



Philequity Corner (August 13, 2018)
By Wilson Sy

We've got it all

Sixty years ago, Henry Sy built Shoemart as a small shoe store in Carriedo St., Quiapo, Manila. Since then, SM has blossomed into the country's biggest business empire. To truly understand the success behind SM, one must appreciate the values, work ethic and vision of Henry Sy.

Humble beginnings in Carriedo

The first Shoemart stood across my parents' corner store and our home in Carriedo. Henry Sy and my father were friends as both of them owned stores in the same street. I got to know Henry Sy's children from a young age. Big Boy was my batchmate in Xavier. Hans was also the batchmate of my brothers in Xavier. Coming from the same background and having witnessed the genesis of SM, I can identify and relate to Mr. Sy and his children. This explains why Henry Sy's life and values have been a big inspiration for me.

The value of money

Our home was located in the second floor of our store. Since we had limited living space, the store became my playground and study area. Tending to the store became a major part of my childhood and adolescent years. Growing up this way made me understand how hard it is to earn money. Our store was open every day so there were no holidays or weekend breaks for me. Each client was important, each sale was valuable and every centavo mattered. These experiences taught me that fully appreciating the value of money is a key ingredient for success.

No substitute for hard work

Since SM started as a family-owned shoe store, I witnessed Henry Sy's children go through similar experiences that I went through. Tessie Sy-Coson recounted that she and her siblings had to take jobs as store cashiers, stockers or sales personnel. Early on, the importance of hard work was imbibed in them. Thus, working hard was natural for Tessie and her siblings when it was their time to manage the family businesses.

A frugal lifestyle

Despite his early success, Henry Sy, or Tatang as we fondly call him, remained thrifty and shunned extravagance. In the board and excom meetings that I attended, Tatang would always only serve fried rice. There were no viands offered to us directors. Pointing to the meat and shrimp pieces that were mixed with rice, Tatang explained that fried rice is already a complete meal. This illustrated to me that Tatang truly lives a humble and frugal lifestyle.

'Perseverance and determination'

Henry Sy was a master at capitalizing on opportunities during a crisis. He built SM City North Edsa in 1985 amid a severe economic downturn. Meanwhile, SM Centerpoint in Sta. Mesa and SM Megamall in Ortigas were constructed shortly after military coups in the late 1980s. A quote from his daughter, Tessie, encapsulates the mindset of her father: "What happened to us is just a matter of working

consistently even in bad times until the upward swing of the economy takes us to a higher level. No special skills needed. Just perseverance and long hours of work.” (*Hard Work, Perseverance and Determination*, November 13, 2006)

Long-term vision

Henry Sy understood that crises are temporary and can therefore present opportunities. Guided by his vision, Henry Sy often underscored the importance of planning ahead for the future. This enabled him to appreciate the economic potential of the Philippines and see past the various challenges that weighed down our country’s growth (*Mind of a Taipan*, August 15, 2005).

The power of capital markets

SM’s story illustrates the power of capital markets. Listing in the stock exchange enabled the SM group to raise large amounts of capital which came in the form of equities, bonds and other financial instruments. The value created by listing in the PSE allowed SM to become the largest conglomerate in the country. This also opened the avenue for both local and foreign investors to partake in SM’s story and become partners with Henry Sy and his family.

The first Filipino company to reach one trillion pesos

On June 5, 2017, SM Prime Holdings (SMPH) became the first Filipino company to reach a market capitalization of one trillion pesos. Not long after, SM Investments Corp (SM) also breached the trillion peso milestone. To date, SMPH and SM are the only local companies with a market capitalization of at least one trillion pesos.

Driven to be #1

Henry Sy has always been driven to become number one in all his business endeavors. Indeed, through hard work, persistence and dedication, his businesses have become number one in their respective fields. SM, SMPH and BDO Unibank (BDO) are number one in their respective sectors in terms of size, profits and market capitalization.

Imparting his values to his children

It is amazing to have witnessed the growth of SM from a shoe store in Carriedo to the country’s biggest business empire. Beyond his business accolades and the wealth that he has accumulated, what I admire the most about Tatang is how he passed on his values to his children. These include important traits such as discipline, humility, frugality, drive, determination, hard work, attention to detail and vision.

We’ve got it all for you

The SM group of companies are now engaged in businesses such as property development, shopping malls, retail, banking, hotels and schools. Wherever we go, there is an SM mall or an SM-owned company. SM has gotten so big that its products and services have become part and parcel of the everyday lives of Filipinos. Ultimately, Henry Sy’s vision for his businesses to offer everything has become a reality. As SM’s slogan and jingle puts it, “We’ve got it all for you.”

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