



#### **Don Ramon Today**

At 83, Don Ramon Aboitiz still goes to the office everyday to keep tab on shipping operations. His latest interest, however, is the Don Ramon Aboitiz Foundation which is dedicated to the advancement of education and culture as well as to perpetuate his numerous philanthropic endeavors.

# Don Ramon Aboitiz

## Portrait of a gentleman as a businessman

Few people today could attribute success through honesty, hard work and ability. The hardworking, honest individual is simply a rarity nowadays.

But Don Ramon Aboitiz, the grand patriarch of Visayan business who celebrates his 83rd birthday Monday, is still willing to start new businesses with those same qualities of honesty, hard work and ability.

For that is the secret behind the success of Aboitiz & Co., Inc., which, starting out as a small hemp trading company in Palompon, Leyte 50 years ago, was to become a multi-company, multi-million peso business involved in practically all facets of the national economy.

Don Ramon always stressed those old-time virtues. In fact, even today at his ripe

old age, he is still the indefatigable worker that he had always been. At 63, he arrives at his office every morning at about 7:30 and works the full morning until lunchtime and then resumes in the afternoon.

This is how deeply involved Don Ramon is in the Aboitiz business. He is Aboitiz & Company, and Aboitiz & Company is Don Ramon.

Born on November 16, 1887 to Paulino Aboltiz and Emilia Yrastorza in Ormoc City, he grew up helping in his father's store and assisting him in the buying and selling of abaca. As the fourth child in a family of 10 and the favorite of his father, he constantly accompanied his father and learned the intricacies of business at a very early age.

In Ormoc, the boy Ramon attended a few years of private tutoring where he was taught a little arithmetic and some writing. A little later, his father sent him to Spain for further schooling.

He settled in Leketto, a small seaside town near his father's original home, where he attended two years of public schooling.

Upon reaching his 13th year, he was sent to Liverpool to learn English and further amenities. To get him acquainted easily with the English language, Don Ramon, along with several other boys, boarded in the home of his

Ramon got the position of clerk and commissioned agent at Aldecoa & Co. in Cebu City with a salary of P50 a month. On instructions of his father, the manager with whom he stayed deducted P30 ostensibly "for board and room," leaving him only P20, half of which he saved.

After a year, Aldecoa took in a new manager with whom the young Ramon got into an argument eight days later, resulting in his being terminated from his job. With the money for board and room, which was returned to him, Don Ramon fondly recalled that he felt "the proudest man in the world." The money was all in silver, the currency in use, and weighed heavily in his pocket. His parents insisted that he keep the money which he had worked hard to earn. Don Ramon later invested it in a profitable venture and eventually bought a life insurance policy worth P10,000.

and feasting with barrio residents.

Meanwhile, Jose Muertegui and Paulino Aboltiz were beginning to be impressed by Don Ramon's business sense and drive. Sometime in 1907, at about the time that the first Philippine Assembly was meeting, the two business partners asked Don Ramon to buy a boat to be used in the abaca and general merchandise business. Don Ramon secured a used, two-engine coast guard vessel, the "Picket" for P7,500 at public auction. Don Ramon became its pursuer and "jefe de viaje" with a monthly salary of P60, equivalent to today's P240 minimum wage.

#### FROM PURSER TO MANAGER

By 1910, the volume of business of Muertegui y Aboltiz warranted the establishment of a branch in Cebu. With the exposure of Don Ramon to all facets of the business, he was the natural choice to head the new office.



### Aboltiz Family Portrait

Here is an old family portrait of the Aboltiz family taken in Ormoc City when Don Ramon was manager of the Cebu branch of Muertegui y Aboltiz. Front row, from left: Luis, Paulino, and Vidal. Second row, same order: Don Ramon, Emilia (mother), Paulino (father) and Guillermo. Standing, same order: Dolores, Anita, Antonia and Carmen. Note that the three young Aboltiz brothers in the front row are sitting on a bun-

die of hemp, the very fiber which could be called the foundation of the Aboltiz business empire today. The fashion of the times is reflected in young Ramon's white de hile suit with high collar and matched with a pair of white shoes. In keeping with the tonsorial mood of the day, Don Ramon also sports a neatly trimmed moustache. Photo taken around 1910.

English tutor. The lessons consisted of writing, translating and grammar exercises. Not satisfied, Don Ramon would accompany a Portuguese fellow boarder to department stores to talk with English salesgirls. This resourcefulness proved helpful: at the end of three months, Don Ramon could speak English competently while his classmates were still struggling with the language a year later. He spent a second year in England at an institute for boys, this constituting the final phase of his formal education.

#### FIRST JOB

Back in the Philippines in July, 1903, Don

#### BACK TO LEYTE

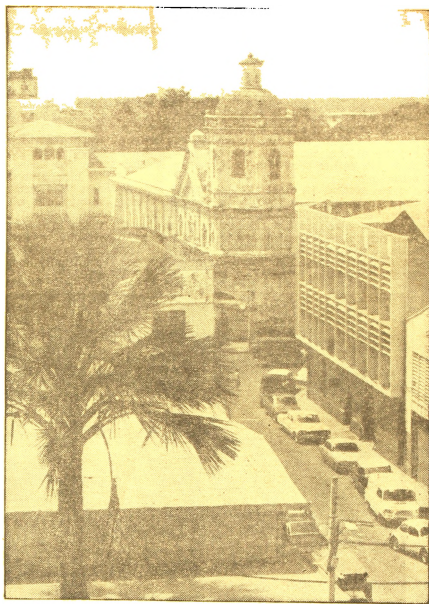
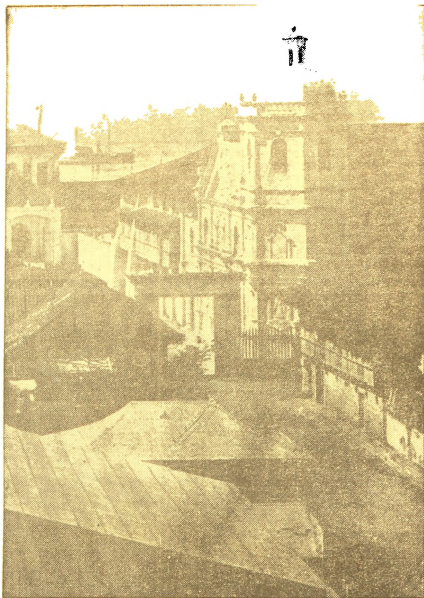
Don Ramon found himself back in Leyte, where he worked for Muertegui y Aboltiz, a partnership of his father and Jose Muertegui, an abaca and general merchandise dealer in Palompon. The two consolidated their operations and put up an abaca press, where Don Ramon started as a warehouseman, although he was actually a troubleshooter. When the cashier left, he assumed more duties which included occasional trips within the province to buy abaca in a rowboat with a foreman and laborer. The young Ramon seemed to enjoy the excursions since they would often stay overnight in the barrios and enjoyed dancing

He was 23 when in March, 1910 he opened the office at the corner of Lapu-Lapu and Magallanes Streets in Cebu City. He was now a tall bemoustached young man, often garbed in white suit.

In his new position, Don Ramon was in charge of the arrivals and departures of the "Picket," the purchase of goods, and the sale of abaca and copra for the partnership.

Don Ramon, with his cousin Joaquin Yrastorza, and a clerk, worked long hours in the small, sootfacingly hot office, and lived upstairs. In time, he developed the business (turn to page 4)





### Aboitiz & Co.— Then and Now

The above photos, taken at the same angle, show the growth of Aboitiz & Co. from its establishment in 1920 to its 50th year corporate existence. Left photo shows the old company building, right, foreground, just across the Cebu Sto. Nino Church, at the corner of Lapu-Lapu and Magallanes

Streets, and right photo shows Aboitiz & Co. today, with the modern five-storey edifice having replaced the old one. Just beyond, to the left of the church, can be seen the building housing the Magellan cross and in the background the Cebu City harbor.

judgment and savvy that were to serve him in good stead in later years. He made all the decisions, and made them quickly. Keeping close tab on his competitors, he befriended them and at the same time noted their business practices. He worked hard to establish good public relations with the export houses such as Smith, Bell & Co., Stevenson, Kerr & Co., etc. He was now earning P300 a month and, as usual, saving half of it.

#### STARTS HIS OWN

As a young businessman, Don Ramon was quick to spot the rich opportunities offered by Cebu City, which was now fast developing into the commercial hub of the Visayas. He saw potentials in other businesses which did not conflict with his responsibilities at Muertegui y Aboitiz. He decided to put up his own business partnership with his brothers. He took orders from the provinces for all kinds of goods. As the volume picked up, his younger brother Vidal joined the group in the partnership known as G. y R. Aboitiz, the initial "G" standing for his older brother Guillermo.

This partnership with his brothers suffered an early setback. They took a loss of about P2,000 when two American soldiers from Samar ordered some merchandise for which Don Ramon could not collect a single centavo.

#### MARRIAGE

Handsome, and a most eligible young man Don Ramon was also quite a man-about-town, being a constant squire of Cebu's many young beauties. One day at the pier, he spotted a beautiful young lady getting off one of the boats. He learned that the young woman was Dolores Sidebottom, newly arrived from a British finishing school, and the daughter of Smith, Bell's manager. After a brief courtship, the two were married in June, 1912. A few months after, his father, Paulino Aboitiz, died in Spain at the age of 62.

Don Ramon continued to manage the Aboitiz share of the Muertegui y Aboitiz partnership, but differences soon arose over the run-

ning of the business. On June 1, 1916, Don Ramon and his brother, with money advanced by Smith, Bell & Co. bought out Jose Muertegui for P95,000. A new partnership was formed with the name, Viuda y Hijos de P. Aboitiz. When he was 31, Don Ramon took a vacation to Europe to relax and to look into possible business ventures. He was accompanied by his wife, his son Eduardo and Don Ramon's youngest brother, Luis.

#### THE BIRTH OF ABOITIZ & CO.

Before he left Cebu, Don Ramon had sold his shares in the partnership to his brothers and arranged for Arnaldo F. de Silva, a business-man-friend, to help them manage the business. Silva and the Aboitiz brothers subsequently formed Aboitiz & Co., incorporated on January 31, 1920, and capitalized at P15 million. Its officers included Silva, Guillermo and Vidal Aboitiz and their cousins Manuel Moraza and Joaquin Yrasterza. Later, the stockholders included Paulino and Luis Aboitiz.

Bad luck and misfortune hounded Aboitiz & Co. in its early years. It soon found itself in deep trouble for the early post-war years depressed the prices of many agricultural products. There was a time when Aboitiz & Co. nearly went bankrupt as they were trading heavily in abaca and forced to sell their stocks at a loss because the expected increase in price failed to materialize.

Don Ramon, who was then in Spain hurriedly returned to Cebu and took full control of the company.

With about P2 million in outstanding loans, he was advised by his friends to declare bankruptcy. But he turned this down, aware that it would destroy their credit standing. Moreover, confident of his ability to manage the business, he sought help of his former acquaintances. This paid off when Smith, Bell & Co. and McLeod & Co. agreed to help him. The agreement for Aboitiz & Co. to sell all the abaca it purchased south of Baybay, Leyte to Macleod, and those bought north of Baybay would be sold to Smith, Bell.

#### PERIOD OF EXPANSION

The first decade of the company, from 1920-1930, was a period of expansion. It saw Aboitiz go into a number of diverse business. It was also the time Aboitiz went to sea. The partnership acquired ships in which to ship their abaca and other goods. Later, these ships were merged with those of Hijos de F. Escaño to form La Naviera Filipina, a move calculated to enable them to compete more effectively with their rivals. La Naviera further merged with Everett Steamship Co. to form Philippine Steam Navigation Company with ships plying the inter-island route as well as to Japan.

He took over the management of the Cebu Ice and Cold Storage and salvaged it from near bankruptcy to profitability, even with the old equipment.

During this period, too, Don Ramon acquired the Cebu Shipyard, which was formerly owned by a group of Chinese businessmen, and turned it into a money-making venture by making it more efficient and giving it new management.

This shipyard would later continue to expand Philippine shipping and help conserve the country's dollar reserves by offering drydocking services to inter-island ships which would usually go to Japan and Hongkong for such purposes.

Only recently, this shipyard won the bid to construct two hospital ships for use in the administration's rural health assistance program through the Presidential Assistance on National Minorities (Panamin).

Shortly before the start of the Second World War, the company was managing a knitting factory and providing electric power in some important provincial capitals in Mindanao and Leyte. It had survived in the highly competitive hemp and copra business to become then the second largest copra exporter in the Philippines.

The phenomenal growth of the company lies in its policy of diversifying its operations by investing in firms that are losing and in

making these companies profitable through cost savings and other measures. It also grew by setting up its own companies to provide for the increased need for new products and services. Surviving the early near bankruptcy, Aboitiz & Co. expanded and eventually bought control of one of the companies that assisted it out in its earlier difficulties — Smith, Bell & Co. (Phil.) Inc.

Its companies, during the last fifty years, have been involved in activities ranging from manufacturing, shipping, banking, insurance, home and commercial financing, utilities, realty, importing, exporting, distribution, to operation of a shipyard.

The unconventional business executive that he is, Don Ramon has adopted the policy of stressing growth rather than dividend payments, as a result of which the company has reinvested most of its earnings, and has grown to what it is today.

As the company diversified, Don Ramon realized that capital was no longer the problem. Rather, he needed good men to run the Aboitiz group of companies. He realized that he did not have to possess knowledge in all fields of business as long as he could find experts to work for him, as in the case of Francisco Such, on whose capability Don Ramon relied heavily when he invested in power companies in Davao, Cotabato and Jolo; and Alvaro Pastor, who helped him invest in logging. The power companies which provide electricity to some 35,000 households contributed greatly to the economic growth of the area as did the logging companies.

Not only did he find the men he needed; he knew how to get them to do their best and be loyal. He demanded no less from his employees than he demanded from himself, often working in the office late into the night.

Don Ramon knew how to deal with everybody, especially his competitors. Rather than treat them as rivals, he made friends with them and even helped them out when they were down. He believed that to get along with people, one must not pass up a chance to do a favor for someone. "You'll get it back, somehow," he would say.

For relaxation, Don Ramon occasionally played tennis early in the morning, did some hiking on weekends, or bowled in the evening.



**Don Vidal Aboitiz**

As one of the early business partners of his elder brother Don Ramon, Don Vidal contributed his own business acumen in transforming the company to what it is today. Don Vidal is presently Chairman of Aboitiz & Co.

He is still a member of Casino Espanol de Cebu, of which he was president for several years, and is also a member of the American and British clubs in Cebu City.

He also found time for charitable work and took an interest notably in Asilio de la Milagrosa and Cebu Boy's Town to which he donated the land and building in Punta Princesa.

His latest concern, however, is the recently-formed Don Ramon Aboitiz Foundation, a non-profit and humanitarian undertaking dedicated to enhancing the educational and cultural fields as well as to perpetuate the many philanthropic endeavors of Don Ramon. To this Foundation, he has devoted a lot of his time, thereby signifying his keen interest in the project.

At 83, Don Ramon still keeps close tab on

the operations, being still involved in day-to-day operations in the shipping companies, his favorite.

Through the years, he has acted as father to the employees of the company, known as the ever benevolent Don Ramon, especially to those in need of financial assistance.

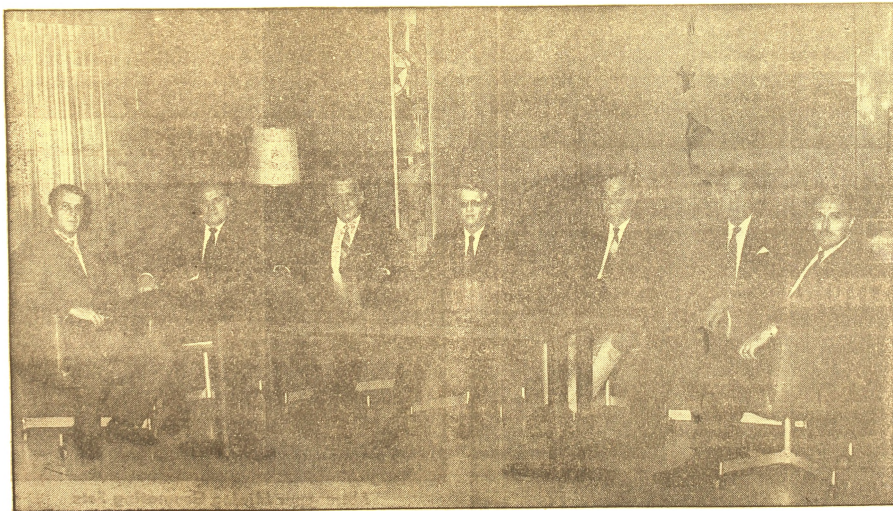
To them, financial assistance means the Cebu City Savings & Loan Association and the Cebu Mutual Fund. Since its establishment five years ago, the Cebu City Savings & Loan Association has extended loans to some 10,000 persons, while the Cebu Mutual Fund has helped finance the construction of more than 20,000 homes.

Management-employee relations in the company is one of the most ideal in the country. The employees enjoy the various privileges and benefits they are entitled to under the law, even before these were required by law, thus gaining and ensuring their loyalty. This can be seen in the number of old-timers and retirees, such as Don Ramon's secretary who has served him for some 30 years, and also in the number of second and third generation employees in the companies' various enterprises.

When the company expanded, diversified and decentralized during the postwar years, the operations were taken over by other executives, among them Jesus Moraza, William Bowler, William Paradise, Mariano Gonzales, Edson Canova, Luis and Ernesto Aboitiz and Manuel Moraza. The present composition of the board of directors include Don Ramon as Chairman Emeritus, Don Vidal as Chairman, Eduardo as President, and Edson Canova, Enrique Aboitiz, William Bowler, William Paradise, Luis Aboitiz and Manuel Moraza as members.

Aboitiz & Co. occupies a spacious, airy business office in a modern five-story building at its original site in Cebu City, where its operations are directed and controlled. Branch offices are located as far as Manila, Cotabato and Davao.

As one looks back on Aboitiz & Co.'s first half century of corporate growth into a multi-faceted enterprise, it can be safely assumed that Aboitiz & Co. is still growing and making further contributions to the economic growth of the country.



**Aboitiz Top Men**

The expansion of Aboitiz & Co. during the last fifty years can be greatly attributed to the decentralization of work to the other equally able executives. Shown above are the board of directors. From left: Luis Aboitiz, Jr., attorney-in-fact; Enrique M. Aboitiz, vice president for finance and treasurer; Edson H. Canova, 1st vice president and attorney-in-fact; Eduardo J. Aboitiz, president and general manager; William A. Paradise, vice president and attorney-in-fact; William D. Bowler, controller; and Manuel M. Moraza, division manager for Aboitiz Marketing.