

# CURRENCY

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## MANAGEMENT MAN OF THE YEAR





## Yuchengco is Management Man of the Year 1992



Amb. Alfonso Yuchengco receives the Management Man of the Year 1992 Award for his effective leadership of the Yuchengco Group of Companies and his contribution to economic progress. Antonio Henson (right), MAP President, Rep. Roilo Golez (center), Chairman, 1992 MAP Management Man of the Year Committee and Oscar Hilado (left), President, MAP Board of Governors, presented the award to Mr. Yuchengco at the Peninsula Hotel.

### Reproduction of AY's speech during the awarding of the Management Man of the Year.

It is indeed an honor to be selected Management Man of the Year 1992 by an organization composed of the top managers of the country. I am proud and happy to accept this award and would like to express my deep appreciation and gratitude to all the officers and members of The Management Association of the Philippines.

It would be presumptuous of me to talk on the technical niceties that characterize top managers. I am sure any one of your members could present a more comprehensive treatise on these techniques. As I mentioned to your incoming president, it has been a number of years since I was a hands-on manager and I would like to think that the award you have conferred on me today is in recognition of my past efforts which have shaped our group of companies to what they are today. I hope I am not receiving an award for the management skill of my associates.

The year 1992 has just ended - a year that has been marked by change and that has caused our country much frustration. When the year began, the country looked forward to the coming elections to herald a much-needed change and the beginning of economic recovery. It hoped that the expected surge in domestic consumption due to election spending would start the economy moving, but this did not

materialize. The elections went smoothly and peacefully, promising a new era, but it was followed by the spate of kidnappings and the emergence of the four to nine-hour daily brownouts which effectively dampened the country's hopes for economic progress. Foreign and local investors who had marked time to see how the elections would be carried out and who would be elected, remained on the sidelines because the kidnappings and the energy crisis did not augur well for new investments. While our Asean neighbors continued to perform impressively, our own economy was hard pressed to achieve a minuscule two percent growth in Gross National Product. It was truly a frustrating and disappointing year for the Filipino people. In fact, the past seven years have been a disappointing period for our people in spite of our glorious EDSA Revolution.

The newly elected government moved to meet the problems of political instability, power shortages and the crime situation. A National Unification Commission was organized to seek a true and lasting peace; the Philippine Anti Crime Commission was tasked to curb criminality in both the private and public sectors and a Department of Energy was created to solve the power crisis. Foreign exchange transactions were also liberalized to encourage foreign investments.

This year can signal the start of our country's climb to self sufficiency and economic progress if the government can solve these problems - if not completely, at least in sufficient measure to show it is moving in the right direction. Then there would be

The Management Association of the Philippines have conferred the Management Man of the Year 1992 Award on Amb. Alfonso T. Yuchengco, Chairman of the Yuchengco Group of Companies, during the MAP Inaugural Meetings on January 25, 1993 at The Peninsula Manila.

The Association's most prestigious award is given to individuals in private or government sector who have attained unquestionable distinction in the field of management and have immensely contributed to the country's economic progress.

Amb. Yuchengco was chosen for the award because of his effective leadership as reflected in the growth and expansion of the business activities of the Yuchengco Group of Companies; for his focused vision of entrepreneurship manifested in contributing to national economic progress; for his deep personal commitment to corporate social responsibility in providing, among others, meaningful jobs to thousands; for his continuing promotion of good value formation and environmental protection; and for his abiding sense of patriotism as exemplified by his distinguished service to government and his countrymen.

Amb. Yuchengco will be the sixteenth member of the highly selected roster of Management Man of the Year Awardees which include Washington Z. Sycip, Geronimo Z. Velasco, Henry A. Brimo, Jose M. Soriano, Cesar E.A. Virata, Jaime V. Ongpin, Vicente T. Paterno, Dante G. Santos, Cesar A. Buenaventura, Roberto T. Villanueva, Jaime Zobel de Ayala, Ramon V. del Rosario Sr., Jose B. Fernandez Jr., Raul T. Concepcion and Oscar J. Hilado.



no need to aggressively seek foreign investors for they will realize that with these problems successfully addressed, the Philippines is the brightest spot in Asia.

Peace and stability, law and order and ample power, transportation and communication facilities are the basic underpinnings government must provide to create the environment under which its citizens can live in peace and security, engage in business freely and the economy can flourish. While we cannot expect to reach such a utopian state within a short period, a reasonably close approach to it would provide the background for an economic take off. The problems which the government faces are urgent and must be worked on immediately.

You are all experts on the Philippines so I will not talk to you about our country. Instead, let me share with you some of the maxims or mottoes that have guided my life:

- There is no such thing as an impossible situation. It is a matter of finding the right key to the lock involved. This is especially true in the Philippines. It is also true in China where many things depend on "Quanxie" which means relations. In America, you have to push the right button.
- A bad compromise is better than a good case. In the Philippine scene, there is no such thing as a sure case in court.
- Be sure to smile on your way up. Smile to as many people as possible because you will certainly need their smile on your way down.
- In the Philippines "utang na loob" is part and parcel of our culture. Do not owe favors — they may be very expensive to repay. Let other people owe you as many favors as you can afford. Someday, you may need to collect on these favors.
- The Chinese word crisis contains two characters — opportunity and danger. Avoid the danger and grasp the opportunity and you avoid a crisis.
- Luck is better than intelligence. If you are lucky, you can succeed without being intelligent. If you are unlucky, you cannot succeed even if you are very intelligent.
- Honor has no price. I prefer to lose millions of pesos than to have my reputation tainted in anyway.

One of the guiding principles which I have tried to instill in our companies' managements is that of social responsibility. To many, the term has been associated with providing livelihood opportunities, educational scholarships, contributions and assistance to victims of God made, man made and woman made calamities and participation in seeking solutions to the ills that plague our society. All these are part of our social responsibility, not only as managers but as citizens as well and are to be commended and encouraged. They are however, not enough.

More fundamental is the manager's realization of his own personal responsibility towards his country, his public and his environment. Too often, we measure a manager's efficiency and reward his efforts on the basis of his company's bottom line. We look only at the ROI and not also at what I called the SROI - the Social Return on Investment. As a result, we unwittingly tend to encourage business

operations that disregard their eventual effects on the country and its environment and wreak havoc on our communities and our people. I firmly believe that it is of utmost importance that managers be trained and encouraged to adopt time-honored moral values that will instinctively cause them to act for the good of the country over and above their own benefit. As Theodore Roosevelt so aptly put it "if you educate a person's mind and do not educate his moral, you are educating a menace to society." This is specially true in the Philippines, where we find moral values declining and an almost complete absence of national discipline.

In the past, the inculcation of moral values was the responsibility of the school, the home and the church. Today, there is a growing tendency for schools and colleges to become more technical, more career or job oriented and less concerned with the person's social responsibility. The family, long a bastion of our society, seems to be slowly breaking up and in the process leaving more and more children to fend for themselves in absorbing the proper values. There also seems to be a growing disenchantment with religion as people seek to find solace in secularism and materialism that now pervade the world. All these have left a void in the teaching of moral values. This is a problem that not only affects our country but seems worldwide in nature, found equally in the more advanced nations of the world, such as the United States. It is time that organizations such as yours, which stand to benefit greatly from a moral regeneration, take an active interest in the problem.

Several months ago Senior Minister Lee Kuan Yew spoke before Filipino business groups and pointed to the lack of national discipline as a major cause of our country's slow progress. Media criticized the business community for having reacted favorably to Mr. Lee's recommendations. The criticism, I believe, stemmed from a confusion between the ends and the means. No one will disagree that national discipline is a desirable goal, but many will disagree on how it should be attained. Incidentally, our group of companies has been advocating national discipline for the past three to five years through advertisements in the newspapers, radio and TV. While Mr. Lee Kuan Yew's experience arose from the governance of a city state of some two million people, we have a country of over 60 million people spread out over more than 7000 islands. It is more difficult to instill national discipline on 60 million people. It is said that when Mr. Lee made the same proposal in China, China's paramount leader, Deng Hsiao Ping replied that he would consider the suggestion when he became Mayor of Shanghai. Even Ninoy Aquino in the spring of 1981 stated that "if a ruler reduces political rights but is able to offer a measure of economic prosperity, he can get away with it."

A few years ago, the AY Foundation decided to launch the AY Foundation Award for National Discipline. It was the foundation's objective to foster the proper values in our youth by giving to one graduating students from each high school an award consisting of:

- a gold medal bearing the image of San Lorenzo Ruiz, and
- P4,000 to be paid directly to the college of the recipient's choice toward tuition and fees for the first year of college.

The awardee is chosen by a committee of five in each school. The committee is composed of the school principal, its guidance counselor and a representative each from the student body, the faculty and the parents. The award is nonsectarian. the criteria used in selecting the candidates are:

- Self-sacrifice - the student gives, rather than takes. He helps and labors for others, even at his own expense.
- Courage - the student has determination and willpower. He stands on his convictions, even when they are not popular and he never stops trying, even when his chances are minimal.
- Integrity - the student is honest at all times, does not cheat nor does he sacrifice principles for personal gain.
- Discipline - the student works hard to develop his God given talents, obeys and respects the laws of the country and the regulations of the school. He does not resort to drugs, alcohol or immoral behavior.

The criteria call for the practice of those civic and moral values which make for good citizenship and which result in national discipline. It is an award for virtue which was expressed long ago by the Roman statesman, Cicero: "it is greater by far to conquer yourself than to conquer cities."

The first awards were given in 1990. Forty-eight schools belonging to the Catholic Education Association of the Philippines participated in the pilot project.

In 1991, a total of 176 schools took part. Of these, 80 were in the National Capital Region, including 30 public high schools. The rest were from Regions one, three and four as well as from Cebu, Davao and Bacolod.

The 1992 participation will not be known until graduation time in March or April this year. It is estimated, however, that the number will be between 300 and 400 students.

Since there are thousands of high schools throughout the country and given the limited resources of the foundation, it is obvious that what the foundation has achieved is just a start and that it cannot hope to cover all high schools throughout the country. I would like to appeal to you, through your own foundation, to join hands in this campaign to instill discipline and its attendant values to our youth, who as our national hero, Jose Rizal said, are the hope of our beloved land. Our foundation is ready to assist and cooperate with you in this endeavor.

While the A.Y. Foundation has also established scholarships, sponsored Medical Missions, financed seven feeding centers in Metro Manila for destitute children, built buildings for community purposes and continues to help the victims of Pinatubo through the support of a resettlement project for displaced Aetas, it believes that the national discipline campaign will produce the greatest long term benefits for our country. If it can succeed in instilling into the minds of our youth the importance of meeting one's civic responsibilities, and if this can be reinforced by the example of those to whom they look up to, like yourselves, then we can confidently look ahead to peace and prosperity for our people. I ask you all to be role models for our youth and to help spread the gospel of national discipline.

Thank you once more for the honor you have bestowed on me, and Good Day.



# What Makes the Man Tick

by Van F. Alcazar

A lot of good things are said about Alfonso A.Y. Yuchengco but not many of them find their way into print primarily because he himself doesn't allow it. Humble that he is, our Chairman of the Board hates trumpet-blowing.

For us who do not get the opportunity to personally interact with him on a day-to-day basis, the man emerges as a mystery. We'd like to know what he is really like, his formula for success, the kind of boss he is, etc., etc.... Now that A.Y. has been named Management Man of the Year, our curiosity is the more aroused. Just what is it that makes the man tick?

As a backgrounder....

Alfonso T. Yuchengco was born on February 6, 1923 (yes, *Virginia*, he's already 70) in Manila, completed Commerce at Far Eastern University and Graduate Studies at Columbia University in New York. He swims and plays golf to stay fit and he abhors cigarette smoke. He was once our Ambassador to China and is the President of the Philippine Ambassador's Association. A very organized man, he strictly follows a precise schedule daily. Not only is he polite to his employees, he's also very much a gentleman and (*bosses, take a cue from this*) he never raises his voice.

His daughter Yvonne of our PBU and CASD aptly describes him as a *man of vision*. Rightly so, for it takes no less for somebody who was able to put up a group of companies with interests in insurance, banking, investment houses, pre-need plans and office equipments among others. There is also the AY Foundation which provides charitable work to those who need them. RCBC employees whose children are going to school for free because of this can attest to the unselfishness of a man who has practically built an empire.

One person who has a lot to say about A.Y. is Corazon Tecson (Coratee) Jimenez, VP-General Manager of Pan-Malayan Travel & Tours. She exemplifies a success story in the Yuchengco Group. Serving as the old man's executive secretary for ten years, A.Y. unexpectedly asked her one day if she can handle the company. She, of course, said yes.

*"I call my boss Amb. A.Y. (Always Young)," she shares*

*"A.Y. as a boss? He is intelligent, sharp, meticulous, firm and strict. But he can be 'malambing' and thoughtful. This makes him unpredictable."*

*"He thrives on challenges and expects us to give him our full support. He abhors mediocrity. He does not want his executives to come unprepared for meetings with him."*

*"I have learned a lot from Ambassador A.Y. in my ten years' stint as Secretary to the Chairman. Self-confidence and resourcefulness are two qualities I have developed. Now that he has given me the opportunity to manage the group's travel agency, those two qualities come in very handy."*

*"I am proud to say that Ambassador A.Y. is responsible for my growth in the company."*

Another person who works in close association with A.Y. is his present secretary at Grepalife Zeny Pagkalinawan. Zeny tells the CURRENCY:

*"Probably what distinguishes Amb. Alfonso T. Yuchengco is his strong will, expressed soulfully in his favorite song 'Impossible Dream,' which speaks of reaching out for a distant star, undaunted and fortified with what is true and right."*

*"His drive, one with a vision, is propelled by discipline. Discipline: that inner sense of orderliness in building for humanity a better and more honorable society."*

*"Discipline, both a duty and a responsibility. It is the enthusiasm to release the good that is often unrecognized or bottled up in the human being."*

*"To carry out the above vision, it requires a great sense of leadership, which no doubt the Ambassador has."*

*"The AY Foundation which he founded has reached out to the poorer segment of our people through educational scholarships, schools and other buildings and assistance to those who have suffered from natural calamities as the Baguio earthquake and the Pinatubo eruption. The foundation started in 1990 the national discipline*



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award to instill into young people the qualities that make for good citizenship. His guiding philosophy in management is that success is measured, not by the bottom line alone but more importantly, by the good that the company has done for the country and the community."

**FVP Antonio T. Lim**, Area Supervisor for Metro Manila II who served with him during his stint in Beijing, shares an insight on A.Y.

"He is a person who is sincere," he begins. "He will readily scold you when you commit a mistake. A hardworking man, he is like a father to me. Once I asked him, "What is the secret of your

success?" He answered me in two simple words - *HARD WORK*. Intelligent as he is, he is very ambitious and tries to prove to everyone that he can do better than his father which is now a fact. He has lots of friends - domestic and foreign - which include presidents and prime ministers of other countries. His being chosen as the president of the Ambassador's Association is a concrete proof that he has earned a lot of respect from his peers."

"It will take me pages to describe him as an honorable man. But I can honestly say that he is one man very few people can match and that all of us should follow his good example - working hard."

We'd like to give you more but that would be trumpet-blowing, so...

Summing up, we asked his daughter **SVP Susanne Y. Santos** to describe her dad in one word.

"*EXCEPTIONAL*," she replied.

"He doesn't do things in the ordinary ways. He always does things with a *BANG!*"

Amen.

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**The main reason many people do not recognize opportunity is because it usually comes disguised as hard work.**

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