



**Better Buildings Residential Network
Workforce/Business Partners Peer Exchange Call
Series: *Trends in Contractor Conversion Rates***

Call Slides and Discussion Summary

December 5, 2013

Agenda

- Call Logistics and Introductions
- Peer Exchange Call Overview and Announcements
- Lessons Learned: Featured Speakers
 - Populus (for Denver Energy Challenge & Energy Smart in Boulder County, CO)
 - NeighborWorks of Western Vermont
- Discussion
 - What trends have you noticed in contractor conversion rates for your programs? Have they been stable, increasing, or decreasing?
 - What approaches have you used to increase the proportion of home energy assessments that lead to energy upgrades for contractors?
 - What has worked well to increase conversion rates?
 - What does *not* work well?
 - Other ideas or questions about conversion rates and strategies?
- Future Call Topics Poll

Call Participants

- Baltimore, MD
- Boulder, CO
- Charlottesville, VA
- Cincinnati, OH
- Kansas City, KS
- New York
- Populus
- Spirit Foundation
- Vermont
- Vermont Energy Investment Corporation
- Washington, DC

**Contractor Conversion Rates
Lessons Learned:
Denver and Boulder County, CO**

Conversion Rates in Energy Efficiency Programs



- Energy Smart in Boulder County
- Denver Energy Challenge in the City & County of Denver



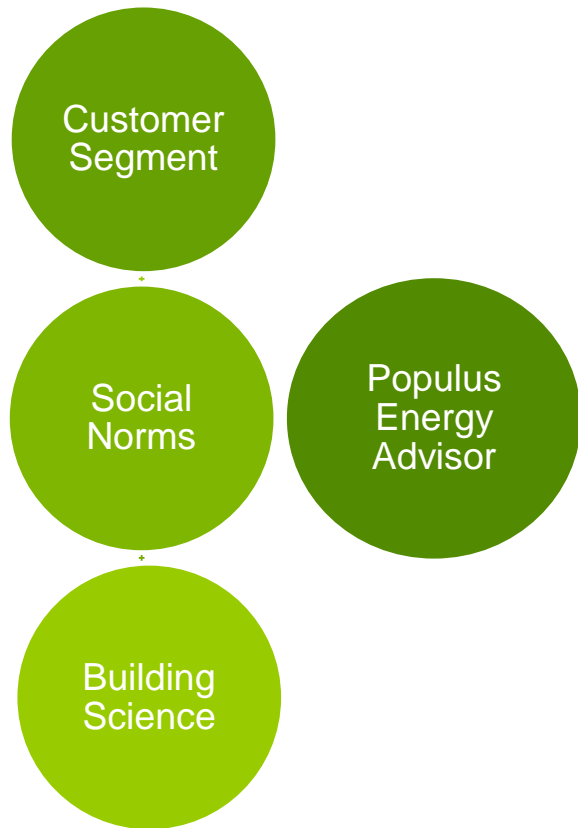
Sally Lambert, Program Manager, Populus

What drives our high conversion rates?

- Energy Advisor Model
- People First, Buildings Second™
- Leveraging the Power of Social Norms & Behavioral Science to Persuade Customers
- Support Auditors and Contractors
- Data Tracking



Conversion Rates in Energy Efficiency Programs



Contractor Conversion Rates Lessons Learned: Western Vermont



Your One-Stop-Shop for
Home Energy Efficiency

NeighborWorks H.E.A.T. Squad

Trends in Contractor Conversion Rates

Melanie Paskevich
H.E.A.T. Squad Coordinator
NeighborWorks of Western Vermont





NeighborWorks H.E.A.T. Squad:

- Support homeowners to improve the energy efficiency of their home, regardless of income, helping every step of the way
- Reduce audit cost, energy advisors, in-house flexible financing
- Available in five counties, half of VT
- Partners include: Efficiency Vermont, Green Mountain Power, local Home Performance with ENERGY STAR Contractors, local Energy Committees and Energy Champions





Successful Contractor Conversion Rates:

1. Encourage Communication and Listen to Contractors
2. Set Timelines, Promote Competition, and Provide Incentives
3. Provide Them with Useful Tools





Communication and Listening:

- **Encourage communication:** email, phone, drop-ins, open door policy with the program. Stress communication with Homeowners in a timely manner throughout process
- **Monthly meetings with each Contractor:** review each client status, talk about issues, discuss program
- **Group Contractor meetings:** all of them together to review program issues, any changes, provide learning opportunity/speakers
- **Always include Contractors:** at the start when proposing program revisions, new offerings, interaction with policy makers, etc.
- **Listen to the Contractors:** to their needs, their wants, their issues, and most importantly- respond to those issues

Energy efficiency programs would not survive without the Contractors and they need to be fully engaged on all levels.





Group Contractor Meetings:



Bi-monthly meetings have encouraged a sharing of techniques, advice, and products by all. These meetings have become very interactive and insightful.

Contractors are asking for these meetings!





Timelines, Competition & Incentives:

- **Set timeline for paperwork:** 5-10 business days to complete audit report, if report is late they go off scheduling list, if go past 4 weeks from audit lose audit (ave. report timeline has gone from 4 months to 1 week!)
- **Encourage competition:** monthly report that shows each Contractors conversion rates, Contractor Competitions- Contractor who has the most completed projects or highest conversion rate wins prize
- **Provide incentives:** when Contractors submit audit report, they are paid \$100 (Homeowner pays \$100 at time of audit) and when project is complete, they get a bonus \$50- total for completed project \$250





Contractor Monthly Report:

NeighborWorks HEAT Squad BPI Contractor Results as of March 5, 2013

	Completed Home Energy Checkups	Dropped Out of Program	Completed Home Energy Upgrades	In Upgrade Process	Completed and In Upgrade Process Conversion	Average Cost of Energy Upgrade	Ave. % Heating Energy Savings	Fall/Winter 2012 Competition
Red Barn Design and Build LLC	135	35	70	15	63%	\$8,234	36%	A=9 D=0 0%
Weatherization Works	206	54	105	16	59%	\$5,766	31%	A=16 D=3 19%**
Green Mountain Energy Professionals	24	8	12	0	50%	\$4,168	20%	A=6 D=1 17%***
Solsaa Building & Energy Solutions	155	38	64	10	48%	\$7,220	32%	A=15 D=1 7%
Absolute Comfort	42	8	15	3	43%	\$6,498	25%	A=15 D=2 13%
Vermont Energy Works, Inc.	205	79	80	4	41%	\$7,237	31%	A=20 D=5 25%*
Harrington Custom Building	95	36	33	6	41%	\$7,505	37%	A=12 D=0 0%
Shaping Energies	138	20	45	5	37%	\$6,974	35%	A=49 D=5 10%
Vermont Foam Insulation	22	3	8	0	36%	\$7,341	31%	A=8 D=0 0%
McKernon Group	23	7	3	3	26%	\$6,879	29%	A=8 D=0 0%
Comprehensive Bld'g Solutions	143	46	29	8	26%	\$7,427	26%	A=13 D=0 0%
Montpelier Construction	38	7	6	3	24%	\$7,014	27%	A=0 D=0 0%
Structural Energy Conservation	116	35	25	2	23%	\$8,548	32%	A=14 D=2 14%

Each month all the Contractors see how each other is performing and they can see their past conversion rates. This has been a great driver for them to revise their business practices.



Provide Them with Useful Tools:

- **FREE trainings at our location:** BPI, Weatherization Installer, Crew Chief, Auditor, IR Camera, Combustion Analysis, Blower Door, Energy Auditor, Business Planning, **Dale Carnegie Weatherization Sales Training** (VITAL to all programs, VITAL to this industry)
- **Equipment loan & equipment to borrow:** low interest rate loan, great terms, very flexible; blower door kits & IR cameras to borrow
- **Temporary weatherization labor pool:** LaborWorks at NeighborWorks to help with workload without them having to take on the paperwork, cost burden of hiring helpers in an industry that has a high turn-over rate
- **Co-marketing:** door hangers, adds, include for presentations, marketing events, Energy Parties, articles, radio, marketing materials for their use



Discussion Questions

- What trends have you noticed in contractor conversion rates for your programs? Have they been stable, increasing, or decreasing?
- What approaches have you used to increase the proportion of home energy assessments that lead to energy upgrades for contractors?
 - What has worked well to increase conversion rates?
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- Other ideas or questions about conversion rates and strategies?

Boulder and Denver: Increasing Contractor Conversion Rates

- 72% conversion rate in Boulder (single-family, owner-occupied homes)
- 76% conversion rate in Denver (single family)
- Energy advisor model contributes to success:
 - Unbiased expert works with homeowner through the entire process as a trusted resource who connects them with auditors and contractors
 - “People first, buildings second.” Advisor asks homeowner questions and helps them based on their goals and priorities
 - Average loan with advisor: \$10K (without advisor: \$3K)

Vermont HEAT Squad: Strategies for Increasing Contractor Conversion Rates

- HEAT Squad: energy advisors on staff, customer hand-holding every step of the way.
- Open-door policy with contractors: bimonthly meetings to encourage them to keep in contact with homeowners.
- Set timelines, promote competition, provide incentives: timeline has gone from 4 months to under a week for conversions. Charts enable contractors to see the conversion rates.
- Sales training for weatherization is vital, so that contractors know how to market to homeowners. Determine what each homeowner's motivation is and respond to that.

Discussion Summary: Strategies for Improving Conversion Rates

- **Marketing and sales training and support** for contractors is key; build relationships and provide mentoring.
- **Energy advisors** are very helpful in bringing customers through the process to complete upgrades.
- **Outreach to realtors** to display energy-efficient home certifications is one strategy that may help increase conversion rates (Washington, DC).
- **Working with real estate and financing partners** to promote the value of energy efficiency upgrades (and increased home value) can help (Charlottesville, VA).
- **Address customer values** – focus on the driver that is most important to them (e.g., comfort, cost, etc.)

Discussion Summary: Overcoming Challenges

Overcoming Challenges- When a program ceases to offer incentives:

- Greater Cincinnati Energy Alliance saw a **dramatic increase** in conversion rates after ceasing the incentives they offered. The reason may have been that homeowners who came to the program without incentives were **truly interested in upgrades**, whereas the incentive led to some to only get assessments.
- **Contractors do not necessarily sell the “home performance” concept** – they may market their services or specific incentives instead of the program overall. Demand has fallen as have the incentives (Charlottesville, VA; Cincinnati).
 - Working with the real estate sector to add a home performance checkbox to the MLS can help alleviate this loss of demand.
- **Marketing and outreach** are important to establish and maintain relationships with homeowners, especially after losing incentives.

Discussion Summary: Direct Installation Initiatives

- Some programs have found that direct installation initiatives **do not significantly increase conversion rates** (Baltimore, MD; DC); however, they can result in **increased energy savings** (Boulder, CO).
- Direct install incentives can be valuable for **establishing a connection with homeowners** who may come back in the future for upgrades.
- Direct installation incentives also help programs **establish relationships with utilities.**

Polls

- Which of the following topics are of interest for future Workforce/Business Partners peer exchange calls?
 - Contractor Rating & Feedback Systems: 89%
 - Home Performance Training Resources & Program Experiences: 56%
 - Incubating New Home Performance Businesses: 44%
 - Assembling Contractor Teams for Whole Home Upgrades : 33%
- Have contractor conversion rates increased, decreased, or stayed the same in 2012-2013 for call participant programs?
 - Increased: 36%
 - Decreased: 0%
 - Stayed the same: 36%
 - Not applicable: 27%
 - Don't know: 0%