

Meralco collaboration drives business success



Royale Cold Storage President Crispulo Pangilinan credits Meralco's Peak/Off-Peak rate program for the growth of his cold storage business.

Nothing buoys the human spirit better than a story of a man who beats the odds and reaches success through hard, determined work. For Crispulo Pangilinan, President of Royale Cold Storage, his story of success is a shining example of how a dream can come true.

Originally a fisherman by trade, Pangilinan started Royale Cold Storage in 2010 when his first business venture, Royale Fishing, a small fishing enterprise, began to require cold storage facilities for his fresh catch.

The new venture caught on. There was enough interest from other food suppliers that Pangilinan realized Royale Cold Storage could be supplemental revenue. Soon enough, when his golden opportunity met advice in operational efficiencies, the business flourished.

Royal Cold Storage's biggest expense was energy consumption. Learning of Meralco's Peak/Off-Peak (POP), Pangilinan engaged the distribution utility to find out more about the rate program. A relationship manager provided him with comparative bill simulation, advice on how to best maximize the benefits of the POP while minimizing impact to facility operations, and weaned the cold storage facility away from depending on costly generator sets.

Meralco's POP is a pricing scheme that offers eligible clients lower generation charges for electricity consumed during off-peak hours and Sundays. The lower costs benefit customers who maintain 24/7 operations and intensive energy consumption during off-peak hours.

Pangilinan enrolled in the POP in July 2011, giving him the ability to better manage electrical consumption. Royale Cold Storage scheduled all energy intensive functions during times when power rates were lowest. As a result, the company saved P1-million in operational expenses (OPEX) that it then invested into business expansion.

"The cold storage industry is very dependent on electricity. Our main operating expense goes to power cost and increased rate movement on this commodity really determines the profitability of our business," explained Pangilinan. "Nang dahil sa POP, naging manageable ang aming operational costs. We were able to lower our own service rates to clients. Meralco enhanced our operational profitability. It also generated savings that became capital reinvestments to fund expansion."

Plans to open new facilities in Marilao, Bulacan by the last quarter of this year are now set. Other locations are also being proposed in the Visayas or Mindanao.

Credit Pangilinan's keen eye for business opportunity for Royale Cold Storage's growth. But if you ask him, he is grateful to Meralco for the critical cost-saving advice.

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Pangilinan is now aware: success doesn't come in a vacuum. He repeatedly cites hard work, seizing opportunity and collaboration with stakeholders as key. And his words carry weight, because he and his business represent the small and medium sized enterprise, or SMEs, one of the driving forces in the country's economic resurgence.

Royale Cold Storage only proves success is not that farfetched. Their story is a template on how it is achieved – by putting your nose to the grindstone, recognizing good breaks, and strategic partnerships.

A fitting epilogue, Royale's growth did not go unnoticed as they were recognized as one of the top SMEs in the 2013 Meralco Luminaries Award.

"We congratulate Royale Cold Storage for being a prime example that anything is possible," said Jose Rainier A. Reyes, Meralco VP & Head, SME Business Group. "Rest assured that for SMEs, Meralco will always provide business efficiencies to further growth."

With Meralco working side by side with SME business owners like Pangilinan, dreams are achievable. And for Royale Cold Storage, their accomplishments show that dreams are easier to make into reality with a partner like Meralco.

For more information on Meralco services, please call 16223-SME, or visit your nearest Meralco Business Center.



Royale Cold Storage provides services to some of the biggest names in the food manufacturing and fast food industries.