

# PACIFICO ENERGY KEEPING AGILE





WHEN PACIFICO ENERGY WAS FOUNDED IT WAS NEVER INTENDED TO BE A LONG-TERM PROJECT, BUT THEY'VE BECOME A MULTI-NATIONAL SUCCESS STORY.

# KEEPING AGILE

Pacifico Energy was founded in 2012 in Japan, intended as a small project to take advantage of the business opportunities created by the government's new solar energy programme.

“We didn't have huge plans we just wanted to do a few projects,” remembers the company's Chairman, Nate Franklin. “The Japanese government had just come out with a new renewables programme. We started the company and were lucky to find some very talented local developers and built the right team and grew from there.” What it grew into was one of the largest independent renewable

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↑  
Furukawa 57MW project  
(Miyagi, Japan)





Mui Ne 40MW Project  
(Phan Thiet, Vietnam)

developers in Asia, with a proven track record and a large pipeline of projects. That portfolio has expanded as well.

“Now we’re not just doing solar but all renewables. We grew to be the largest renewable developer in Japan in terms of the number of megawatts financed and we have opened offices in Vietnam and Korea, with the Vietnam project having recently finished construction,” Franklin tells us.

The company has succeeded thanks to occupying a sweet spot in the development industry, encompassing the best of both worlds of high capital with flexibility and risk-taking.

“I think we have a good combination of having access to more capital than a typical local

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developer while still being close enough to what we’re doing to understand the risks and make investments wisely,” Franklin tells us. “Being a developer’s tricky because you need a big balance sheet. It’s expensive, it’s very risky from a capital point of view. As far as big companies go the decision process isn’t quick. Nobody wants to make a mistake. And to be a good developer you have to be willing to lose money sometimes and know you’ll win more often than you lose in the

long run. So you have that. That attitude with any development, it’s suited to smaller and more nimble companies but they often don’t have the capital.”

**GLOBALLY LOCAL KNOWLEDGE**

Pacifico Energy is working across a number of different territories today. Often when companies expand like this across a specific region they tend to copy and paste their operations from one place to another, assuming what has worked in one country



will work in the next. This isn’t so for Pacifico Energy.

“The biggest challenges come from operating in different countries,” Franklin admits. “Even though we’re based entirely in Asia across the different countries each has their own unique way of doing things and it’s challenging to adapt. You can’t implement the same processes that make you successful in one place in another place. It’s very difficult to find good

people locally. One mistake I see developers make is if they have a good developer in one country they will send the same team to another country. But development is a very local business and you need local teams.”

The power sector is a highly regulated one wherever you go, and Pacifico Energy has had to constantly adapt to changing regulatory environments. For that, they need the right expertise on site.

But as well as having an informed and flexible team on the ground, Pacifico Energy also benefits from not having to answer to anyone but themselves.

“The first thing you need is to have the local teams on the ground that are knowledgeable and have the contacts and connections to understand the changes that are happening,” Franklin says. “One thing that sets us apart is the actual investors in the company being very close to the business. It helps us be more agile. We’re using our own capital so we can be more nimble in responding to changes and take risks maybe others can’t take. Without that it would be hard to explain to outside investors exactly what we’re doing because >>

“WE SHARE A LOT OF PROFITS AND **WE BELIEVE WE PAY MORE AND HIGHER BONUSES THAN ANYONE IN THE INDUSTRY TO OUR DEVELOPERS, ENGINEERS, AND OUR TEAM AT LARGE**”





Hosoe 97MW project  
(Miyazaki, Japan)

“WE BELIEVE IN **HIRING THE VERY BEST PEOPLE AND THEN NOT TELLING THEM HOW TO DO THINGS.**”

sometimes you don't have all the answers.”

This is an attitude that doesn't just apply to Franklin at the top of the business, but is reflected all the way through his team.

“We have a strong team. We're all about having the best people and incentivising them well. We believe in hiring the very best people and then not telling them how to do things,” he says. “We give our people a lot of freedom in what they're doing and people enjoy working in that environment if they're a high performance type person. We're finding the very best people and not babysitting them. You don't hire Steph Curry and tell him how to shoot a jump shot. We don't get caught up in process - it's all about the result. Our people have the freedom to find their own way to achieve the result we're after.”

As well as sharing in the decision making, staff also

share in the rewards, Franklin points out.

“We share a lot of profits and we believe we pay more and higher bonuses than anyone in the industry to our developers, engineers, and our team at large,” he says.

**TAKING OPPORTUNITIES AS THEY COME**

Looking forward, things are looking bright for Pacifico Energy. But while most businesses seem to have every detail of their growth planned out way ahead of time, Franklin's approach reflects the flexibility and openness to possibilities that has been the hallmark of Pacifico Energy's story so far.

“You know, it's always hard to predict. We are now heavily involved in offshore wind in Japan. Two years ago if you'd asked me what we'd be doing I wouldn't have said offshore wind,” he admits. “So one thing I've found is we don't operate on five-year business plans. We're opportunistic. We're busy in our three markets and we want to be in a small number of markets but very deep in them. Where we're going in the future depends on what opportunities pop up.” ☺



Groundbreaking ceremony at our Bizen 111MW project (Okayama, Japan)





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