

Health and Wellness Value Chain in Cebu: From the dentist's chair to the beach

by Kathleen Wabrowetz

Attending your routine visit to the dentist is usually an unwelcome must. But what if you could combine it with some lazy days off on a white sandy beach? This attractive possibility is now a reality in the island province of Cebu – promoted by the Philippines' Department of Tourism as "...an Island in the Pacific."

Rich and manifold nature attractions above and under water within easy reach as well as the charm of a historic, modern and lively metropolis make Cebu one of the top tourist destinations in the Philippines. With the establishment of the Cebu Health and Wellness Council (CHWC), the city looks set to gain even more appeal over the coming years as the association of several hotels, resorts, spas, medical hospitals and clinics has set its target to establish Cebu as a world class health and wellness destination.

CHWC's initiative got fast tracking boost through the Value Chain (VC) approach, a method to achieve catalytic development of business sectors, such as the island province's health and wellness sector. To this end, CHWC received vital support from the Department of Trade and Industry (DTI), the Department of Tourism (DoT) and the German Technical Cooperation (GTZ).

Dr Clarissa Pe, a dentist representing the dental sector in the CHWC, provides her professional services as part of a vacation package for international and domestic tourists. A "package" could mean that she provides a dental check up and oral prophylaxis in Cebu as part of a dream holiday in a sandy beach resort. Alternatively, the examination could be combined with a pampering

treatment by a local *bilot*, the traditional practitioners of an indigenous massage technique or a day of dancing in the street during the colorful *Sinulog* festival.

Personally, Clarissa was hesitant when DTI invited her to a value chain workshop. She did not yet see the connection between dentistry and tourism or what her role within the value chain could be. Looking back now, she is glad to have accepted the invitation to attend. As the workshop progressed, she realized the importance of cooperation between different sectors to use linkages profitably and to create innovative products. Just like the tourism and the health sector. *"It opened my eyes to the fact that we dentists can do better business if we stop thinking of our work as an isolated service. We need to be linked with other people and sectors who can use health services for their own businesses to perform better."* Clarissa says reflectively.

Through the VC workshop, she was able to develop a network of stakeholders, both from the tourism and medical sectors, as well as responsible government agencies. Collaborating with tour operators made it easy for Clarissa to reach clients, but more importantly, internationally marketed vacation packages have made it easier for clients to reach her and her expert dental services. *"I've had clients who took care of their accommodation and transportation in coming here to avail of my dental services. They ended up extending their stay as tourists, not a patient, since all their requirements were satisfactory organized and their needs met."*

Clarissa hasn't stopped exploring linkages ever since. At the VC workshop, Clarissa got to meet the marketing manager of the hospital that years ago provided her training in Cebu.



Right then and there, they decided to work together on a business concept. Now the hospital educates its patients about dental treatment options and refer them to her dental clinic if seriously interested arises. Better times still are ahead for Clarissa's dental practice as visiting tourists get to know and benefit from her services, spreading the word at home. Additionally, CHCW and tour operators market Cebu as global top destination for medical tourism.

Her dental practice benefits as part of the health and wellness value chain, while Clarissa contributes to the subsector's development by diversifying the services on offer in Cebu, thereby increasing its tourism appeal. With more windows of opportunity opening up, she sees new possibilities for her dental practice: Negotiations to install two satellite clinics in the premises of different hotels are underway and will hopefully lead to a fruitful cooperation in the near future. "I would never have thought of putting a dental clinic in a hotel," Clarissa admits, "but with the knowledge and the connections I have now, it is easy to see the potential." - Potential, that will soon require her to employ two more dentists.

GTZ, the German Government's international development enterprise, has cooperated with the Philippine partners for more than 33 years. We strengthen the capacity of people and institutions to improve the lives of Filipinos in this generation and generations to come. Together we work to balance economic, social and ecological interests through multi-stakeholder dialogue, participation and collaboration.

The VC approach is part of the Private Sector Promotion (SMEDSEP) Program, which is a joint effort of DTI and GTZ, aimed at improving territorial and sector competitiveness to promote sustainable employment. Within the VC approach, relevant actors, from government officials to private sector representatives, industry experts and local residents are brought to the round table in order to formulate an inclusive, comprehensive and powerful strategy to promote growth and international competitiveness of a particular economic sector in a particular region.

In the case of Cebu, the players invited to the round table discussion included hospitals, dentists, representatives of the medical, wellness and hospitality industry as well as travel agents and government officials of the DTI, DoT, the Department of Health (DoH) and the Cebu City administration. In this process, the CHWC was formed in January 2008, following a series VC discussions and workshops for the medical and wellness tourism subsector. The Council gives health and wellness tourism

a lobby within and beyond Cebu, develops and promotes vacation packages worldwide and provides training to meet and exceed the quality standards set by competitors in Singapore, Thailand and Malaysia. In addition, the CHWC keeps facilitating dialogue between sector representatives, government bodies and entrepreneurs to further and expand linkages.

The VC approach is one tool defined in the national Micro- Small- and Medium Enterprise Development (MSMED) plan. MSMEs account for 99 percent of total establishments in the country and employ 69 percent of the labor force, thus development of this sector is directly linked to the fight against poverty through employment. The MSMED plan was launched in 2005 by a council of private and public stakeholders, donor organisations and experts, to make MSMEs a key factor in the country's economic growth by 2010. It pursues the ambitious target of contributing toward the creation of 3.4 million jobs and raising the country's gross value added (GVA) to 40 percent within a six year period.

The SMEDSEP of GTZ and DTI pursues the harmonisation and implementation of the MSMED plan by providing advisory services, both at the national and the provincial level. The SMEDSEP supports the public-private dialogue through capacitation and mediation and has developed and actively promotes different tools of regional economic development. In the case of Cebu, the SMEDSEP assisted the CHWC in preparing strategies and action plans and provided training and mediation to facilitate the development of a functioning value chain.

For more information on this Success Story, contact:

Mr Lorenzo Templonuevo
Knowledge Management Specialist
lorenzo.templonuevo@gtz.de

Ms Miriam Bacalso
Region VII Coordinator
miriam.bacalso@gtz.de

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Program

PSP Program Office
7F New Solid Building
357 Sen Gil Puyat Avenue
Makati City 1226 PHILIPPINES
+63 2 897 8199, 556 8732, 895 4319
info@smedsep.ph
smedsep.ph

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