



## 15 Years of Service and Ready to Face the Future

By Ramon Domingo

e-Konek Pilipinas, Inc. launched its new disaster recovery and business continuity infrastructure last November 27, 2017 as part of its effort to continuously upgrade and improve its services to its clients and partners following world-class technology and standards. e-Konek's disaster recovery infrastructure is housed in PLDT's VITRO Data Center in Clark, Pampanga.

Employees, managers, top management, and clients from Manila, Laguna, Cavite, and Clark all made the trip to the Quest Hotel in Clark, for the event that coincided with the celebration of the 15<sup>th</sup> founding anniversary of e-Konek.

e-Konek is a technology solutions company that provides, among other things, Value Added Services for trade-related transactions of the business community and the corresponding government regulatory agencies such as the Bureau of Customs, Philippine Economic Zone Authority (PEZA), Subic Bay Metropolitan Authority (SBMA), Authority of the Freeport Area of Bataan (AFAB), and the Clark Development Corporation (CDC).

Guests were formally welcomed by the Chairman of the Lina Group of Companies (LGC) Alberto D. Lina, who congratulated e-Konek for their 15 years of service. e-Konek's Chairman, Guillermo L. Parayno Jr., then gave his keynote address, which recounted the company's growth over the years and how they became the biggest value-added service provider (VASP) to government trade.

A ceremonial toast led by PLDT/Smart Chief Revenue Officer and ePLDT President Eric Alberto, accompanied by Mr. Lina, Mr. Parayno, Ms. Tere Eisma, and other company top executives, followed.

After the toast, guests were invited to tour their newly acquired disaster recovery and business continuity infrastructure located inside the e-PLDT VITRO data center. The guests were briefed on the data center's 11 layers of security that utilizes the most advanced technologies to protect the servers and other IT infrastructure against disruptions and disasters.

Ms. Tere Eisma, President of e-Konek, gave the closing remarks. She thanked everyone who took the time to join them in this twin celebration.

e-Konek extends its gratitude to the Lina Group of Companies and its partners and is looking forward to providing its clients and the nation more years of excellent and unparalleled service.



Banner photo, Celebrating 15 Years: e-Konek and their partners line up for a ceremonial toast led by LGC Chairman Alberto D. Lina, ePLDT President and PLDT/Smart CRO Eric Alberto, Chairman Guillermo L. Parayno, Jr., e-Konek President Tere Eisma, PLDT COO Nerisse Ramos, and PLDT SVP, PLDT & SMART Enterprise Business Head Jovy Hernandez. Above, Ready for any Storm: The ePLDT VITRO data center located in Clark, Pampanga. Photo credit: Mitch Garing



AIR21 President Reuben Pangan (center) received the Leader for Operational Transformation Award during the IDC Digital Transformation Awards last November 21, 2017. Joining him in the photo are (left to right) Dell EMC Enterprise Segment Manager Rowena De Guzman-Peji, E-Konek Pilipinas President Tere Eisma, AIR21 VP for Operations Yayo Estabaya, and Dell EMC System Engineering Manager Jason Yuvencio. Photo Credit: AIR21 Archives.

## AIR21 Hailed as Leader for Digital Transformation

The Only PH Finalist in the IDC Regional Summit

By Emerolf Felix, Celine dela Cruz, and Nico Mallari

The only Philippine finalist in the IDC (International Data Corporation) Regional Summit, AIR21, the Total Logistics Solutions Provider, emerged as the 2017 Digital Transformation (DX) Leader for Operational Transformation in the Philippines during the First Digital Transformation Awards (DXa) given by the IDC on November 21 at Bonifacio Global City. BIMA and Maynilad Water Services, Inc. were also recognized as the Digital Disruptor of the Year and Digital Transformer of the Year, respectively.

IDC is the premier global provider of market intelligence, advisory services, and events for the information technology, telecommunications, and consumer technology markets. With more than 1,100 analysts worldwide, IDC offers global, regional, and local expertise on technology and industry opportunities and trends in over 110 countries. IDC's DXa recognizes organizations with the best digital transformation initiatives that created a massive impact to disrupt and change their markets.

Aside from bagging the PH DX Leader for Operational Transformation, AIR21 is the only Filipino company that qualified for the Asia-Pacific Regional Finals during the IDC DX Summit and Awards 2017 held last November 28 at Gardens by the Bay in Singapore.

Digital transformation Asia-Pacific regional winners include Singapore's Changi Airport Group, DBS, Hong Kong's MTR Corporation, Jardine Restaurant Group, and Korea's Lotte Department Store among others.

Finalists in the Asia-Pacific region in the Operational Transformation category together with AIR21 include Postal Savings Bank of China (China), Mother Dairy Fruit & Vegetable Pvt. Ltd. (India),

Sinar Mars Land (Indonesia), National Computing and Information Service (Korea), M Social Singapore (Singapore), and Taipei City Government (Taiwan).

"We are thrilled with this honor not only on behalf of the officers and staff of AIR21 but for all Filipinos. To be in the list of regional finalists, which showcased the advanced tech initiatives of multinational giants in the Asia-Pacific region, went beyond any expectations we had. I credit the vision of our Chairman, Mr. Bert Lina, the work of our AIR21 analytics and operations team led by Vice President Gloria Estabaya, and our tech partners e-Konek Pilipinas, Inc. and Dell-EMC for making this happen," said AIR21 President Reuben Pangan.

AIR21 began its transformation in 2013 when it implemented the automated shipment tracking and business analytics system, eliminating the need for manual service reporting. This system, when integrated with the core processes, led to increased productivity in all areas of the business—from effective delivery routing, scheduling, volume forecasting, and efficient billing cycles to productive human resource planning.

The AIR21 Command Center monitors and assesses the day-to-day nationwide operations, allowing the company to make decisions faster and in real time, and offering greater flexibility in asset management. This in turn enables the company to develop preemptive solutions for short and long-term challenges and achieve full optimization of its delivery business.



Photo Credit: Mitch Garing

## Using IT to Speed Up Government

UBE Media Interviews Chairman Guillermo L. Parayno, Jr.  
By Ramon Domingo, Celine Dela Cruz, and Nico Mallari

For those who may not be familiar with who you are, please give a brief background of yourself.

I joined LGC in July 1998 after serving as the Commissioner of Customs from 1992 to 1998. I met Chairman Bert Lina long before that. We were good friends first before we became partners.

I can think of at least two reasons why Chairman Lina offered me sanctuary at the Lina Group of Companies (LGC) after leaving Customs. One is having worked closely with him in crafting the Customs Orders, rules and regulations for the operations of Fedex in the country particularly at the Subic Bay Metropolitan Authority (SBMA).

The other is the recognition sometime in 1998, of a common interest in electronic governance. After attending an IT conference in Hong Kong, we were convinced that we had to take leadership in e-Gov development and to use it to create a regulatory environment for trade that will make the country a preferred investment destination in our part of the world.

Chairman Bert Lina gave me the position of Co-Chairman so that I can “look into the operations of all the companies in the group.” However, I devoted my energies mainly at empowering various government agencies sitting at the borders to provide e-Gov systems for their respective publics.

Together with a handful of staff from Bureau of Customs (BOC) that joined me at LGC, we developed e-Gov systems that were implemented in record times. The Philippine Economic Zone Authority (PEZA) gave its locators the Automated Export Documentation System (AEDS) and the Automated Import Permit System (AIPS). The SBMA made available the Trade Automation and Facilitation System (TAFS) initially consisting of the Admission Permit System (APS) and their own version of AEDS. To optimize the effective use of these e-Systems, we

*“I am a servant-leader. I am not going to make my people do something that I’m not ready or able to do myself.”*

collaborated with the leaderships of Customs and other trade regulatory agencies in the crafting of policies, rules and regulations.

While the e-Gov projects that we implemented were meant to mainly benefit the country, among the biggest beneficiaries of these reforms were LGC’s own clientele who were in the business of import and re-export—companies who needed a quick turn around time to be globally competitive.

Ufreight and Airfreight 2100 were able to increase their service levels using these e-Systems.

With the assistance of Airfreight 2100, we developed and implemented the Domestic Freight Systems (DFS) for their logistics operations, as well as a Warehouse Operating System for Ufreight and Cargohaus based on the Ufreight International System WOS.

My stint with LGC was cut short when I was recalled to government service as the BIR Commissioner in September 2002. I returned to LGC as President of e-konek Philippines in 2007 after doing consulting work with ADB, IMF, and WB.

You’re one of the longstanding faces here in the LGC. How has the company grown from the first time you set foot here to now?

When I joined the LGC, it was already a trusted major third-party logistics provider with strong partnerships with leading international companies. The blue oceans then were the businesses on waste management.

But it was e-Konek that grew very fast, particularly after it was incorporated in 2005. e-Konek became part of the effort to develop and implement the e2m Customs System—which after 12 years, continues to be used as the main IT system. In 2006, e-Konek started providing Value Added Services (VASP) for the lodgment of customs declarations at the Port of Manila using the e2m Customs

System. When e2m became a fully web-based system, e-Konek became the dominant VASP for the submission of e-Documents into Customs.

As the corporate IT of the LGC, e-Konek introduced best of breed enterprise systems for finance and administration including business intelligence systems for the entire Line Group of Companies.

### How did e-Konek come about? Did you see opportunity or market that needed to be filled?

e-Konek was the continuation of my effort as customs commissioner to fully computerise the agency. Late in 1994, Customs started work on developing the Automated Customs System (ACOS) by integrating three separate IT systems. In February of 1996 on the occasion of the Founding Anniversary of Customs, and with President Fidel V. Ramos in attendance, we implemented ACOS at the Manila International Container Port on a pilot basis. By the end of my stint at Customs in 1998, practically all customs ports in the country were already using ACOS.

However, ACOS by 1998 was just a system for automating two customs documents. I left Customs feeling that I had not computerized other major customs regimes that would have benefitted the various economic and Freeport zones. I told myself I would continue this unfinished business in the private sector.

Thus, I am very thankful to Bert Lina and the Lina Group of Companies for giving me a base of operations for continuing the work. The only one in the logistics industry to have this—which gives us a big competitive edge.

### The world of VASP and IT is one that is always growing and evolving. What do you think is e-Konek's edge in this field that makes them one of the biggest in the industry?

e-Konek's edge is its people. I brought with me to LGC my key staff from BOC—the late Thelma Sotto; now e-Konek President Tere Eisma; and Operations Chief Jowie Pilac, among others. We hired fresh graduates from UP Los Baños to complete a team and we collaborated with SEIPI to develop and make available to its membership, the Automated Export Documentation System (AEDS).

When we were just beginning, I calculated the combined number of years of experience of my key staff and I, and no other group comes close to our 100 years. My then deputy at e-Konek, Ms. Thelma Sotto, was one of the pioneers at the National Computer Center where she started her career in IT. Thelma labored long hours to develop the IT systems for our VASP operations. Tere and I also started our careers in IT at NCC like Thelma. But while Thelma focused on e-Konek's external engagements, Tere focused on developing LGC's internal systems. Together with those who worked with us at BOC, and those young idealistic recruits from UP, we were a formidable team.

Another strength is e-Konek's cloud-based infrastructure. We are probably the first, and the only one in the logistics industry to have this—which gives us a big competitive edge.

### What was it like to watch e-Konek grow for the past 15 years?

It's with much satisfaction that e-Konek is now a recognized leader as an e-Services provider for many government agencies with respective mandates over the cross-border flow of goods.

e-Konek has ventured into other fields as well. With its strong partner CAI, we helped enhance and strengthen the BIR's Electronic Filing and Payment System, as well as the eBIR Forms. With the Bureau of Forest Development, we helped develop the stump-to-lumberyard track and trace system.

### The past 15 years must have brought some interesting stories along the way. What unique event in e-Konek history can you share?

When e-Konek started to collect fees for its services in 1996, the amount was calculated as a cost-recovery fee. For some engagements, we even shared the revenues with our partners like SEIPI and SBMA.

Today after 12 years, e-Konek still has the same fee structure. We have not increased our fees. Doesn't this make e-Konek unique?

Our Motto is Country above Company. If it will help the country, then we will do it; if it does not, then we will not even consider it, even if there's great revenue from it. Helping the country is above everything else.

### What's in store for the future, for both you and e-Konek?

My main preoccupation now for e-Konek is succession. Even as we are still opening up more opportunities for e-Konek, Bert and I need to focus on mentoring and bringing up the future leaders of e-Konek. Bert and I are still mainly the door openers for e-Konek's work in e-Gov by virtue of our years of association with people in government, but our goodwill is fast getting depleted with new blood coming into government service.

e-Konek must remain as a trusted partner and friend by the government if it is able to be allowed to continue with its advocacy for a better and more competitive regulatory environment for trade and investment. This will be my main preoccupation moving forward.