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Washington SyCip [Philippines, Founder of SGV Group]

Washington SyCip

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Interviewee: **WASHINGTON SYCIP**
Interviewer: Sabrina Chua
Date: 21 May 2015
Location: Manila, Philippines

0:00:22
[Sabrina Chua](#)

Mr Washington SyCip, thank you very much for speaking with the Institute for Societal Leadership at the Singapore Management University. I'd like to start our conversation by bringing you back to your early years, your childhood. You came from a relatively well to do family, but your parents decided to send you to public school, which was very different from what the other wealthy families were doing. Did they explain to you why they decided to send you to public school?

0:00:54
[Washington SyCip](#)

Well, many of the ethnic Chinese want to go to Chinese schools, or other rich man schools. My father believed that all of us must get to know the people here. At that time our public-school system was very good. So, we all went. All five children went to public schools. Quite unusual for ethnic Chinese family.

0:01:28
[Sabrina Chua](#)

Was it hard for you to adapt?

0:01:31
[Washington SyCip](#)

It was a very good move, from my viewpoint, because that way we adapted to the needs of the country much better than any other ethnic Chinese families, who at the time used to stick to each other.

0:01:50
[Sabrina Chua](#)

Your father appears to have a very great influence in your life. What did you learn from him?

0:01:58
[Washington SyCip](#)

He was Chairman of a bank. And that bank was close to OCBC (Oversea-Chinese Banking Corporation Limited) of Singapore, the Lee family. They were good friends. But he was just one of the founders of the bank. He didn't own the bank

at all, but he was a professional person, having studied law at University of Michigan. Now, he adopted a principle that none of us children should go into the bank. Because he said, "If you do well, and I promote you, people will think it's nepotism. If you don't do... that embarrasses me. But if you don't do well, it also embarrasses me, so keep out. I give you the best education you want, and from that point on you're on your own." I feel that's good advice, and good...

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[Sabrina Chua](#)

So, you have used that principle in your life as well now?

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[Washington SyCip](#)

That's why I didn't go into banking, because he was a banker.

0:03:17

[Sabrina Chua](#)

But also, for your children, you've expressedly said that you don't want your children to work for SGV.

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[Washington SyCip](#)

Exactly. Because this – at that time the profession, when I started, a one man's shop. The foreign firms were British, American, and you would say they had discrimination by the colour of your skin, because all the private officers were Caucasians. But the domestic firms, started by Filipinos, they had discrimination in the sense that they were starting a firm to be succeeded by their children who would still be in high school. As to whether they are capable or not, no one knows. But it's discrimination by blood. I was single, so I went to the universities, talked to the graduating classes, and said that what I'm starting is a complete meritocracy. Whoever is the best man, will have the chance to become head of the firm.

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[Sabrina Chua](#)

But what if your children, one of your children wanted to be an accountant, and wanted to follow in your footsteps?

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[Washington SyCip](#)

If they want to...but they are becoming...in different kinds of businesses.

0:04:57

[Sabrina Chua](#)

But if they wanted to take up accounting and they were capable. Would you still have said, "No. Do your own thing."

0:05:03

[Washington SyCip](#)

No. I would say, "You can compete with me, no?" But none of them. There are many more business opportunities, in different parts of the world, so...

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[Sabrina Chua](#)

So, meritocracy is paramount to you?

0:05:20

[Washington SyCip](#)

Yes. I develop institutions also. The poor families, they won't be able to send people for MBA (Master of Business Administration) programmes abroad. So, with Harvard Business School, we started Asian Institute of Management. At that time, my purpose was to train as many good people as possible, whether they stay with the firm or not, that's secondary, but it's to train leaders for the country.

So, let's say at the present time, the Secretary of Finance came from my firm, Secretary of Industry came from my firm. He was not a partner because he stayed two, three years. The Governor of the Central Bank, who everyone says is a very good governor, started at SGV also, and many, many other leaders. The former Prime Minister, Mr Virata, started with SGV. So in terms of training leadership, and you will find many entrepreneurs and the CFOs, Chief Financial Officers, of all the big groups, almost all of them come from SGV.

0:07:00

[Sabrina Chua](#)

What do you train them? How do you train them to become leaders?

0:07:04

[Washington SyCip](#)

First of all, work hard. Integrity is key. Always think of what's good for the country.

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[Sabrina Chua](#)

Why is that so important to you? When you talk about the professional, in most people's minds, the definition of a professional is perhaps someone who is effective, efficient, and good at what he does. But your concept of a professional also has to do with his contribution to his country, right?

0:07:39

[Washington SyCip](#)

Definitely.

0:07:40

[Sabrina Chua](#)

Why is that important?

0:07:41

[Washington SyCip](#)

Because if the country goes down, you go down also. So, you have to help the country move up. But I look long term. After I retired from the firm, I felt that the development of leadership we have done, what should be done. Of course, then the key is how to reduce poverty. This is really a job that people in emerging markets should think of. If the Philippines now has a population of 100 millions, from whatever data I could get, about three millions are illiterate. These are the poorest of the poor, and these are not people that I can access. These are children of fishermen, children of rural farmers. So, I wanted to see, how can I access them? I don't know how to go to a fishing village and see for... But then, let's say a very successful organisation here, called CARD, and that's a microfinance company with over two and a half million customers in microfinance, and with an excellent group of management people. CARD has a 1,400, they call, units. The objective of CARD is to diminish poverty, that's in their charter. So, I asked them, "Can you help me start an education fund? I will give you the funds, but to implement, you have to be the ones." They were interested also.

The net result of it is that last year, we had 100,000 students going to school that would otherwise be illiterate. By the end of this year, it will be 200,000. What we did with CARD is to identify these people, encourage them to go to school, and then give them the funds on a loan basis, that their parents would pay back. This has been, so far, very successful.

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[Sabrina Chua](#)

I understand it's not just you provide the funds but you also, or SGV, helps to audit and monitor the progress of this zero-dropout education scheme.

0:11:00

[Washington SyCip](#)

In fact, SGV from their foundation have made minor contributions. But an American friend of mine told me, he said, "Wash, I will match your contributions." So far, I have put in one million dollars for CARD, and for what we call Synergeia. Now, they have sent \$600,000 already. I expect that they will send another \$100,000 every month or so; that they will fulfil their commitment to me.

0:11:46

[Sabrina Chua](#)

You mentioned Synergeia as well. One of the reasons, you said you wanted to work with Synergeia is because you respected its leadership. What in particular did you respect of their leadership?

0:11:59

[Washington SyCip](#)

I met her by chance at a reception, and then she told me that Ford Foundation had left her with a sum of money, that what she does is to improve teaching, provided that the leadership of the town wants change. In other words, if the mayor does not want change, then you're knocking your head against the wall, you're fighting him. But...to give an example, at her request, Nene Guevara asked me to go with her to Cotabato. Cotabato is Muslim area. There were three Muslim mayors, and the schools, the head of the schools there, who wanted change. Because they're finding that out of ten students that start Grade one, only three finish Grade six. The seven drop out. Now, three of these schools with mayors came to Nene Guevara. We met for two days. They were each at a round table with the school superintendent, teachers, explaining from their viewpoints, why the high dropout rates. Nene Guevara, as I said, we never give money to them. But she started working with the parents, and the parents may be illiterate. These are in the Muslim area. So if they are illiterate, they don't care if the children are illiterate. But then, if you work with them, to convince them, that you want their children to have a better life than they had. She has a very wonderful way of doing this. Then to improve teaching methods, to motivate the students. After two, three years, instead of three out of ten, it became eight out of ten. But that changes the life of the community, I mean when you see the result. One time in Manila, in Makati here, we met with thirty-seven Muslim mayors, who were very thankful for what Synergeia has done. So there, whatever she wants me to do to help out, aside from the financial side, I'm at her command.

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[Sabrina Chua](#)

Education is your passion, and particularly elementary education, right?

0:15:27

[Washington SyCip](#)

I would say it comes to education because my objective is to diminish poverty. But to diminish poverty when people cannot read and write is impossible. The first thing is education if you want to reduce poverty. If they don't, if they don't go to school, they cannot read and write, how can they get a job?

0:15:56

[Sabrina Chua](#)

I'd like to take you back to accounting for a minute, you knew very early on that accounting is what you wanted to do but why, why accounting?

0:16:07

[Washington SyCip](#)

Because I couldn't go into banking, my father was in banking. At that time, there were just a few banks, so it wasn't good for a young person to be competing or trying to compete with the two major banks at the time.

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[Sabrina Chua](#)

Was there a particular aspect of accounting that you found interesting?

0:16:33

[Washington SyCip](#)

Well normally figures are... I'm not too bad with figures. I could see that the profession was dominated by Britishers at the time. So, the question is how to compete with them. Then I always believe in whatever you do, whether you're in business or what, if you win by people...you win by having good people. So, in the end it's... in the profession more so, because capital is not required, it's brains. In the case of a business, of course, when the family has put all the money they have into the business then you have to take into account that it's alright for them to be in the business, because their money is there. But in the profession, it's the case of getting the best people.

0:17:51

[Sabrina Chua](#)

How did you attract good people if you were starting out, and nobody knew who you were?

0:17:56

[Washington SyCip](#)

I had to go to the university, to the graduates. I spoke to the graduating classes. I said, "It's a small firm, however, this will be a complete meritocracy. You're good, you go up, and you can run the firm." That attracted the brightest students. I think even up to now, that principle is the one that helps the firm be so far ahead

of competition. Right now, the firm, they say they have about 4,500 people there. Larger than the next four firms put together.

0:18:49

[Sabrina Chua](#)

When you set up your firm, what was your vision for it?

0:18:54

[Washington SyCip](#)

Well, the main thing is that we must contribute to national efforts. Because if the country does not grow and gets into trouble, we'll be in trouble. So, the whole thing is, even on self-interest; we must help the country grow.

0:19:13

[Sabrina Chua](#)

That's something that you instilled in all your associates?

0:19:17

[Washington SyCip](#)

Of course. If you help the country grow by bringing in investors, the firm benefits too, because you may get more clients that way. So, many of the current groups are people that I knew when they were...I knew John Gokongwei. At that time, he was a young man coming from Cebu, with only his brains but nothing much more. The man I knew, Henry Sy, the biggest business group here now, when he was selling shoes in Echague.

0:20:09

[Sabrina Chua](#)

So you grew SGV geographically as well, working with overseas partners.

0:20:15

[Washington SyCip](#)

Overseas?

0:20:16

[Sabrina Chua](#)

Yes, you grew, so you have...

0:20:18

[Washington SyCip](#)

No. After we were successful here, in seeing that the profession is... the top firms must be local firms. Then, I first went to Taiwan, because at the time Taiwan was starting to grow and needed assistance. Then we were very successful there, we found a partner, T.N. Soong, who, again, he went to Harvard. But he had a very small practice. So, I found that this is an opportunity to also bring international firms into Taiwan, business firms. We were quite successful there. Then, we did the same in Thailand, Indonesia.

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[Sabrina Chua](#)

Thank you very much sir for speaking with us.

0:21:24

[Washington SyCip](#)

Thank you.