efforts resonate with target audiences, drive brand awareness, and increase engagement and sales.

QUALIFICATION:

- Experience in digital marketing, content creation, or social media management, preferably focused on Mandarin-speaking audiences
- In-depth knowledge of digital marketing channels, especially in Mandarin-speaking regions
- Strong attention to detail, time management, and ability to handle multiple projects simultaneously
- Proficient in speaking, reading and writing in Mandarin
- Strong communication, project management, and creative problem-solving skills

Applications may be sent to:
IRAB. NUSTRO
Email: noonabusiness17@gmail.com

COMPANY / EMPLOYER	NAME OF FOREIGN NATIONAL INTENDING TO APPLY FOR THE POSITION
NOONA BUSINESS CONSULTING SERVICES INC Address: 3/F ORE CENTRAL TOWER 31 STREET CORNER 9TH AVENUE BGC TAGUIG CITY Nature of Business: OTHER SERVICES ACTIVITIES	Name: YU, ZHENGXUAN Address: 45M NORTH, THE RISE MAKATI YAKAL, SAN ANTONIO MAKATI CITY Nationality: CHINESE Intended Period of Employment: TWO (2) YEARS

Career Opportunity in AB LEISURE EXPONENT INC.

Position: MANDARIN PRODUCT EXPERT
1 VACANCY

JOB DESCRIPTION:

- Explain and demonstrate product features and benefits to Mandarin-speaking customers or clients, both in-person and remotely
- Provide technical support or after-sales service in Mandarin to resolve customer issues efficiently
- Gather user feedback from Mandarin-speaking markets and report product performance insights to internal teams for improvement
- Support translation and cultural adaptation of product materials, documentation, and marketing content for Chinese-speaking audiences
- Assist sales teams in closing deals by offering expert-level product knowledge in Mandarin during presentations or negotiations
- Work with product development, marketing, and customer service teams to ensure the product meets the needs of Mandarin-speaking market
- Monitor competing products in Chinese markets and provide comparative insights to guide product positioning and development

QUALIFICATION:

- Fluent in Mandarin Chinese (reading, writing, and speaking)
- Strong problem-solving skills and attention to detail
- Strong understanding of Chinese consumer behavior, business etiquette, and regional market trends
- Ability to explain complex products in a clear, culturally appropriate manner and handle customer concerns effectively

Applications may be sent to:
LAU, NIEL KEVIN LIM
Corp.compliance@digiplus.com.ph

COMPANY / EMPLOYER	NAME OF FOREIGN NATIONAL INTENDING TO APPLY FOR THE POSITION
AB LEISURE EXPONENT INC. hereby declares that the above-named foreign national is able, willing and qualified to perform the services and job description for this position. The company has the intention to employ the said foreign national and apply for an Alien Employment Permit with the Department of Labor and Employment- National Capital Region located at 967 Maligaya Street, Malate Manila	Name: YU, ZHENGXUAN Address: TIME SQUARE WEST NORTH BONIFACIO DISTRICT, 1634 36th St., Taguig City Nationality: CHINESE Intended Period of Employment: TWO (2) YEARS

Career Opportunity in AB LEISURE EXPONENT INC.

Position: MANDARIN OPERATIONS SPECIALIST
1 VACANCY

JOB DESCRIPTION:

- Assist in the execution of daily operations, ensuring smooth workflow and process adherence
- Collaborate with various departments to facilitate seamless operations
- Maintain accurate records and databases, ensuring timely updates and compliance
- Analyze operational data to identify trends and areas for improvement
- Identify opportunities for process enhancements and implement best practices
- Develop and document standard operating procedures (SOPs) to improve efficiency
- Serve as a point of contact for client inquiries, providing timely and effective support
- Gather feedback from clients to improve service delivery and operational processes
- Prepare regular reports on operational performance and key metrics for management review
- Assist in project coordination and implementation as needed

QUALIFICATION:

- Proven experience in an operations or administrative support role
- Experience in process improvement and operational analysis is a plus
- Strong analytical skills with the ability to identify trends and areas for improvement
- Excellent organizational and time-management skills
- Fluent in both Mandarin and English (both written and spoken)

Applications may be sent to:
LAU, NIEL KEVIN LIM
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Career Opportunity in AB LEISURE EXPONENT INC.

Position: MANDARIN CHANNEL OPERATIONS LEAD
1 VACANCY

JOB DESCRIPTION:

- Develop and execute channel strategies to drive sales and growth in Mandarin-speaking markets
- Build and maintain strong relationships with local distributors, resellers, and retail partners who operate in Mandarin
- Track, analyze, and report on channel partner performance using KPIs and metrics to ensure targets are met
- Act as the communication bridge between headquarters and Mandarin-speaking partners or regional teams
- Deliver training sessions, onboarding, and product updates to channel partners in Mandarin to ensure product knowledge and alignment
- Coordinate with supply chain and sales teams to forecast channel demand and manage inventory flow
- Quickly resolve operational or logistical issues affecting Mandarin-speaking channel partners, ensuring smooth operations

QUALIFICATION:

- Fluent in both Mandarin and English, with strong written and verbal communication skills in both languages
- Capable of ensuring that all communications and documents are in compliance with company guidelines, confidentiality, and quality standards
- Excellent interpersonal skills to facilitate effective communication with Mandarin-speaking clients, partners, and internal teams