Sample Business Plan Framework 2: A program that builds private sector capacity, then phases out and stops operating

**Mission:** Create a sustainable, local home energy efficiency market in the greater city “X” region

**Vision:** Train enough private sector stakeholders to take over and drive the local home performance market moving forward

**Goal:** Build sufficient private sector capacity so the market will no longer require program services in the post-grant period

<table>
<thead>
<tr>
<th>Governance</th>
<th>Financial Structure</th>
<th>Assets &amp; Infrastructure</th>
<th>Service Offering</th>
<th>Customer</th>
<th>Partners</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Define internal responsibilities:</strong></td>
<td><strong>Identify sources/uses of funds:</strong></td>
<td><strong>Identify assets (e.g., software, brand, etc.):</strong></td>
<td><strong>List services offered:</strong></td>
<td><strong>Identify target customers:</strong></td>
<td><strong>Identify current/future partnering opportunities:</strong></td>
</tr>
<tr>
<td>• Governmental organization with an implementation contractor supporting it during the grant period</td>
<td><strong>Sources:</strong></td>
<td><strong>Brand:</strong></td>
<td><strong>For Homeowners:</strong></td>
<td><strong>Homes &gt;1,500 sq. ft.</strong></td>
<td>• Partners during grant period include:</td>
</tr>
<tr>
<td><strong>Define external restrictions (e.g., regulations, laws, etc.):</strong></td>
<td>• Grant funding is used initially</td>
<td>• Investment in brand image centered around:</td>
<td>• Discounted energy audits</td>
<td>• Household income of &gt;$80,000</td>
<td>• Remodelers, HVAC contractors</td>
</tr>
<tr>
<td>• Services provided are teaching and marketing materials</td>
<td>• Services provided are teaching and marketing materials</td>
<td>• Job creation (to recruit contractors)</td>
<td>For Contractors:</td>
<td>• Homes developed late 1960s-1990s</td>
<td>• Training agencies</td>
</tr>
<tr>
<td>• Post-grant period, no additional confirmed funding</td>
<td></td>
<td>• Energy efficiency expertise (to credibly convey benefits of energy efficiency to homeowners)</td>
<td>• Contractor pre-qualification</td>
<td>• Primarily well-educated and female</td>
<td>• Future potential partners include:</td>
</tr>
<tr>
<td><strong>Uses:</strong></td>
<td><strong>Uses:</strong></td>
<td><strong>Free tech, sales, and bus. development trainings</strong></td>
<td><strong>Describe outreach strategy:</strong></td>
<td><strong>Describe how program aligns with potential partner interests:</strong></td>
<td>Realtors</td>
</tr>
<tr>
<td>• Provide discounted services to homeowners</td>
<td>• Provide discounted services to homeowners</td>
<td><strong>Leads to new work</strong></td>
<td>• Neighborhood sweeps: demand creation among homeowners in particular neighborhoods</td>
<td>• Program trains enough contractors to sustain market post-grant period</td>
<td></td>
</tr>
<tr>
<td>• Cover cost of training to contractors</td>
<td></td>
<td>• Low-cost loans for equipment</td>
<td>• Education sessions</td>
<td>• Contractors get free training and new business</td>
<td></td>
</tr>
<tr>
<td><strong>Track financial performance:</strong></td>
<td><strong>Track financial performance:</strong></td>
<td><strong>Articulate value of service offering:</strong></td>
<td>• Mass marketing through print, radio, and social media</td>
<td>• Training programs get steady source of funding</td>
<td></td>
</tr>
<tr>
<td>• Track loan issuance and repayment schedule</td>
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<td>• Provide homeowners with no-cost financing and subsidized services</td>
<td>• Outreach to contractors through Efficiency First chapter</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Costs</th>
<th>Revenue</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>List and describe costs:</strong></td>
<td><strong>List and describe revenue:</strong></td>
</tr>
<tr>
<td>• Cost of goods and services sold: labor and materials for energy assessments, cost of training, financing costs</td>
<td>• Federal grants (initial funding)</td>
</tr>
<tr>
<td>• Overhead (e.g., rent, utilities, administrative costs, etc.)</td>
<td>• Loan repayment</td>
</tr>
<tr>
<td>• Marketing and branding investment</td>
<td></td>
</tr>
</tbody>
</table>
Defining a program’s mission, vision, and goals is critical to determining what an organization’s basic characteristics are, and by extension, its schematic.

**Mission:** Create a sustainable, local home energy efficiency market in the greater city “X” region

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**High Level Business Model Schematic**

- **Program Administrator**
  - Payment for training ($)
  - Pre-qualification
  - Leads
  - Discount financing for equipment
  - Marketing materials

- **Training Providers**
  - Technical training
  - Sales training
  - Business development training

- **Contractors**
  - Installation work
  - Energy assessments
  - Marketing and education
  - Payment for equipment loans ($)

- **Homeowners**
  - Payment for assessment and installation work ($)
  - Marketing and education
  - Discounts on energy assessments and installation work

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Service Provided  
Temporary Service Provided

Cost/Payment  
Temporary Cost/Payment
In considering a transition model, building partner capacity is the critical business plan element to focus on.

**Goal:** Build sufficient private sector capacity so the market will no longer require program services in the post-grant period.

### Partnership Structure: Detailed Steps

**How to identify potential stakeholders for partnership:**
1. Research local market to identify partnering opportunities
2. Compare your business plan with that of potential partners to identify areas of common interest and program value
3. Develop and implement a value proposition that helps partners achieve long-term program goals

### Identify current/future partnering opportunities
- Research local market to identify potential opportunities for partnership
- Research should allow you to identify common areas of interest (e.g., adding new services, enhancing marketing capabilities, etc.)

### Comparative partner analysis
- Compare the business plan of the grantee program to the business plan of potential partners (see partnership evaluation framework doc.)
- Look for areas where mission, vision, and goals align
- Identify areas that are critical to partner success

### Develop program value proposition and partnerships
- Select partners most likely to be interested in working with the program and/or those critical to program success
- Design program service offerings around critical partner priorities and needs
- Reach out to potential partners to generate buy-in on program services
- Form partnerships around building private sector home performance capacity

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**Program Goal:** Privately Driven Market

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11/4/2011