

IBPAP, Meralco affirm ties for faster and more inclusive growth



From left to right are Meralco representatives: Head of Call Center Ernesto A. Fragonal Jr., President of MServ (a Meralco subsidiary) Dexter C. Lee, AVP and Head of Commercial Operations Charina P. Padua, SVP and Head of Customer Retail Services and Corporate Communications Alfredo S. Panlilio with IBPAP executives President Jomari Mercado, Senior Executive Director Gigi Virata, and Executive Director for External Affairs Genny Marcial and President of Clark Electric Distribution Corporation President Jesus P. Francisco, VP and Head of Corporate Business Group Victor S. Genuino, and VP and Head of Marketing and Customer Solutions & Innovations Jose Antonio T. Valdez during the BPO industry Forum.

Manila Electric Company (MERALCO), the country’s leading power distribution utility, and IT and Business Process Association of the Philippines (IBPAP) affirmed each other's commitment to work closely to make Metro Manila and adjacent "next wave cities" an even more attractive proposition for investors, and drive growth even faster and more inclusive for the sector.

“Next Wave Cities like those in Laguna, Cavite, Rizal, and Bulacan, as well as those in the south like Davao, Iloilo, and Dumaguete, were named as among the best existing or potential locations based on the presence of good talent and infrastructure, a sustainable business environment, and low utility costs. Now more than ever, they need reliable power in order to run 24/7. For Laguna, Cavite, Rizal, and Bulacan, working with Meralco could mean a replication of the successful IT-BPM operations models in Metro Manila,” says IBPAP President Jomari Mercado in a recent knowledge-sharing exercise with the Meralco Customer Retail Services.

To date, the Philippines is the number one voice outsourcing destination and number two overall IT-BPM in the globe employing close to 800,000 Filipinos and contributing 5.5% of the GDP in 2012.

“We engage developers in the early planning stages of their projects in order to align their load requirements with our capacity and later implement energy solutions, thereby reducing their capital and operating expenses.”

- Alfredo S. Panlilio
SVP and Meralco Head of Corporate Retail Services and Corporate Communications



Meralco provides recommendations from the architectural design of hubs that can reduce energy consumption, to the kind of green technologies to be deployed, such as district cooling systems, inverter chillers, and elevators. It also assists property owners in structuring the tenant mix to increase their load factor, and eventually qualify them for an alternative electricity pricing scheme called Peak/Off-Peak (POP). POP is based on the time of day electricity is generated and on the cost of supplying electricity during that time. With this, Meralco customers can avail of lower generation costs during pre-defined off-peak hours. Businesses that operate 24/7 such as IT-BPM operators and

manufacturing firms have benefitted from the scheme by moving power intensive tasks during off-peak hours. The benefits are real in the case of Megaworld Corporation, which runs 8 Upper McKinley. Planning side by side with Meralco resulted to 15% in monthly energy savings passed on to its IT-BPM tenants.

Riding the next wave
According to a report by CB Richard Ellis Philippines, the IT-BPM sector will take up 450,000 square meters of office space in Metro Manila within the year, and will push occupancy rates in Makati, Pasig, Alabang, and Taguig. IBPAP realizes that growth is very likely in alternative locations.

“Meralco is riding a wave of changes, even in an industry as young as IT-BPM. Meralco has gone beyond being a mere electricity distribution utility to become energy management consultants, who have both insight and innovation. We are willing and capable of helping IT-BPO operators here in Manila and those outside of our franchise area get the benefits of reliable and competitively priced energy, because good business in highly diversified locations also spells inclusive growth,” concludes Panlilio.



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Mercado also presented the growth trajectory of the sector, which is estimated to hit US\$25 billion in 2016. While majority of the IT and business process management (IT-BPM) offices are situated in Metro Manila, several new ICT hubs are also rising in different locations.

Meralco-developer partnerships for BPOs
Meralco is able to help IT-BPM players via the property owner or the developers of ICT hubs; the benefits usually come in the form of energy-efficient infrastructure, pass-on savings, or preferential rates. “We engage developers in the early planning stages of their projects in order to align their load requirements with our capacity and later implement energy solutions, thereby reducing their capital and operating expenses,” says Alfredo S. Panlilio, Senior Vice President and Head of Corporate Retail Services and Corporate Communications, Meralco.



Megaworld's 8 Upper McKinley, one of Manila's premiere KBPO hubs, is an exemplary model of an energy-efficient development which saves its IT-BPM tenants 15% energy costs per month.