

Business Case Study

Adopting a Whole-House Approach

CanAm Building Envelope Specialists Inc.
Tony Woods, President

Since 1980, CanAm has been working with home performance contractors and industry trades to improve building envelopes and ensure healthy, durable, safe, comfortable, and energy efficient buildings. Today, CanAm is a \$5 million business because it has successfully partnered with a variety of contractors to help homeowners identify and fix comfort problems.

Tony Woods, President of CanAm, says “invariably we end up in a house because of a comfort issue.” Customers simply want to understand the issue, have it resolved, and have assurance that it will not reoccur or affect something else in their home. CanAm’s business model ultimately relies on its ability to educate customers through its network of contractors.

Through its partnership strategy with contractors in roofing, insulation, heating and cooling, CanAm generates many leads and a steady revenue stream. Tony travels around the country to establish relationships and deliver presentations to various contractors. He offers training for these contractors and helps them identify comfort problems and opportunities for air sealers to address. Tony offers them a finder’s fee and essentially builds an extension of CanAm’s sales force that regularly feed leads to CanAm or to its affiliated air sealing partners.

Many air sealing contractors in Canam’s network follow the same strategy and Tony provides them with his canned presentations and training materials.

The contractor community, armed with the right tools and education through affiliation with CanAm, is able to identify a problem, solve it, and explain the benefits to the customer. So what are some of the tools and training CanAm contractors and partners receive?

Tony has complemented CanAm’s contracting and consulting services by selling air sealing products like caulk, spray foam, and other specialized air sealing products to contractors and do-it-yourselfers. These products are used by many weatherization and air sealing contractors all over North America and account for about 10% of his sales revenue. Most of CanAm’s \$5 million in annual revenue is from a consulting and contracting services business which increasingly includes training classes for large groups at trade shows, government programs, state and local organizations, and trade associations. At the same time, Canam continues to expand its activity in the lucrative commercial and public sector market.

Tony states that education is the greatest challenge in offering air sealing and consulting services. Fortunately, CanAm’s business strategy confronts this challenge head on as it aims to train and educate various trades in housing on the benefits of air sealing. Tony has worked with utilities from the very beginning to educate and influence consumers directly. Some of the basic and creative ways CanAm helps contractors market, sell, and educate include:

- **Smart Yellow Page ads** – Tony encourages the use of words like “draft proofing” rather than “air sealing” so everyone understands the benefit. Also, Tony advises to make sure to include your ad in all relevant sections (e.g. roofing, insulation, heating and cooling, mold, etc.)
- **Internet advertising and education** – Tony said that when he added “mold” and “ice damming” information on www.canambuildingenvelope.com, they went from 200 hits/day to 3,000 hits/day. Further, the Internet can expand your consulting business to a larger base of clients--even globally.

Tony cites an Australian client he has worked with for the past couple years that found him through CanAm's web site.

- **Trade and home show participation** – Be strategic, Tony says, “Only go if you are able to get in front of a large audience and get on the agenda.” Also, Tony recommends fall shows over spring shows to take advantage of more comfort complaints and compete less with gardening and landscaping companies.
- **Editorials** – Writing editorials or having them placed about your company and your expertise is a great marketing tool and can be re-produced infinitely.
- **Home improvement shows / videos** – CanAm has been featured on several home improvement shows including segments on ice damming and comfort problems with rooms over garages. Also, CanAm's own videos are a valuable training and marketing tool for their contractors.
- **Digital photography** – Tony encourages all his staff and contractors to use photography extensively and has an excellent collection of “horror stories” and remedies illustrated by real life photos. CanAm often lends photos as well as their booth to their contractors for participation in home shows.

Affiliation and active involvement in key industry associations and groups helps CanAm differentiate and grow business. CanAm is a member of the Spray and Polyurethane Foam Association in the US as well as many building envelope groups in Canada. Tony is an active member of the board for Affordable Comfort and the Building Performance Institute. A regular speaker at industry conferences and events, Tony takes advantage of these opportunities to train and influence various trades in offering value added services like home sealing.

Tony also practices what he preaches with his own full-time staff of 25. At CanAm, training and education is a part of its culture. They believe strongly in a mentoring program focused on hands-on, field training. Often, this mentoring includes contractors and subcontractors that are associated with CanAm. All CanAm contractors receive assistance in person from CanAm technicians on their initial projects.

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Just as training is an integral part of the CanAm's success, diagnostic tools go hand-in-hand with the educational process and help deliver quality service to customers. CanAm technicians always have blower doors available to them on each job they visit. They also use software and a whole house assessment form to note the information gathered and to prepare a proposal for the customer. Tony believes the diagnostic equipment is important but also believes that ultimately you must fix the problem. Tony says, “Look for the pain, find it and fix it. Then you're their friend for life. You can make a wonderful living fixing problems. This is rewarding.” Just like knowing how and when to use diagnostic equipment, Tony feels showing payback and return on investment is important. However, he iterates, “If we fix a problem, the payback may not matter as much but it helps them with justification.”

Tony believes that ENERGY STAR could play a key role in educating more contractors about the benefits of home sealing. Most importantly, Tony feels the third-party credibility of ENERGY STAR is valuable to the industry trades and ultimately a key ingredient in getting customers to value the services provided by home sealing contractors.