Sample Business Plan Framework 4: A program seeking to continue in the post-grant period as a marketing contractor to a utility

<table>
<thead>
<tr>
<th>Mission</th>
<th>Create a sustainable, local home energy efficiency market in the greater city “X” region</th>
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<tbody>
<tr>
<td>Vision</td>
<td>Recognized as an essential utility partner in generating demand for home energy upgrades</td>
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<td>Goal</td>
<td>Operate in the post-grant period by using utility program funds to conduct customer marketing that drives demand for utility rebates</td>
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### Governance

**Define internal responsibilities:**
- A not-for-profit with a technical advisory board
- Define external restrictions (e.g., regulations, laws, etc.):
  - Original grant funding requires the reporting and tracking of program progress
  - Revenues generated using grant funds must be used for same purpose as original grant rules mandated
- As utility contractor, must abide by public utility commission (PUC) regulations

### Financial Structure

**Identify sources/uses of funds:**
- Grant funding is used initially
- Post-grant period, additional revenues are generated by sale of customer marketing and education services to utility
- Each service sold incurs both revenues and costs to the program

**Track financial performance:**
- Profit is tracked through the use of an income statement

### Assets & Infrastructure

**Identify assets (e.g., software, brand, etc.):**
- Software: Energy efficiency education
- Brand: Invested in the development of a strong brand image that can be recognized by consumers to assist in education and outreach

### Service Offering

**List services offered:**
- For Homeowners: Energy efficiency education
- For Utility/Contractor Partners: Lead generation

**Articulate value of service offering:**
- Makes finding qualified contractors easier for homeowners
- Provide customer outreach expertise on behalf of utility program to help stimulate demand in local area

**Describe distribution channel(s):**
- Program does direct outreach to customers
- Utility provides rebates
- Contractor does energy audit and installation

### Customer

**Identify target customers:**
- Homes >1,500 sq.ft.
- Household income of >$80,000
- Households that use an above-average amount of energy

### Partners

**Identify future partners or partnering opportunity:**
- Expand beyond local utility region to support other utilities seeking marketing assistance
- Partner with implementation contractors to provide full suite of services to a utility, rather than just marketing

**Describe how program aligns with potential partner interests:**
- Program expertise in customer education and marketing fills a niche that utilities (limited by cost-benefit regulations) have not developed internally

### Costs

**List and describe costs:**
- Cost of goods and services sold (e.g., marketing/lead generation materials, education/outreach labor cost)
- Software licensing fees
- Overhead (e.g., rent, utilities, administrative costs, etc.)
- Investment in marketing materials/brand image (e.g., logo, etc.)

### Revenue

**List and describe revenue:**
- Federal grants (initial funding)
- Revenues from utility support contract

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Sample 4 Schematic: A program seeking to continue operations in the post-grant period as a marketing contractor to a utility

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 |
| **Vision:**  | Recognized as an essential utility partner in generating demand for home energy upgrades |
| **Goal:**    | Operate in the post-grant period by using utility program funds to conduct customer marketing that drives demand for utility rebates |

**High Level Business Model Schematic**

- **Customer**
  - Public benefits charge ($) → Utility
  - Energy assessments installation → Contractor
  - Service Provided → Cost/Payment

- **Utility**
  - Efficiency rebates ($) → NGO Program Administrator
  - Marketing contract payments ($)

- **NGO Program Administrator**
  - Marketing and education
  - Implementation contract payments ($)

- **Contractor**
  - Payment for work ($) → Customer
The key element of this business model is the specialization in service offerings between the various partners.

Service Offering Analysis: Detailed Steps

**How to coordinate service offerings with utility programs:**
1. Understand program and utility strengths and weaknesses
2. Identify opportunities for collaboration and threats to achieving goals
3. Design program around services utility requires

**Conduct service offering Strengths and Weaknesses Analysis**

**Determine Program Strengths:**
- Brand image as neutral third party that can validate utility programs
- Flexibility in how to design/execute marketing plans

**Weaknesses:**
- Require sustainable funding and access to market and energy data
- No installation or energy assessment capacity

**Determine Utility Strengths:**
- Dedicated funding source
- Access to customer energy usage data
- Have dedicated installation/audit contractors

**Weaknesses:**
- Restricted by regulatory requirements (e.g., benefit-cost tests)
- Customers generally perceive utility as profit-seeking at the expense of consumer interests

**Conduct Opportunity and Threat Analysis**

**Opportunities:**
- Program has experience and skill at structuring and implementing marketing plans
- Program has established brand image as neutral 3rd party (e.g., customer trust)
- Can utilize remaining grant funding to develop marketing materials that are limited under utility regulation restrictions

**Threats:**
- Utility does not realize need for improved marketing services
- Inability to utilize utility energy data for marketing purposes due to consumer privacy concerns

**Design program around utility needs**

**Key Service Needs:**
- Marketing and branding for program service offerings