

“OUR CALLING IN THE MARKETPLACE”

Address at the Rural Bankers Association of the Philippines Symposium

Marriott Hotel, Pasay City, November 10, 2015

INTRODUCE THE VIDEO:

- Excerpt from a video entitled THE CALL OF THE ENTREPRENEUR
- Produced by The ACTON Institute
- About the honorable profession that is entrepreneurship and illustrates this through 3 individuals who exemplify the character of true entrepreneurship: a farmer from rural USA, a merchant banker in New York and the founder of the Hong Kong garments giant Giordano.

VIDEO

In the video we just watched, Mr. Hannah, the banker, talked about how he improved his own skills as a lawyer—by seeing his profession not just as a lawyer but through the lens of business. This afternoon, I invite you to also look at your rural banking business through a different lens: the lens of a

steward: that is, someone who takes care of someone else's resources that have been entrusted to him.

Let me move on:

Practice "Stewardship through Professionalism and Competence"

Professionalism is defined as the skill, good judgment and polite behavior that is expected of a person who is trained to do a job well. My experience is that, in the market place, except for a few exceptions, the professional & competent person is listened to and admired. For us to affect the marketplace, for us to influence others, we have to be known as being consistently professional and competent and reasonable. This means that we not only deliver on what we promise but also have the knowledge, skills, experiences and EVEN the emotional competence to get things done with and through others. We must know how to manage ourselves as well as our interpersonal relationships. This includes being able to admit that we do not know everything and learn to work with our teams and even others outside of our organizations.

But we have to build up our skills and competencies. In the video, Mr. Hannah talked about the need to accumulate tons of information, knowledge and insight in order to be a successful banker. To be able to

build this arsenal, however, we have to study and reflect and be ready to experiment. We have to be ready to work hard, get hurt and face adversity. The rewards are clear: more competence leads to more success leads to access to more resources leads to more influence and success. In your case, success can mean helping your clients create more wealth.

Use the lens of “Stewardship through Integrity”

More than in any other business, bankers have to be comfortable in dealing in a trustworthy way and never compromise on honesty. It is the trust you have earned that gives you the power to assemble capital through deposits and borrowings. I even go as far as saying that the good borrowers deal only with bankers they trust. However, integrity or ethics is not just honesty in contractual matters or paying correct taxes. It is also about things like

- Choosing customers to take deposits from, and not allowing questionable characters to use your banks for improper gain.
- It is choosing to develop financial products and services that deliver more good than harm. An example of a problematic product is one where your clients cannot understand nor size-up the risks they are taking. Where the features are so complicated and obscure that the weak of resolve just sign without comprehending.

These were the products that brought down the US financial system some years ago.

It is making decisions like:

- I will not lend to a business that will harm the environment of our God-given planet nor put money in a company whose values run counter to ours. OR
- I know this client's cash flow is already thinly stretched and I am really interested in the property being offered as collateral because it will be great for my property business but I will not squeeze him on the repayment schedule. Instead, I will help him structure his amortizations and maybe even help fix his capitalization structure so he can be successful and pay me back.

I also ask you to Use the lens of “Stewardship through Other-directedness” (virtue of Generosity)

In the video, there was repeated reference to the entrepreneur as being naturally other-regarding, other-directed. Looking at what the other person needs and providing it.

We exhibit other-directedness in all our thoughts and actions: practicing compassion, forgiveness, justice, humility, respect, generosity, patience and courage.

1. This is not just about giving donations and being nice as opposed to being nasty and miserly but more about caring for the enrichment of the lives of others --- about helping them discover and achieve their true potential.
2. It's not just paying correct wages but also teaching our co-workers how to manage their personal finances.
3. When we equip our clients so that they can create more wealth we are other-directed. We do this by providing them capital and also by advising those who need some adjustment to their business plans. This matches your theme today of providing the countryside with accessibility to capital.
4. We exhibit other-directedness by engendering a coaching culture, a caring culture, in our banks so that our officers and staff develop and can make better judgments thereby becoming more effective in their jobs. And we do all of these because we want them to become better banking professionals who will have a better future.

“Stewardship through Advocacy”

Lastly, I ask that we all exercise our stewardship of our blessings through **ADVOCACY**.

- *TELL YOUR COLLEAGUES AND FRIENDS ABOUT THE NEED FOR PROFESSIONALISM, INTEGRITY AND OTHER-DIRECTEDNESS IN YOUR CIRCLES OF INFLUENCE*, not just in our workplace but wherever you find yourselves: CIVIC CLUBS, PROFESSIONAL ORGS, THE COFFEE SHOP, YOUR FAMILIES
- Advocate by talking to others about the viability of doing business virtuously; about caring for people as well as profits.
- More importantly, convince people about these values through your personal habits. How you walk your talk. How you conduct your businesses: working with a heart and a soul; behaving in such a way that others can more easily see the Christian Work Ethic in you: working for The Lord and not for man .

THAT IS WHY I AM HERE. I accepted the invitation to speak precisely because I want to try to enlist you in this effort to embrace, practice and teach these values. As leaders of today, you have the opportunity to act on your calling as banker-stewards and “spread the gospel” so to speak.

In one of his books, Robert Fulghum quoted Alexander Papaderos, A doctor of philosophy, teacher, politician, resident of Athens, Greece

When asked: “What is the Meaning of Life?” Papaderos answered by

Pulling out a very small round mirror from his wallet, about the size of a quarter/ or a 5Peso coin. And what Papaderos said went like this:

“When I was a small child, during the war, we were very poor and we lived in a remote village. One day, on the road, I found the broken pieces of a mirror. A German motorcycle had been wrecked in that place.

“I tried to find all the pieces and put them together, but it was not possible, so I kept only the largest piece. This one. And after scratching it on a stone to make it round, I began to play with it as a toy and became fascinated by the fact that I could reflect light into dark places where the sun would never shine—in deep holes and crevices and dark closets. It became a game for me to get light into the most inaccessible places I could find.

“I kept the little mirror, and as I went about my growing up, I would take it out in idle moments and continue the challenge of the game. As I became a man, I grew to understand that this was not just a child’s game but a metaphor for what I might do with my life. I came to understand that I am

not the light or the source of the light. But light –truth, understanding, knowledge—is there, and it will only shine in many dark places if I reflect it.

“I am a fragment of a mirror whose whole design and shape I do not know. Nevertheless, with what I have I can reflect light into the dark places of this world— into the black places in the hearts of men— and change some things in some people. Perhaps others may see and do likewise. This is what I am about. This is the meaning of my life.”

In Phinma, we believe that our business is our CSR and that CSR is our business. We further believe that Corporate Social Responsibility is fundamental to doing business in a global economy. And that because of the vast resources and talent to which it has access, Business not only has a role but, indeed, has a responsibility to participate in uplifting society. Business does this best when it aligns its interests with those of society and when it works hand in hand with the other sectors to bring about the desired change. Because of the many social ills around us, we say that CSR is not a luxury of the few but is a challenge to the many who are committed to the pursuit of a better world. This belief has guided us in the choice of businesses to get into.

In Education, for instance, we run 4 schools where we have decided to keep our tuition fees accessible and accept a Return on Invested Capital of less than 10% in the meantime as we build-up enrollment further. On top of the reasonable level of tuition fees, close to 50% of our students in the four schools are on some kind of grant or scholarship.

Together with many of the biggest and most reputable companies in the country, we signed an INTEGRITY PLEDGE, which commits us to promote good corporate governance and ethical business practices. This means:

1)NO BRIBERY, 2)A CODE OF CONDUCT FOR OUR EMPLOYEES, OFFICERS AND DIRECTORS & 3) AN INTERNAL SYSTEM THAT PREVENTS AND PUNISHES UNETHICAL CONDUCT.

In addition, we have a volunteer program in Phinma where our officers and staff convert CSR (Corporate Social Responsibility) into ISR: INDIVIDUAL Social Responsibility: where we, the employees, take the initiative to give to the community in our personal capacities as volunteers. We call this the PHINMA HERO NETWORK--an advocacy aimed at transforming all employees and officers into HEROs...Helpful Employees Responsible for Others. Through the program, we celebrate and bring out the HERO in all

of our employees by giving them opportunities to donate their time, talent and treasure towards assisting those in need. Last year, almost 1000 of our 2,658 employees participated in volunteer activities. Our aim is to get ALL of our employees to do volunteer work regularly. After all, volunteerism is the belief in **the power of one**:

If we are able to change just one person's mind and plant the seed of change towards honesty and hard work; if we are able to help get one member of a family through college and get a decent job; if we are able to teach a skill or change an attitude leading to finding a livelihood; if we are able to touch one life and thus improve society in even the smallest of ways, then all of our efforts would not have been in vain.

Initiating these continuing programs for social upliftment will, however, not be enough if our society is not attuned to the right values. The current headlines indicate an area of definite critical importance—good governance and honesty in all areas of society. The dishonesty and corruption around us take valuable scarce resources away from those who really need it as these resources line the pockets of the corrupt. More than ever before, we NOW have the opportunity to push the campaign for an honest and caring society as it is the call of the times. Invest time and effort at infusing the

right values in your banks, our clubs and in our households. Be the change we wish to happen. In the Brotherhood of Christian Businessmen and Professionals, where your own Larry Veloso and Bong Pelaez are active members, we have an advocacy to convince everyone to be honest at all times and in all circumstances.

BE HONEST,

even if others are not,

even if others will not,

even if others cannot.

I realize that sticking to honest ways of doing things is not without its problems. The rest of the world isn't completely convinced yet. In our case, in Phinma, we have experience delayed building permits for our condo projects, slow importation releases and longer queues because we do not want "to come across". We have also not been successful in everything we got into. We have lost money on some investments because competitors who are known to cut corners are overtaking us. But we take comfort that there are more and more companies who are of the same mind as us and that, on balance, we give sufficient return on investment to our investors while we achieve our goal of making life better for our fellow Filipinos.

I read a book entitled “**Finishing Well**” by **Bob Buford**. In a section of that book, Mr. Buford makes a distinction between SUCCESS and SIGNIFICANCE:

SUCCESS and SIGNIFICANCE are similar in terms of what you do day-to-day but different in motivation.

SUCCESS is using your knowledge & experience to satisfy yourself with fame and fortune while

SIGNIFICANCE is using your experience and knowledge to serve others—that is, to make lives better.

The targeted outcome makes the difference and it changes your attitude towards what you do.

We all must model lives of significance. We must look around and see and accept our roles in the unfolding national trek towards development—not

outsiders looking in, but as participants... insiders in this effort to uplift the Filipino people...

It is not just about credit ratings and balance sheets; it's about going beyond the loan proposal and actually doing your part as citizens. It's about believing in a bright future and using your skills and talents not only for your own benefit but for the benefit of the Filipino people at large.

Do not forget your call as banker-entrepreneurs to be the source of empowerment for your own employees as well as the businessmen-entrepreneurs who are your clients. Other regarding, providing inclusive financing, persevering, doing business honorably, seeking significance and not just success.

Thank you for listening. Good afternoon.