



**Better Buildings Residential Network Peer
Exchange Call Series:
*Programs and Contractors – Top Tips for
Successful Relationships! (101)***

October 22, 2015

Call Slides and Discussion Summary

Call Participants: Residential Network Members

- Build It Green
- Center for Sustainable Energy
- City and County of Denver
- City of Plano
- Efficiency Vermont
- Elevate Energy
- Energy Conservation Works
- Enhabit
- Honeywell International, Inc.
- National Grid
- NeighborWorks of Western Vermont
- Performance Systems Development (PSD)
- South Burlington Energy Committee
- Vermont Energy Investment Corporation (VEIC)
- Wisconsin Energy Conservation Corporation (WECC)

Call Participants: Non-Members

- AE Building Systems
- Bki
- City of Milwaukee
- CLEAResult
- Energy Conservation Works
- Environmental Design / Build
- Gary Gray & Associates
- Holy Cross Energy
- ILLUME Advising, LLC
- Metropolitan Energy Center
- Nidec Motor Corporation
- Philadelphia Gas Works
- Smith & Boucher Engineers
- Snohomish County PUD
- South Bay Cities Council of Governments
- South Burlington Energy Prize
- The Energy Network
- TRC Solutions
- Umatilla Electric Cooperative

Call Participant Locations



Agenda

- Agenda Review and Ground Rules
- Opening Poll
- Brief Residential Network Overview
- Featured Speakers
 - **Melanie Paskevich**, [H.E.A.T. Squad](#) Program Manager, [NeighborWorks of Western Vermont](#) (*Network member*)
 - **Amy Beley**, Senior Program Manager, [Build It Green](#) (*Network member*)
- Discussion
 - What have you found to be most important for creating and maintaining good relationships between programs and auditors/contractors? What are your “tips for success”?
 - What are ways programs and contractors can work together to improve the efficiency of work processes and enhance the quality of services to homeowners?
 - What are common pitfalls when programs work with contractors? How can those be avoided?
 - Should programs allocate more support/resources to a subset of contractors (e.g., prioritize higher performing contractors)?
 - Other questions/issues related to program-contractor interactions?
- Closing Poll(s) and Upcoming Call Schedule

Opening Poll

- Which of the following best describes your organization's experience with energy efficiency program-contractor relationships?
 - **Very experienced/familiar—65%**
 - Some experience/familiarity—31%
 - No experience/familiarity—4%
 - Limited experience/familiarity—0%
 - Not applicable—0%

Better Buildings Residential Network

Better Buildings Residential Network: Connects energy efficiency programs and partners to share best practices and learn from one another to increase the number of homes that are energy efficient.

Membership: Open to organizations committed to accelerating the pace of home energy upgrades.

Benefits:

- Peer Exchange Calls 4x/month
- Tools, templates, & resources
- Recognition in media, materials
- Speaking opportunities
- Updates on latest trends
- Voluntary member initiatives
- Residential Program Solution Center guided tours

Commitment: Provide DOE with annual number of residential upgrades, and information about associated benefits.

For more information or to join, email bbresidentialnetwork@ee.doe.gov

**Program Experience:
Melanie Paskevich
H.E.A.T. Squad Program Manager
NeighborWorks of Western Vermont**



Your One-Stop-Shop for
Energy Efficiency

NeighborWorks H.E.A.T. Squad

Building and Maintaining
Successful (and Healthy)
Program- Contractor
Relationships

Melanie Paskevich
H.E.A.T. Squad Program Manager





NeighborWorks HEAT Squad 1.0:

- Non-profit organization providing support to improve the energy efficiency of homes/businesses, regardless of income.
- Reduced audit cost, objective advice, help with contractors, 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 (and Healthy) Program - Contractor Relationships:

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

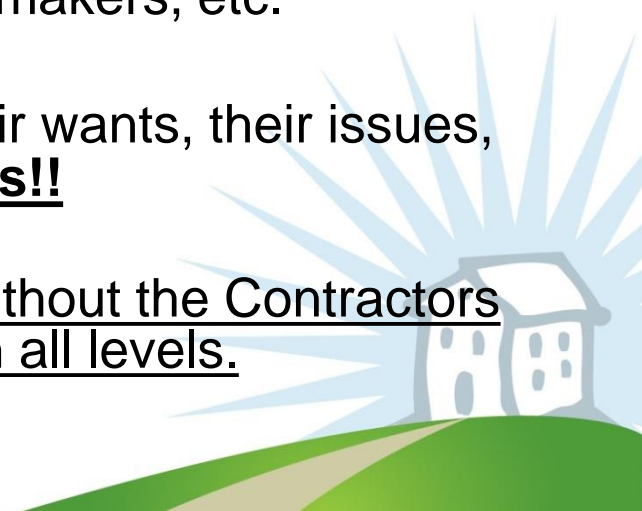




1. Communication and Listening:

- **Encourage Communication:** email/phone/drop-ins, open door policy. Stress communication with Homeowners in a timely manner.
- **Monthly One-on-One Meetings:** review each client status, talk about issues, discuss program.
- **Group Meetings:** all contractors together to review program issues, any changes, provide learning opportunity/speakers.
- **Include Contractors:** from the start when proposing program revisions, new offerings, interaction with policy makers, etc.
- **Listen to 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:



Regular meetings have encouraged a sharing of techniques, advice, and products. These meetings have become very interactive and insightful.

Contractors were asking for these meetings and most sent several staff members!





2. 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, must pay homeowner's fee & new auditor does audit again. (Avg. report turn-around has gone from 4 mos. to 1 wk!)
- **Encourage Competition:** monthly report that shows each Contractor's 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

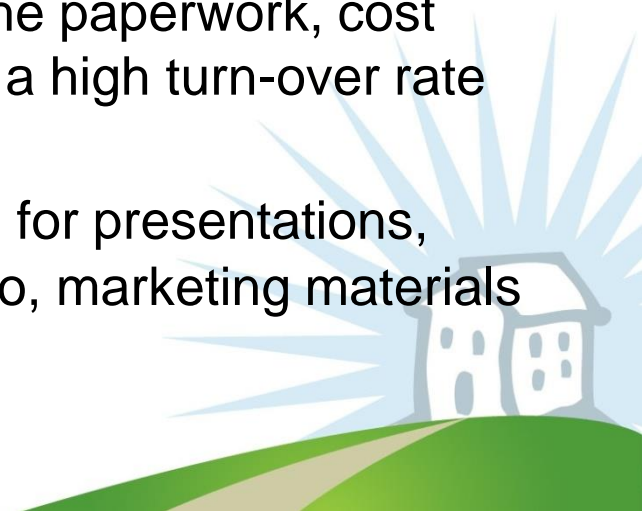
	Completed Home Energy Checkups	Dropped Out of Program	Completed Home Energy Upgrades	In Upgrade Process	Completed and In Upgrade Process Conversion	Average Cost of Energy Upgrade	Ave. % Heating Energy Savings	Fall/Winter 2012 Competition
Red Barn Design and Build LLC	135	35	70	15	63%	\$8,234	36%	A=9 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.



3. Provide Them with Useful Tools:

- **FREE Trainings:** 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 & Loaner Equipment:** low interest rate loan, great terms, very flexible; blower door kits & IR cameras to borrow
- **Temporary 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





HEAT Squad 2.0 Program:

Program Changes: audits done in house, same day audit report, coordinate contractor estimate(s), quality control inspection at end of project.

Impact to Contractors:

- **Deliver HOT project leads**
- **Eliminate dead-end audits, loss leaders**
- **Process easier with paperwork, we submit to state for incentives**
- **Increased conversion rate, selling more projects**
(To date contractor revenue= \$11 m)

Successful program change due to our building and maintaining the Program-Contractor Relationships.



THANK YOU



Melanie Paskevich
heatsquad.org



Program Experience: Western Vermont

- Lead allocation is based on the contractors who respond to a lead and energy audit, then by which contractors best match a customer's situation given the contractor's skills, experience, and job preferences.
 - If contractors do not respond to leads, they are not sent additional leads.
 - Contractors are charged a percentage fee of the project cost for lead allocation. Contractors who don't pay the fee on time will not receive additional leads.
 - The top performing contractor in the program wins marketing funding as an incentive.
- The H.E.A.T Squad program was able to establish a loan for equipment for contractors through grant funding.

Program Experience:
Amy Beley
Senior Program Manager
Build It Green

Program Experience: Build It Green, California



Amy Beley
Senior Program Manager
Build It Green
www.builditgreen.org

Program Experience: California

- **Efficiency and quality control** are key components to successful contractor relationships.
 - Built It Green follows Home Performance with ENERGY STAR guidelines for QC.
 - Communication is useful; Build It Green has encountered cases when quality control issues resulted from miscommunications rather than technical challenges.
- **Create a feedback loop**, but be thoughtful about word choice to not make communications punitive.
- **Programs have to add value to the contractors.** There are a lot of moving parts and administrative costs for a contractor to participate. Keep that in mind with program changes.
 - For example, changing a program's logo change may require contractors to change all of their marketing materials.
 - Provide a predictable schedule for program changes, such as on a quarterly basis, rather than implementing change haphazardly. Communicate pending changes many ways to ensure contractors are aware.
 - Built It Green has implemented a successful concierge/mentoring program. The program works directly with contractors to improve their business processes and efficiency to maximize their gain from participating in the home upgrade program.
 - California is a big state; it is not possible to have personal relationships with every contractor.

Residential Program Solution Center Resources

- Contractor Engagement & Workforce Development [Tips for Success](#)
- Step-by-step guidance on [designing contractor engagement programs](#), including participation requirements, work standards, incentives, & training
- Step-by-step guidance to help [plan for program-contractor activities](#), including recruitment, training delivery, reporting processes, and quality assurance
- *And much more!*
- While you are there, see the latest Proven Practices post on [Tiered Financing](#).



<https://bbnp.pnnl.gov/>

The Solution Center is continually updated to support residential energy efficiency programs—[member ideas are wanted!](#)

Discussion Questions

- What have you found to be most important for creating and maintaining good relationships between programs and auditors/contractors?
 - What are your “tips for success”?
- What are ways programs and contractors can work together to improve the efficiency of work processes and enhance the quality of services to homeowners?
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Discussion: Program Challenges When Working with Contractors

- Getting contractors to include financing options in project bids
- Developing trade ally networks and cultivating relationships
- Contractors are busy and not always interested in working with energy efficiency programs when it may add administrative burdens
- Preventing contractor drop-off, especially when programs undergo changes

Find strategies to address these challenges (and more) on the next slides.

Discussion: Tips for Better Contractor Relationships (Slide 1 of 2)

- **Help Contractors Communicate Rebate/Financing Programs:**
 - Educate contractors on program offerings and make the financing/rebate options simple. Let contractors know they can direct customers to your program for more information on financing options.
- **Cultivate better relationships:**
 - Meet one-on-one, if possible.
 - Include contractors at every step of the program. For example, if your program lobbies at the state level, invite contractors to speak on the program's behalf.
 - Listen and respond to complaints and concerns.
- **Minimize administrative burden:**
 - Evaluate program changes from a contractor perspective to avoid any unnecessary administrative burdens; get input from participating contractors regularly (e.g., focus group).
 - Avoid haphazard program changes and communicate changes thoroughly.

Discussion: Tips for Better Contractor Relationships (Slide 2 of 2)

■ Prevent drop-off:

- Show sustainability/continuity in your program. If your program will be around for the long haul and adds value to contractors (leads, training/marketing support, etc.), contractors will be more willing to work with your program.
- Offer pre-screening of leads to pass better quality leads and thereby help contractors achieve a higher conversion rate. NeighborWorks of Western Vermont charges contractors participating in their program a fee for lead screening.

■ Ensure quality work:

- Provide useful tools, such as sales training or other trainings that connect contractors to specialists (e.g., lenders, mold experts).
- Make information on contractor performance accessible to invite friendly competition.
- Be clear about the impact in terms of overhead costs to a contractor's business if a call back is needed. Meeting high quality performance standards reduces waste and helps their bottom line.
- Offer fewer inspections to contractors who can consistently deliver high quality work.
- Tiering contractors to offer more leads to top performers has its trade-offs. It does not reflect how a contractor responded to down times or challenges. However, tiering can add an element of competition to motivate better performance among contractors.

Closing Poll

- After today's call, what will you do?
 - **Consider implementing one or more of the ideas discussed—77%**
 - Seek out additional information on one or more of the ideas—23%
 - Make no changes to your current approach—0%
 - Other (please explain)—0%

Peer Exchange Call Series

Better Buildings Residential Network Peer Exchange calls occur every Thursday from 1:00-2:30 PM ET

Calls cover a range of topics, including financing & revenue, data & evaluation, business partners, multifamily housing, and marketing & outreach for all stages of program development and implementation

Upcoming calls:

- **November 18 (Wed):** Home Upgrades: Leveraging HVAC Upgrades for Greater Impact (201)
- *No call November 26 – Thanksgiving*
- **December 3:** Shark Tank: Residential Energy Efficiency Edition – Episode #2 (301)
- **December 10:** Capitalizing on Multi-benefits for Multi-family Housing (201)

Send call topic ideas to peerexchange@rossstrategic.com