

DUTY FREE PHILIPPINES CORPORATION

STRATEGIC INITIATIVES PROFILE

I. STRATEGIC INITIATIVE PROFILE I

1. Name of Project: Store Development Program

2. Contact Person/Project Team Head:

Lead: Bernardine R. Belmonte

Support: Raphael G. Mondragon
 Engr. Joel R. Perez
 Jennifer F. Start
 Maria Gilda R. San Juan

3. Project Description:

This program aims to ensure that DFPC is present in international airports. It entails establishment of new and development of existing duty free stores in all international ports and select major tourist destinations.

The opening of the following duty free store is subject to the availability of retail space and presence of international flights.

4. Project Milestones:

Activities	Timeline		Budget	Funding Source	Status
	Start	End			
1. Store Opening at Bacolod Silay International Airport					
a. Feasibility Study	10 wd		₱55,000 per square meter	COB	
b. Negotiation and Contract Signing	60 wd				
c. Preparation and Procurement	90 wd				
d. Construction	60 wd				
e. Store Preparation and Launching	15 wd				
2. Store Opening at Puerto Princesa International Airport					
a. Feasibility Study	10 wd		₱55,000 per square meter	COB	
b. Negotiation and Contract Signing	60 wd				
c. Preparation and Procurement	90 wd				
d. Construction	60 wd				
e. Store Preparation and Launching	15 wd				
3. Store Opening at Panglao Bohol International Airport			₱55,000 per square	COB	

Activities	Timeline		Budget	Funding Source	Status
	Start	End			
a. Feasibility Study b. Negotiation and Contract Signing c. Preparation and Procurement d. Construction e. Store Preparation and Launching	10 wd 60 wd 90 wd 60 wd 15 wd		meter		
4. Store Opening at Bicol International Airport a. Feasibility Study b. Negotiation and Contract Signing c. Preparation and Procurement d. Construction e. Store Preparation and Launching	10 wd 60 wd 90 wd 60 wd 15 wd		₱55,000 per square meter	COB	
5. Store Opening at Entertainment City a. Feasibility Study b. Negotiation and Contract Signing c. Preparation and Procurement d. Construction e. Store Preparation and Launching	10 wd 60 wd 90 wd 180 wd 15 wd		₱75,000 per square meter	COB	
6. NAIA Terminal 3 Expansion a. Feasibility Study b. Negotiation and Contract Signing c. Preparation and Procurement d. Construction e. Store Preparation and Launching	Mar 2014 Apr 2014 Jun 2014 Jun 2014 Jan 2015 Jul 2015	Mar 2014 Jun 2014 Dec 2014 Jun 2015	₱45,000 per square meter	COB	
7. Fiestamall Atrium and CRR Lobby Renovation a. Preparation and Procurement b. Construction	Nov 2015 Jun 2016	May 2016 Aug 2016	₱50,000 per square meter	COB	
TOTAL			₱390,000		

5. Measures Affected:

- Amount of Sales
- EBITDA
- Percentage of international airports with DFP shops/outlets
- Balibayan/OFW Customer Count

6. Risk Assumption:

- Availability of space in all airports with international flights
- Timely release of permit to operate from BOC
- Timely procurement process
- Timely execution of lease contracts
- Timely compliance and approval of all documentary and legal requirements
- Timely execution of PPP contracts

II. STRATEGIC INITIATIVE PROFILE II

1. Name of Project: End-to-End Retail Solution (Integrated Finance, Merchandising, POS System)

2. Contact Person/Project Team Head:

Lead: Charles A. Merioles
Support: Business Users

3. Project Description:

Currently, DFPC has distinct and separate solutions for its Financials System, Merchandising System and Point of Sales (POS) with little or very minimal interfaces in between them and which desperately need an update to keep up with the demands of the retail business. To make DFPC stores competitive with the increasing presence of new malls sprouting all over the country, what is needed is a complete, fully integrated, enterprise software solution specifically designed for the retail business. This would allow DFPC to actively monitor majority of its business processes and activities in real-time and make intelligent business decisions using advanced data analytics, self-service BI, to name just a few.

4. Project Milestones:

Activities	Timeline		Budget	Funding Source	Status
	Start	End			
1. Requirements Planning	July 2014	Dec 2014	P27M	COB	
2. Sourcing and assessment of available solutions	Jan 2015	Apr 2015			
3. Bidding	May 2015	Oct 2015			
4. Development and Implementation	Nov 2015	Apr 2016			
5. User acceptance Testing	May 2016	May 2016			
6. Deployment	June 2016	Oct 2016			
Total			P27M		

5. Measures Affected:

- Amount of Sales
- Customer Satisfaction Rating (Overall)

- Customer Satisfaction Rating (Balikbayan/OFW)
- Customer Satisfaction on Payment Transaction
- Percentage of users accessing and using the centralized data repository for reporting and management decisions
- Percentage of users accessing the intranet

6. Risk Assumption:

- Management commitment and business user support to the new system

III. STRATEGIC INITIATIVE PROFILE III

1. Name of Project: Social Media Campaigns

2. Contact Person/Project Team Head:

Lead: Charles A. Merioles
Support: Business Users

3. Project Description:

Social media campaigns on Facebook, Youtube, etc. is all about providing something of value to DFPC's current and potential customers online. In support to the traditional advertising channels, such as: TV, radio and print, digital media provides an excellent opportunity for DFPC to reach a much wider reach (global, in fact) and targeted audience (according to specific demographics) at the lowest possible cost per campaign per pax. It also has the unique advantage of providing an accurate measure and analytics of the results of each online marketing execution.

4. Project Milestones:

Activities	Timeline		Budget	Funding Source	Status
	Start	End			
1. Requirements Planning	Apr 2014	Aug 2014		COB	
2. Execute campaigns for 2014	Aug 2014	Dec 2014	\$4,000		
3. Execute campaigns for 2015	Jan 2015	Dec 2015	\$6,000		
4. Execute campaigns for 2016	Jan 2016	Dec 2016	\$10,000		
5. Execute campaigns for 2017	Jan 2017	Dec 2017	\$12,000		
6. Execute campaigns for 2018	Jan 2018	Dec 2018	\$15,000		
7. Execute campaigns for 2019	Jan 2019	Dec 2018	\$15,000		
Total			\$62,000		

5. Measures Affected:

- Amount of Sales
- Customer Satisfaction Rating (Overall)
- Customer Satisfaction Rating (Balikbayan/OFW)

6. Risk Assumption:

- No identified risk

IV. STRATEGIC INITIATIVE PROFILE IV

1. Name of Project: Online Shopping Website (eCommerce Site)

2. Contact Person/Project Team Head:

Lead: Charles A. Merioles
Support: Business Users

3. Project Description:

To provide Duty Free Philippines Corporation (DFPC) with an online retail store where it can support value-added services, such as, online shopping, price catalogue, and other subscription-based services to all qualified international travelers, specially, OFWs, Balikbayans and foreign tourists.

4. Project Milestones:

Activities	Timeline		Budget	Funding Source	Status
	Start	End			
1. Requirements Planning	Jan 2017	June 2017	₱5M	COB	
2. Sourcing and assessment of available solutions and vendors	July 2017	Sep 2017			
3. Bidding	Oct 2017	Jan 2018			
4. Development and Implementation	Feb 2018	May 2018			
5. User acceptance Testing	June 2018	July 2018			
6. Deployment	Aug 2018	Aug 2018			
Total			₱5M		

5. Measures Affected:

- Amount of Sales
- Customer Satisfaction Rating (Overall)
- Customer Satisfaction Rating (Balikbayan/OFW)
- Percentage of users accessing and using the controlled data repository for reporting and management decision

6. Risk Assumption:

- Approval and consent to operate an online shopping website from the Bureau of Customs.