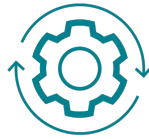Philippine Chamber of Commerce and Industry
Marriott Grand Ballroom, Pasay City
October 12, 2016 3:30pm

Business Opportunities
in the BPO and Creative Space

now
CORPORATION
Silicon Valley - Manila - Tokyo

MEL V. VELARDE

CEO, NOW Corporation and NOW Telecom Co.
Chairman, Asian Institute of Journalism and Communication
UNESCO Commissioner and Chairman of Science and Technology
Committee, UNESCO Philippines, 2003-2010

Coverage

- Introduction: **1 minute**
- Opportunities in BPO & Creative Space: **6 minutes**
- Internet of Things (IoT) : **6 minutes**
- What NOW is doing for the BPO: **2 minutes**

NOW Corporation at a glance

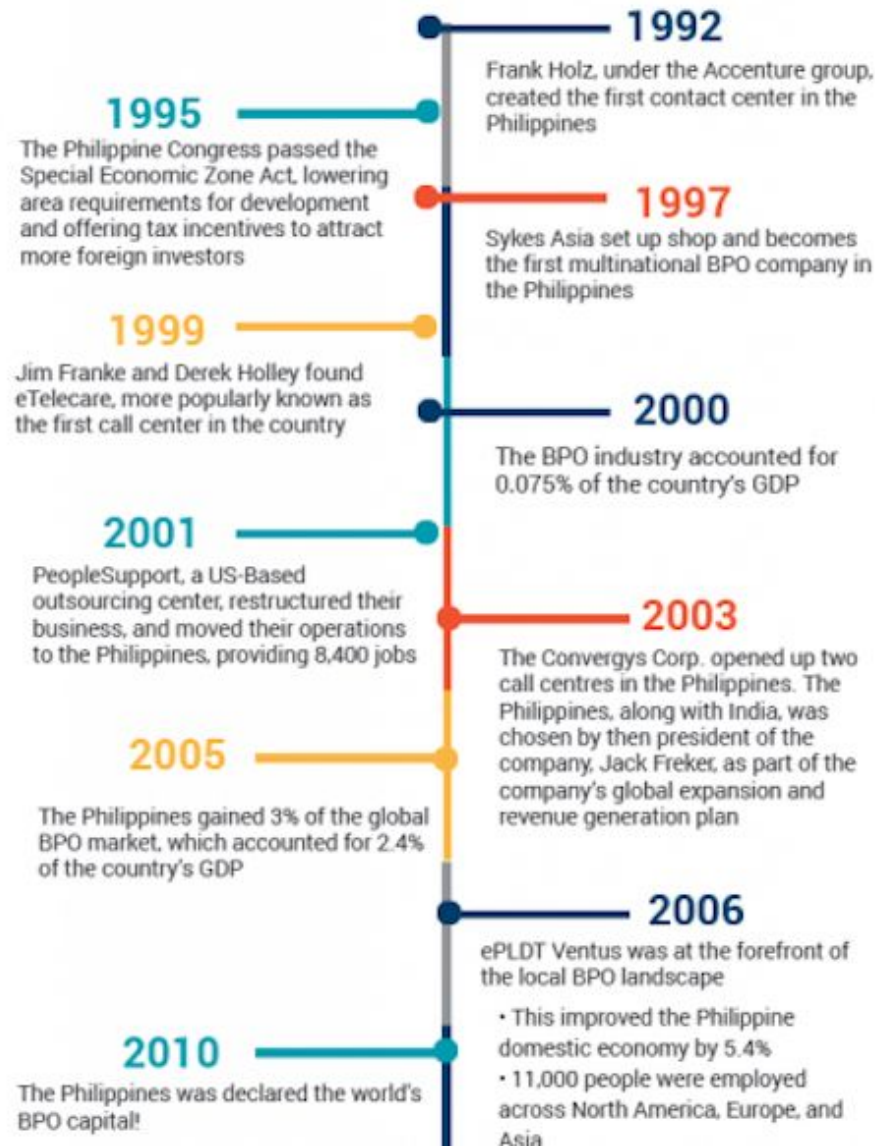| Who we are?	NOW is a company strong in IT providing broadband internet solutions to enterprises and residential buildings.		
NOW Corp (Ticker: NOW)	Listed Firm in the Stock Exchange with businesses in the Telecommunications, Media and Technology space		
Business Areas	Collaboration Solutions	IT Resource Augmentation and Deployment	Broadband and Wireless Cable TV

Led by management professionals expert in the field of TMT

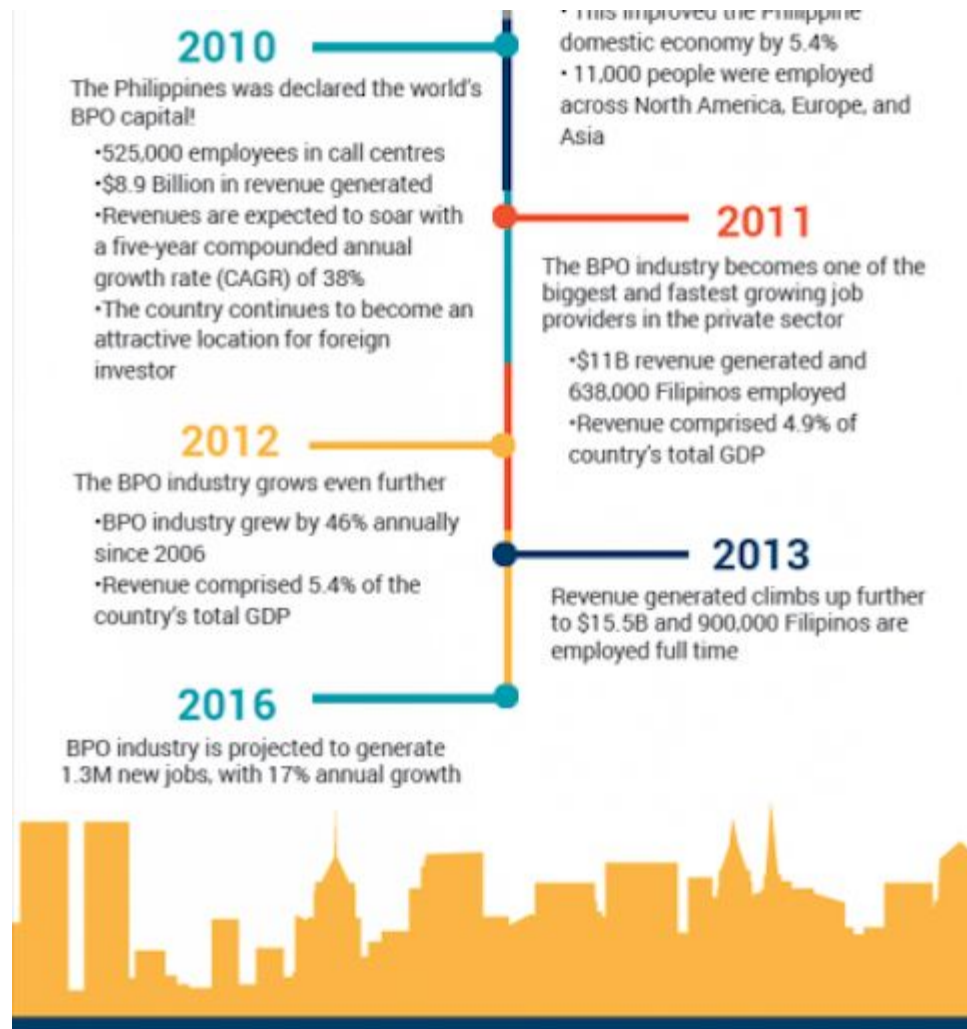# Business Opportunities in the BPO & Creative Space

Opportunities in BPO Core Processes

- *Market research*
- *Fraud analytics*
- *Equity research and investment banking*
- *Insurance and actuarial engineering services*
- *Animation*
- *Web development*

- *Data integration*
- *Project management remote education*
- *Research and development*
- *Radiology*
- *Medical transcript preparation*
- *Legal processes*

A TIMELINE OF THE BPO INDUSTRY IN THE PHILIPPINES

1992
Frank Holz, under the Accenture group, created the first contact center in the Philippines

1995
The Philippine Congress passed the Special Economic Zone Act, lowering area requirements for development and offering tax incentives to attract more foreign investors

1997
Sykes Asia set up shop and becomes the first multinational BPO company in the Philippines

1999
Jim Franke and Derek Holley found eTelecare, more popularly known as the first call center in the country

2000
The BPO industry accounted for 0.075% of the country's GDP

2001
PeopleSupport, a US-Based outsourcing center, restructured their business, and moved their operations to the Philippines, providing 8,400 jobs

2003
The Convergys Corp. opened up two call centres in the Philippines. The Philippines, along with India, was chosen by then president of the company, Jack Freker, as part of the company's global expansion and revenue generation plan

2005
The Philippines gained 3% of the global BPO market, which accounted for 2.4% of the country's GDP

2006
ePLDT Ventus was at the forefront of the local BPO landscape
· This improved the Philippine domestic economy by 5.4%
· 11,000 people were employed across North America, Europe, and Asia

2010
The Philippines was declared the world's BPO capital!

2010

The Philippines was declared the world's BPO capital!

- 525,000 employees in call centres
- $8.9 Billion in revenue generated
- Revenues are expected to soar with a five-year compounded annual growth rate (CAGR) of 38%
- The country continues to become an attractive location for foreign investor

2012

The BPO industry grows even further

- BPO industry grew by 46% annually since 2006
- Revenue comprised 5.4% of the country's total GDP

2016

BPO industry is projected to generate 1.3M new jobs, with 17% annual growth

- This improved the Philippine domestic economy by 5.4%
- 11,000 people were employed across North America, Europe, and Asia

2011

The BPO industry becomes one of the biggest and fastest growing job providers in the private sector

- $11B revenue generated and 638,000 Filipinos employed
- Revenue comprised 4.9% of country's total GDP

2013

Revenue generated climbs up further to $15.5B and 900,000 Filipinos are employed full time

http://www.rappler.com/brandrap/stories/98207-bpo-philippines-timeline
http://www.teledevelopment.com.ph/brief-history-philippine-bpo-industry/
http://manilamuse.typepad.com/bpo/2007/06/a_brief_history.html

 # 1 in Voice

U$25 billion
2016 market size

U$55 billion
2020 market size

1.18M Jobs
2016

"Philippine BPO Industry is set to outpace the OFW remittance"
- *Bankgo Sentral ng Pilipinas*

Drivers of growth of the BPO Industry:

- *scalable, educated talent pool*
- *cost competitiveness*
- *excellent infrastructure*
- *a proven track record*
- *adequate government support for the industry*

77% of the PH's BPO Export is US-based companies

Contact Center

IT and Software Development

Back Office and Other Processes

Creative Services

Engineering Services and R&D

"If times are good, offshore companies need to outsource non-core services to remain competitive. When their economies are not doing well, they have to resort to outsourcing because of the need to cut on costs…"
- BSP Deputy Governor Diwa Guinigundo

Cultural Sites

Archaeological sites, Museums, Libraries, Exhibitions, etc.

Traditional Cultural Expressions

Arts and Crafts, Festivals, and Celebrations

Visual Arts

Paintings, Sculptures, Photography, and Antiques

Performing Arts

Live music, Theatre, Dance, Opera, Circus, Puppetry, etc.

Publishing and Printed Media

Books, Press, and other Publications

CREATIVE INDUSTRY

Audio Visuals

Film, Television, Radio, other Broadcasting

Design

Interior, Graphic, Fashion, Jewelry, and Toys

Creative Services

Architectural, Advertising, Creative R&D, Cultural & Recreational

New Media

Software, Video Games, Digitalized Creative Content

Source: UNCTAD

Philippines as a BPO and KPO Center

Ubisoft Opens a New Studio in the Philippines - IGN
The publisher behind Assassin's Creed and Tom Clancy's The Division has a new studio in Southeast Asia.

IGN.COM

Set to begin its first term in 2017 in the DLSU Science and Technology Complex in Laguna, the program aims to groom local talents to create leaders and innovators in Asia's growing game development industry.

Pinoy Talents at the Center of the Creative Industry

JD Abeneza
President
Zeenoh Inc.

Eric Pangilinan
Creative Art Director
Naughty Dog

TODAY

UBER - The world's largest taxi company – *owns no vehicles.*

FACEBOOK - The world's most popular media owner – *creates no content.*

ALIBABA - The most valuable retailer – *has no inventory.*

AIRBNB - The world's largest accommodation provider – *owns no real estate.*

Imagine call centers and BPO offices without humans!

Robots

Artificial Intelligence

Apple Siri   *Amazon Alexa*   *IBM Watson*
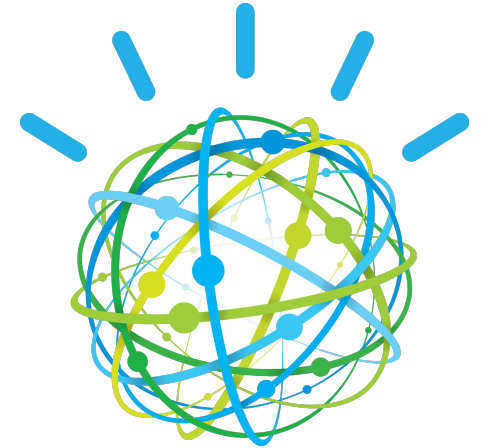
IBM Watson

IBM Watson is a technology platform that uses natural language processing and machine learning to reveal insights from large amounts of unstructured data.
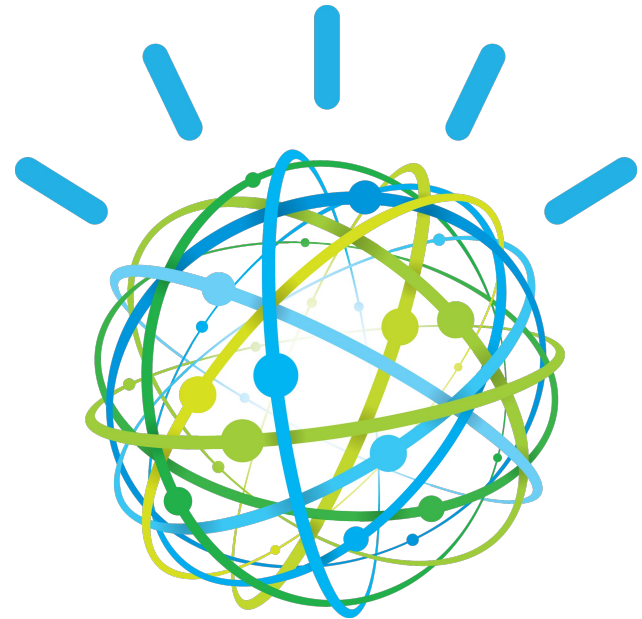
IBM Watson

What Watson can do for you

Answer your customers' most pressing questions

Quickly extract key information from all documents
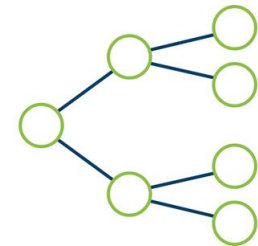
Reveal insights, patterns and relationships across data

IBM Watson

How Watson reveals insights
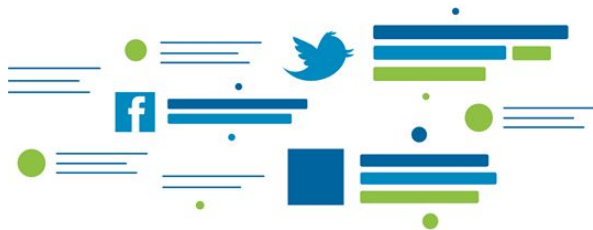
Analyzes unstructured data

Uses natural language processing to understand grammar and context
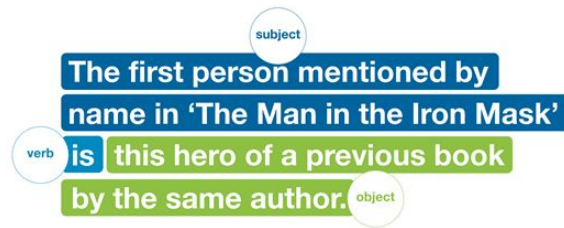
Understands complex Questions

Evaluates all possible meanings and determines what is being asked
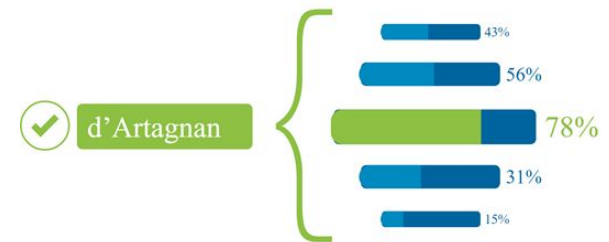
Presents answers and solutions

Based on supporting evidence and quality of information found

IBM Watson

How Watson answers questions

Watson first needs to learn a new subject before it can answer questions about it

First Watson learns a new subject

- *All related materials are loaded into Watson, such as Word documents, PDFs and web pages*
- *Questions and answers pairs are added to train Watson on the subject*
- *Watson is automatically updated as new information is published*

Then Watson answers a question

- *Watson searches millions of documents to find thousands of possible answers*
- *Collects evidence and uses a scoring algorithm to rate the quality of this evidence*
- *Ranks all possible answers based on the score of its supporting evidence*

INTERNET
of THINGS
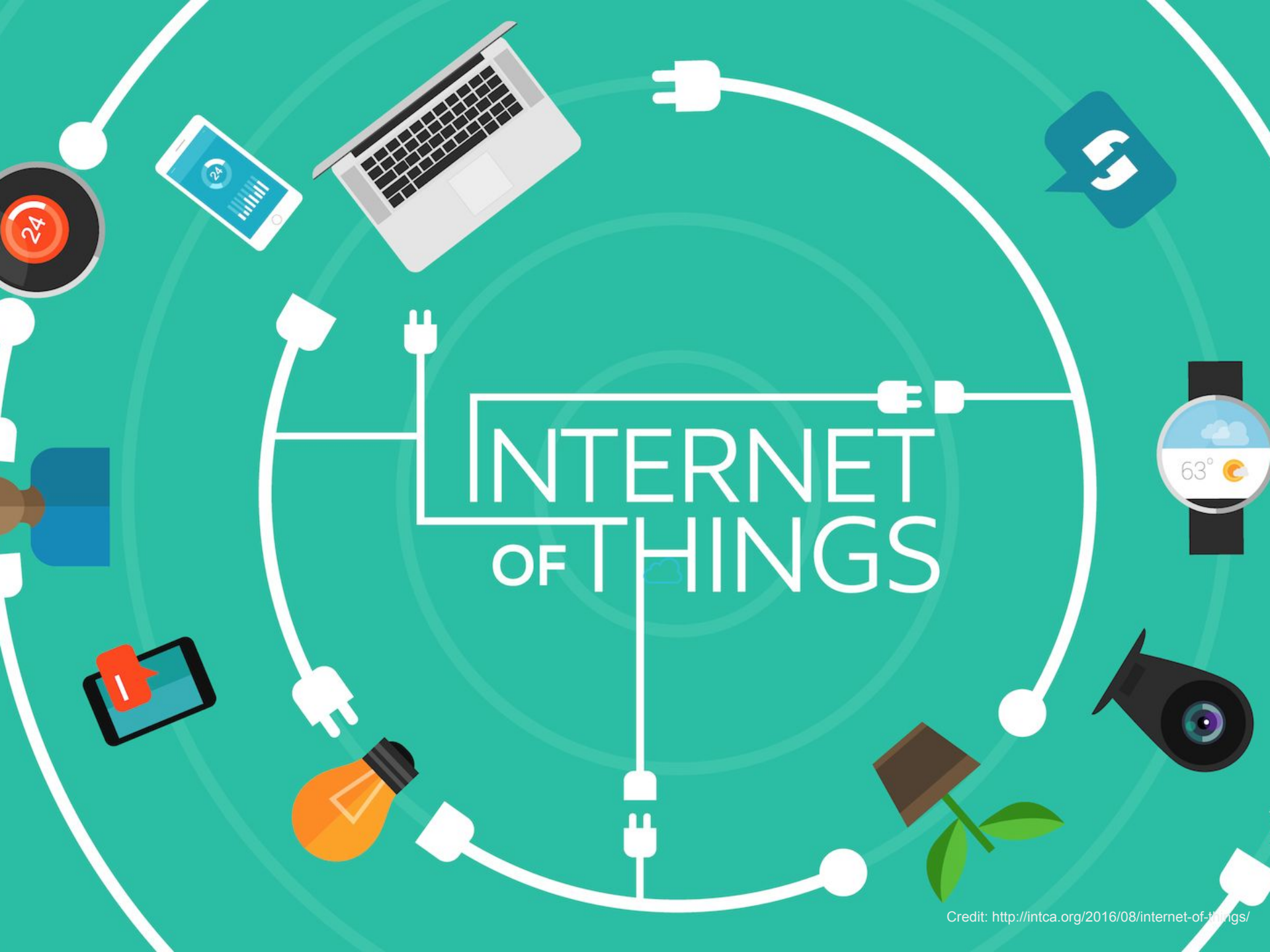
Internet of Things (IoT)

INDUSTRIAL

CONSUMER

Internet of Things (IoT)

IoT network = > **29 billion connected devices**.

Economic value = > **$11 trillion by 2025**.

IDC *now predicts by* **2020.**

Some experts still feel these numbers are too conservative.

Internet of Things (IoT)

According to a McKinsey & Company report,

"The Internet of Things has the potential to fundamentally shift the way we interact with our surroundings. The ability to monitor and manage objects in the physical world electronically makes it possible to bring data-driven decision making to new realms of human activity—to optimize the performance of systems and processes, save time for people and businesses, and improve quality of life."

McKinsey & Company

NINE SETTINGS WHERE VALUE MAY ACCRUE

The Internet of Things offers a potential economic impact of $4 trillion to $11 trillion a year in 2025

SIZE IN 2025, $ TRILLION

LOW ESTIMATE   HIGH ESTIMATE

Setting	Range
FACTORIES	1.2-3.7
CITIES	0.9-1.7
HUMAN	0.2-1.6
RETAIL	0.4-1.2
OUTSIDE	0.6-0.9
WORK SITES	0.2-0.9
VEHICLES	0.2-0.7
HOMES	0.2-0.3
OFFICES	0.1-0.2
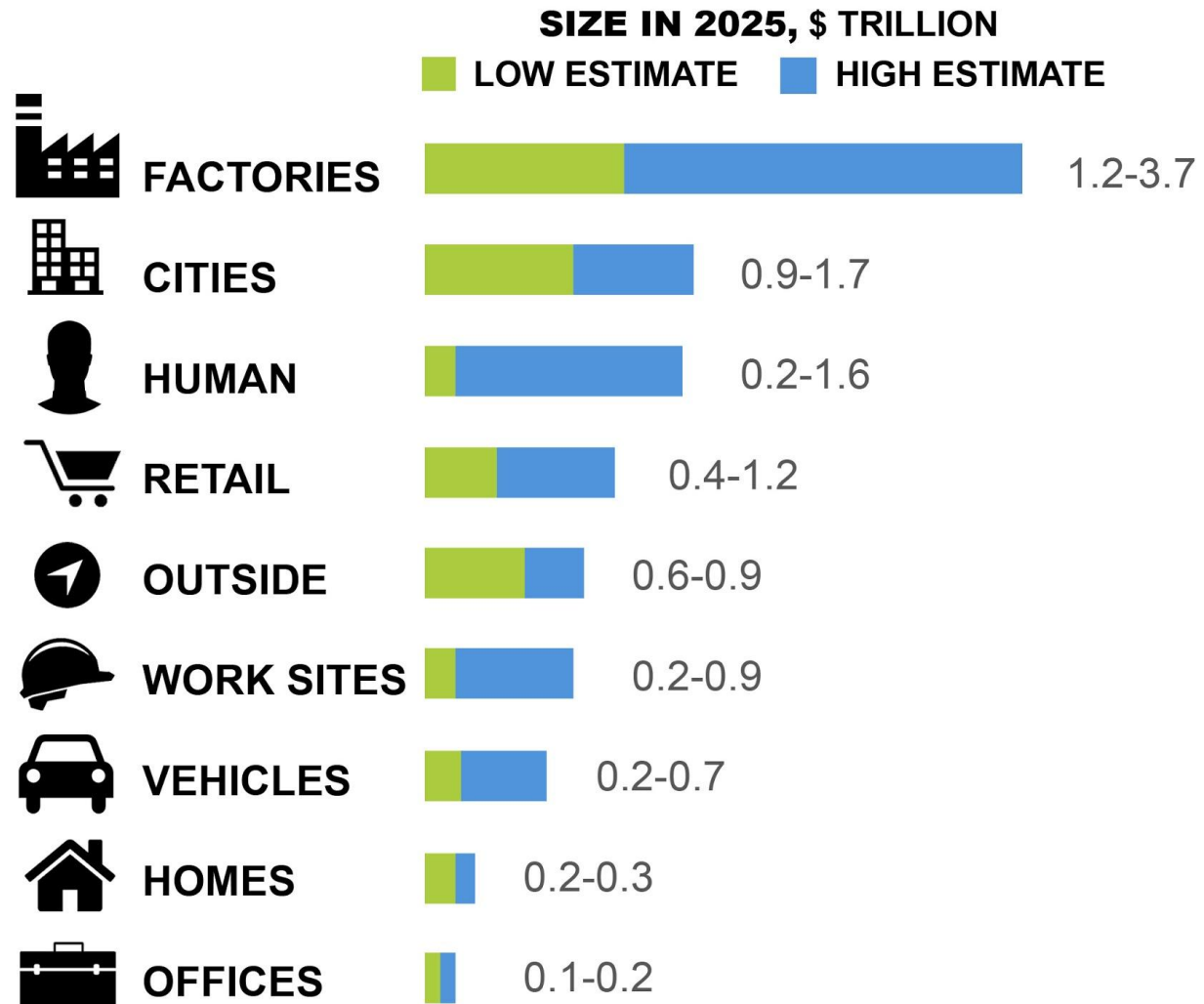
TOTAL $4 TRILLION - $11 TRILLION

Top Internet of Things (IoT) Companies
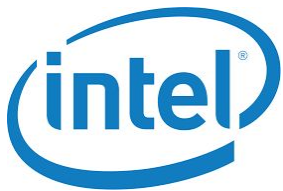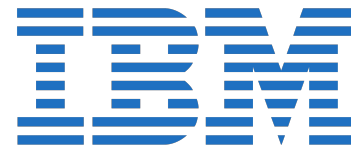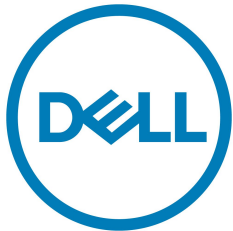
What does IoT mean for business?

From ***cars to crops to conveyor belts—***
IoT is changing the way businesses operate*.*
IoT data *with:*

- *advanced analytics*
- *cognitive computing*

Business can extract valuable insights to improve virtually every aspect of their operations*.*

What does IoT mean for business?

Energy

Retailers

Production Line Sensors

Medical Wearable Devices

IoT has the potential to transform your entire business.

http://www.ibm.com/internet-of-things/learn/library/what-is-iot/

Foundation of IoT

- *Devices and Networks*
- *Data*
- *Applications and Analytics*
- *Industry-Specific Expertise*

IoT Applications

2

Proven Value, Immediate Opportunity

Smart Home

Wearables

Connected Cars

TRANSFORM THE CUSTOMER EXPERIENCE
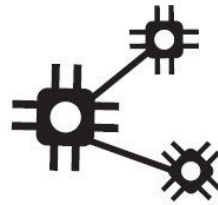
IBM **MessageSight**

SCANIA

The automotive giant goes beyond truck manufacturing by using vehicle and other IoT data to cut fuel costs and improve safety for drivers and fleet planners.
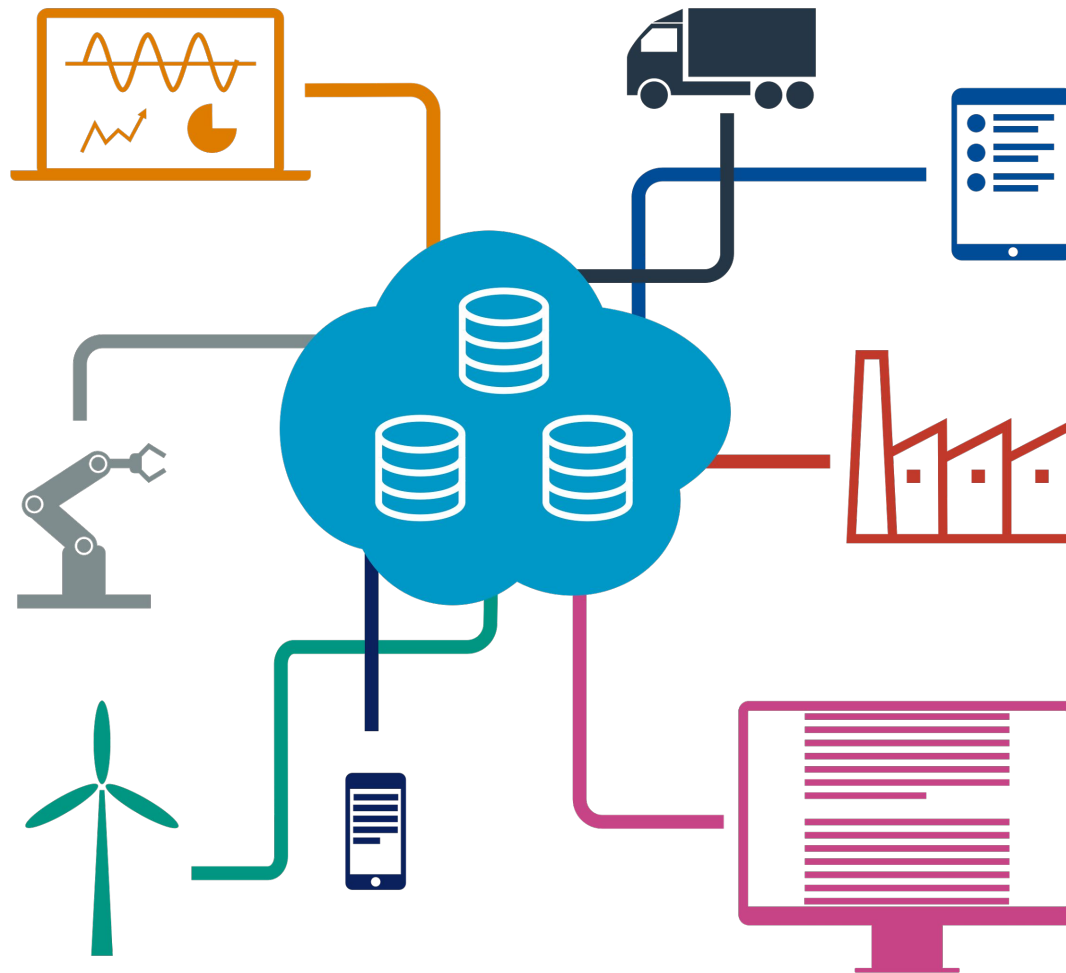
DISRUPT OR BE DISRUPTED
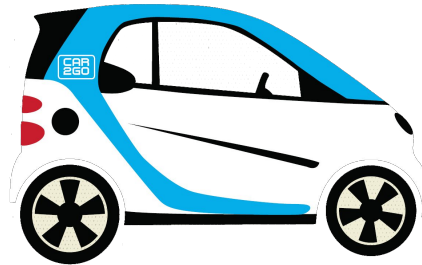
The European car manufacturer reimagined its business model, launching a car sharing service and mobile app designed to reveal the fastest and cheapest ways to get from A to B.

BOOST OPERATIONAL EFFICIENCY
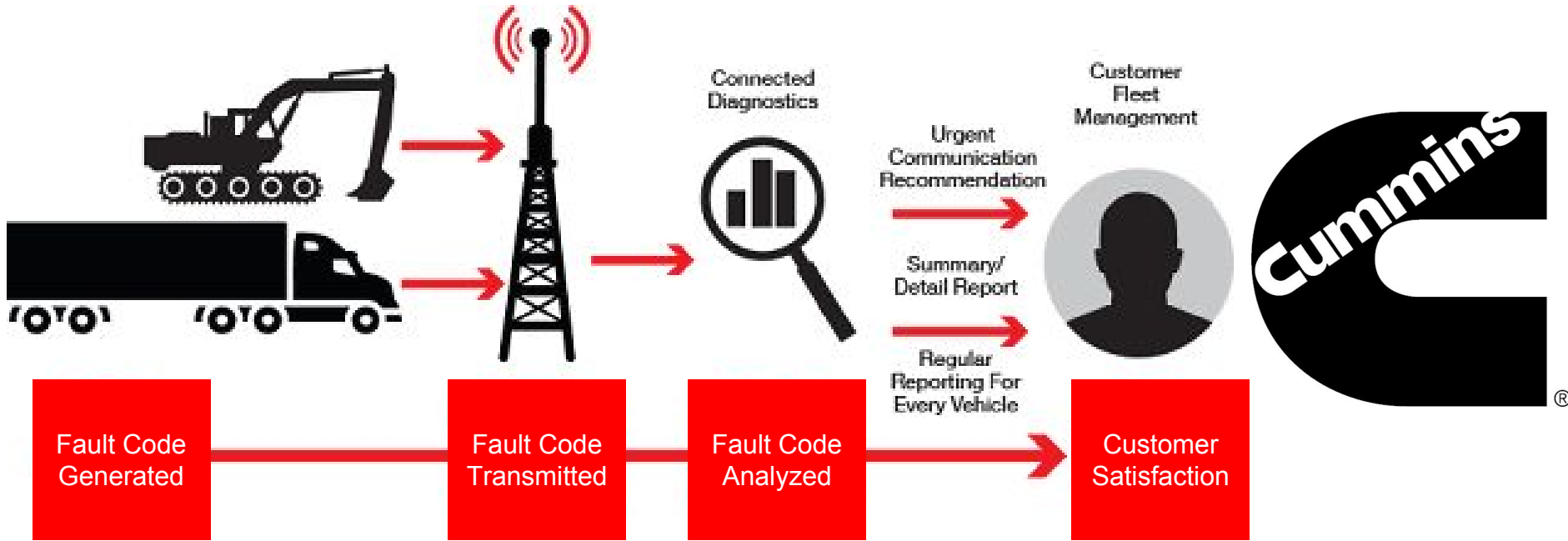
This engine manufacturer collects and transmits real-time performance data and uses predictive analytics to diagnose issues remotely and keep availability high.
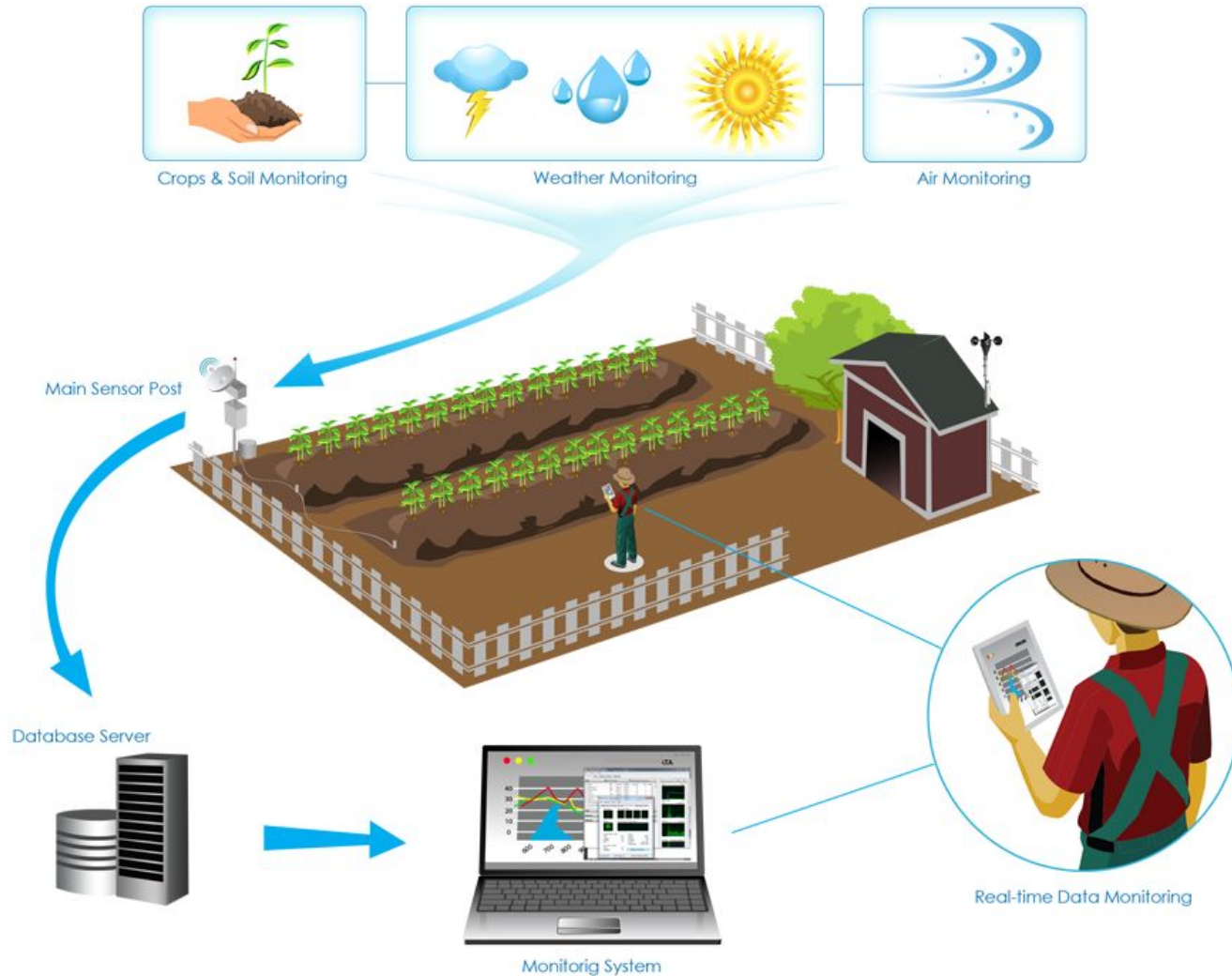
Industrial Internet

Smart Cities

IoT in Agriculture

Crops & Soil Monitoring

Weather Monitoring

Air Monitoring

Main Sensor Post

Database Server

Monitorig System

Real-time Data Monitoring

DISRUPT OR BE DISRUPTED

EZ-FARM

SMART METERING

This IoT-enabled remote monitoring solution helps boost crop yields, increase sustainability and safeguard the food supply, helping small-scale farmers in Africa improve productivity and grow revenue.

Smart Retail

TRANSFORM THE CUSTOMER EXPERIENCE

STARBUCKS

IoT-based insights enable the coffee purveyor to identify and open new locations faster, driving top-line revenue growth, while IoT data feeds integrated facilities management tools to keep global operations running efficiently.

Energy Engagement

IoT in Healthcare
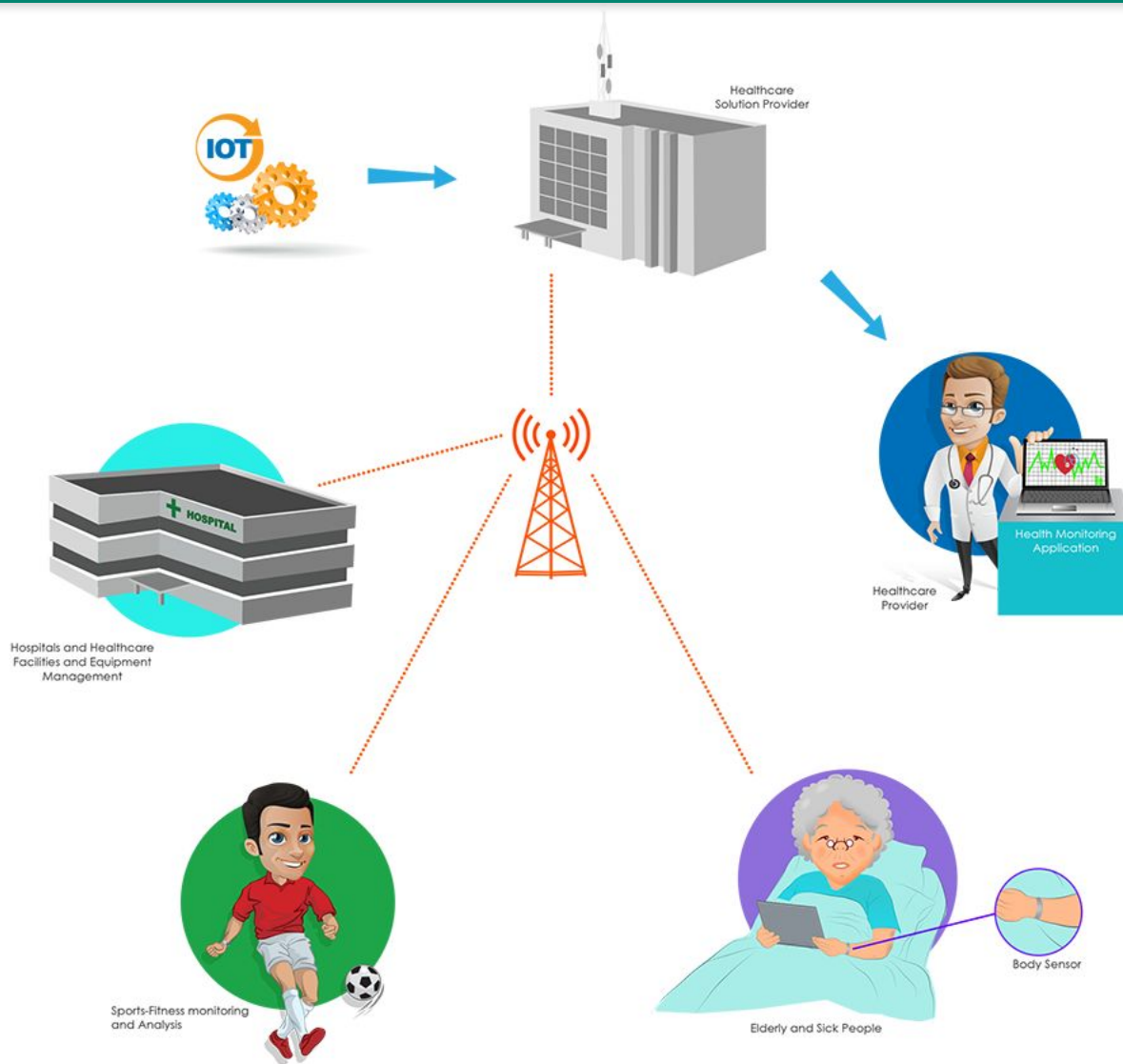
BOOST OPERATIONAL EFFICIENCY

NEW SOUTH WALES HEALTH

Southeast Australia's New South Wales public healthcare system uses IoT insights to improve patient outcomes and operational efficiency across the system's 220 hospitals that span 17 regions.

What NOW is doing to support the growth of the BPO & Creative Industry?

now.
NETWORK

Telecom
Cable TV
Internet
IT & Cloud

Fiber-in-the-Air
Technology via
Radio Antenna

50Mbps to
1Gbps
Guaranteed
Service

BOOST THE POSSIBILITIES.
Experience Fiber in the Air with Fiber Underground.
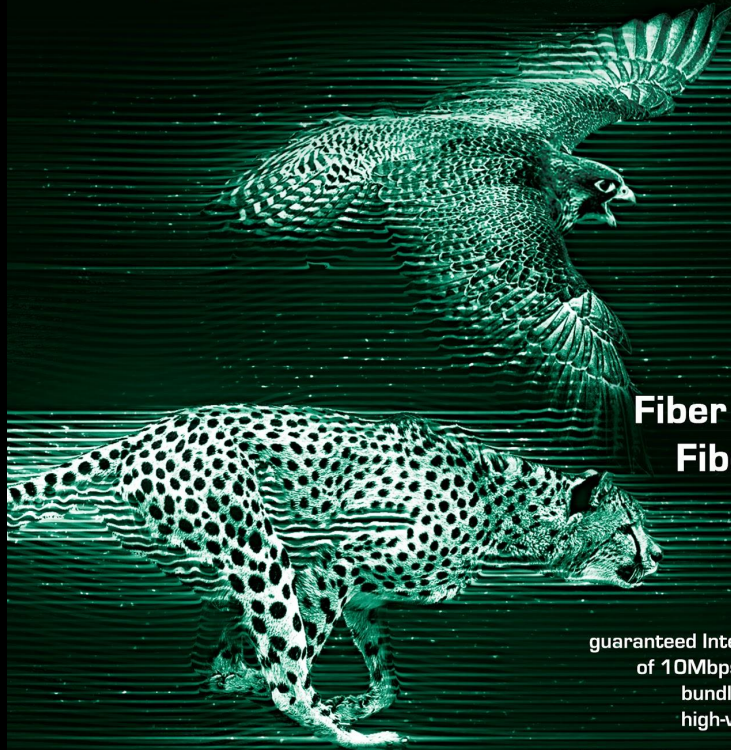**Reinvent your building Now.**

Experience the Future | **now** PH **NETWORK**
BY **NOW CORPORATION**
A listed firm in the Philippine Stock Exchange

CONNECT YOUR BUILDING NOW.
Call +632 640-6891 or email us at marcom@now-corp.com
www.nownetwork.ph/building-partner

ASC Ref No. N041N062216N

See the measurement results of NOW Network's Wireless Broadband/ Internet Access Service

using the NTC benchmarking equipment
on July 13 and July 19, 2016.

NTC MEASUREMENT RESULTS

Location	Subscription Speed (Mbps)	Actual Download Troughput (Mbps)	Actual vs. Subscription (%)	Upload Troughput (Mbps)
Manila	10	9.755	97 55	6.388
Manila	20	19.468	97.34	7.882
Manila	25	26.761	107.044	7.656
Manila	50	78.051	156.102	12.62

Based on National Telecommunications Commission (NTC) benchmarking equipment used on July 13 and July 19, 2016

Experience the Future

now PH

NETWORK
BY NOW CORPORATION
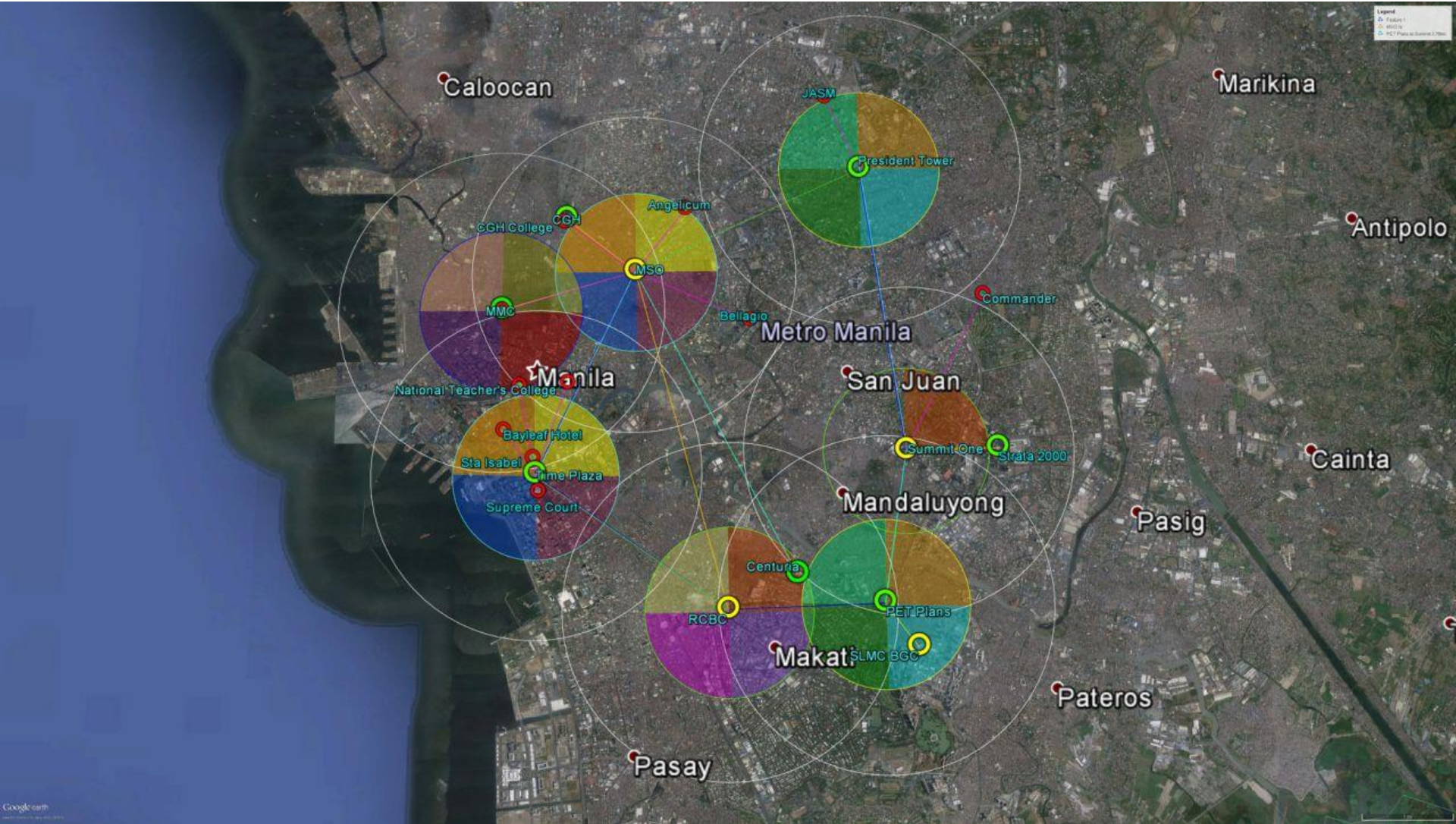A listed firm in the Philippine stock exchange

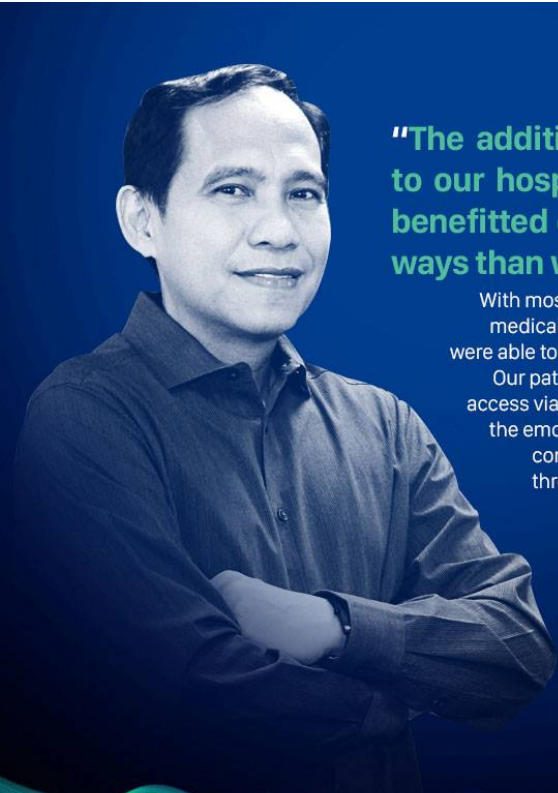# NOW Network Cable TV and Broadband Network

BOOST THE POSSIBILITIES

Reinvent your building through guaranteed connections of up to 700Mbps bundled with wireless cable TV and high-value IT products and services.

Metro Manila Activation Map

Client Testimonials

"The addition of Now Network to our hospital operation has benefitted our patients in more ways than we expected."

With most hospital records, lab results and medical care documentation digitized, we were able to improve our speed and efficiency. Our patients are also provided broadband access via wi-fi hotspots so they can receive the emotional support they need by being connected with their loved ones 24/7 through video calls and social media.

Engr. Manuel L. Umali,
IT Manager,
Metropolitan Medical Center

Our goal in Bellagio Residences is to upgrade dorm living into a lifestyle; a comfortable, spacious, secure and dignified environment for students in pursuit of academic excellence.

"With Now, we are a notch higher and our residents can be assured of broadband connection not just anytime, but everytime."

Leoncio Gosiaco
Owner of Bellagio Residences

Experience the Future

Client Testimonials

"It's about time we catch up with other academic institutions around the world! Learning is now beyond the four walls of the classroom and only with high-speed connection can our students and teachers take advantage of online learning tools, web-based rich content and research resources available in the Internet.

Now Network gives us the assurance of consistent connectivity which is great because there is no room for down time in education."

John Paul Enriquez
MIS Manager, Sta. Isabel College

More enterprise clients putting their trust to NOW

The Bayleaf Intramuros   *   National Children's Hospital   *   Capitol Medical Center   *   Chinese General Hospital and Colleges   *   Jose Abad Santos Memorial School   *   The Philippine Daily Inquirer   *   Manila Bulletin   *   Metropolitan Medical Center   *   Sta. Isabel College   *   Angelicum College   *   COFFRAL Builders   *   Citystate Tower Hotel   *   Cherry Blosom Hotel   *   Commander Security Services, Inc.   *   FEATI University   *   Ferigate Philippines   *   Zeitwert Inc.   and many more…

Similar Deployments around the World

Webpass, San Francisco, USA (A Google Fiber company)

Webpass was acquired by Google in June 2016 after Google Fiber rethinks its plan to deploy fiber optic due to high CAPEX requirement.

Webpass is a San Francisco based start-up and has installed thousands of commercial and residential buildings.

The strategy of Google Fiber moving forward is hybrid with wireless playing a crucial role to becoming the last mile and connect clients. To date, Webpass is present in San Francisco, San Diego, Miami, Chicago, and soon in Boston.

Similar Deployments around the World

Vivint, Utah, USA

The company is based in Utah and offers a cloud-based platform and integrates a range of wireless features and components including home automation, security, solar panels, energy management and broadband access.

Vivint's target are single-detached homes providing bandwidth speeds of 100Mbps. Part of Vivint's strategy is to partner with hub homes in order to receive and transmit bandwidth to nearby houses. A hub home has three antennas on its roof – one connects at the tower and the other two are access points to serve broadband of up to 24 homes within a 1,000 foot radius.

Charlie Rufino and Carlo Rufino with NOW Corp Officers

Times Plaza Hub

(with Large, SMEs, Individuals - guaranteed and shared)

Enrique Herbosa Sr. and Mel Velarde during ceremonial signing of Pet Plans joining NOW Network

Pet Plans Tower

(with Large, SMEs, Individuals - guaranteed and shared)

Photo credit: www.manilabuildings.ph

Cyber Security Lecture Bangladesh Delegation by NOW Corporation

Mr. Abdul Kalam Shamsuddin
Director (Joint Secretary), The Prime Minister's Office

Mr. S.M. Yarikul Islam
Director, The Prime Minister's Office

Ms. Maliha Nargis
Additional Director (Joint Secretary), Department of Information and Communication Technology

Dr. Md. Maynul Hoque Anshary
Deputy Secretary, Finance Division

Mr. Md. Rafiqul Islam Khan
Deputy Secretary, Finance Division

Mohammad Borhanul Haque
Deputy Chief, Socio Economic Infrastructure Division Ministry of Planning

Mr. Golam Md. Baten
Assistant Chief, Socio Economic Infrastructure Division Ministry of Planning

Mst. Maksuda Begum
Chief Accounts Officer, Ministry of Science and Information & Communication Technology (ICT)

Ms. Poly Kar
Assistant Director, Implementation Monitoring and Evaluation Division

Mir Abdul Awwal Al Mehedi
Senior Assistant Secretary
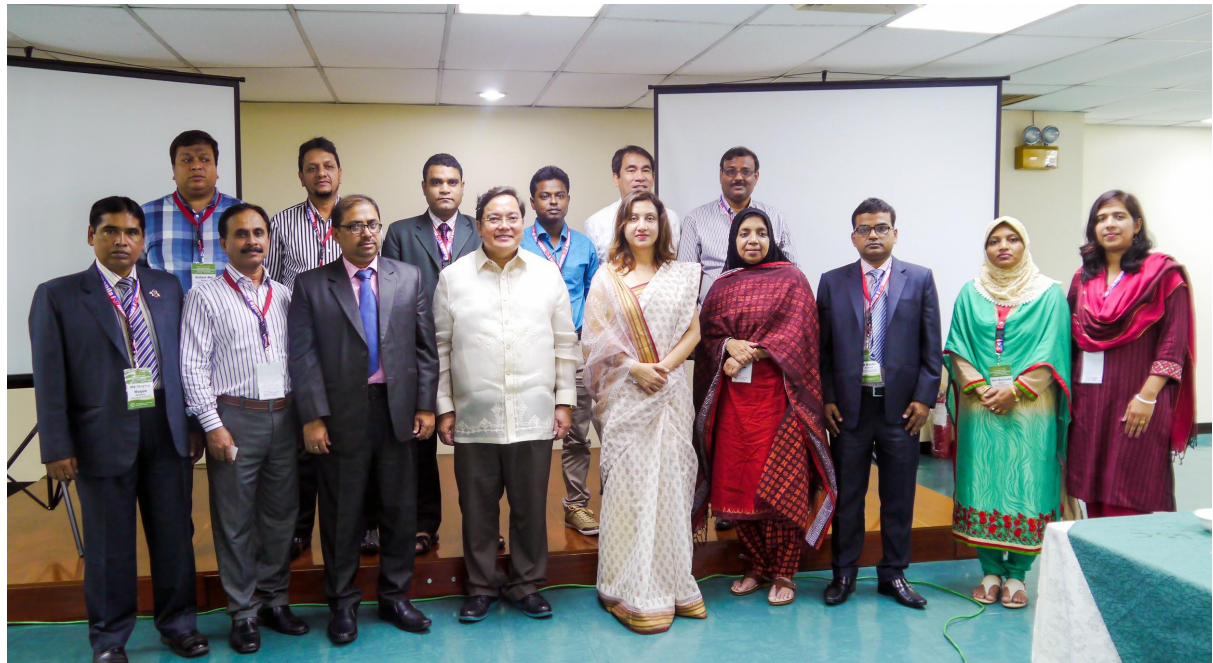Implementation Monitoring and Evaluation Division

Mr. Md. Bashir Ahamed
Assistant Secretary
Information and Communication Technology Division

Mr. Anwar Hossen
Personal Assistant to Honorable State Minister
Information and Communication Technology Division

Business Opportunities in the BPO and Creative Space

THANK YOU!

Contact details:

mel.velarde@now-corp.com
https://ph.linkedin.com/in/mel-velarde-050b156
www.now-corp.com
www.nownetwork.ph
www.melvelarde.com

now
CORPORATION