



Better Buildings Neighborhood Program Workforce
Peer Exchange Call: *Strategies for Aligning Program
Demand with Contractor's Seasonal Fluctuations*
Call Slides and Discussion Summary

June 7, 2012

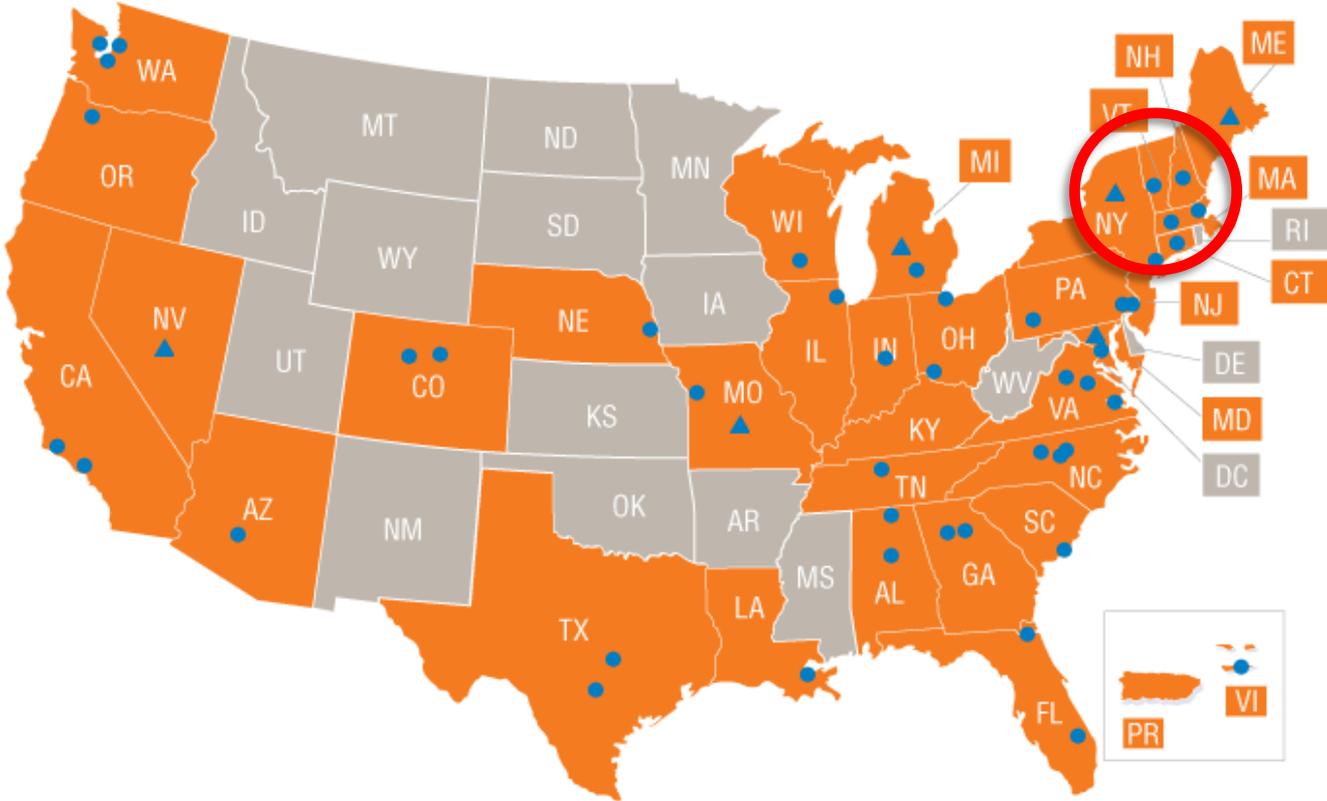
- Call Logistics and Attendance
 - What strategies has your program been thinking about or implemented to align program demand with seasonal fluctuation?
- Program Experience and Lessons:
 - Rutland County, VT: Mary Cohen, NeighborWorks of Western Vermont
 - Austin, TX: Jill Maness, Austin Energy
- Discussion:
 - What are lessons learned or best practices regarding timing to ensure program demand can be met by contractors?
 - Are there strategies other than “filling in the gaps” of contractor’s normal seasonal lulls that make sense for aligning program demand with contractor schedules?

Participating Grant Programs

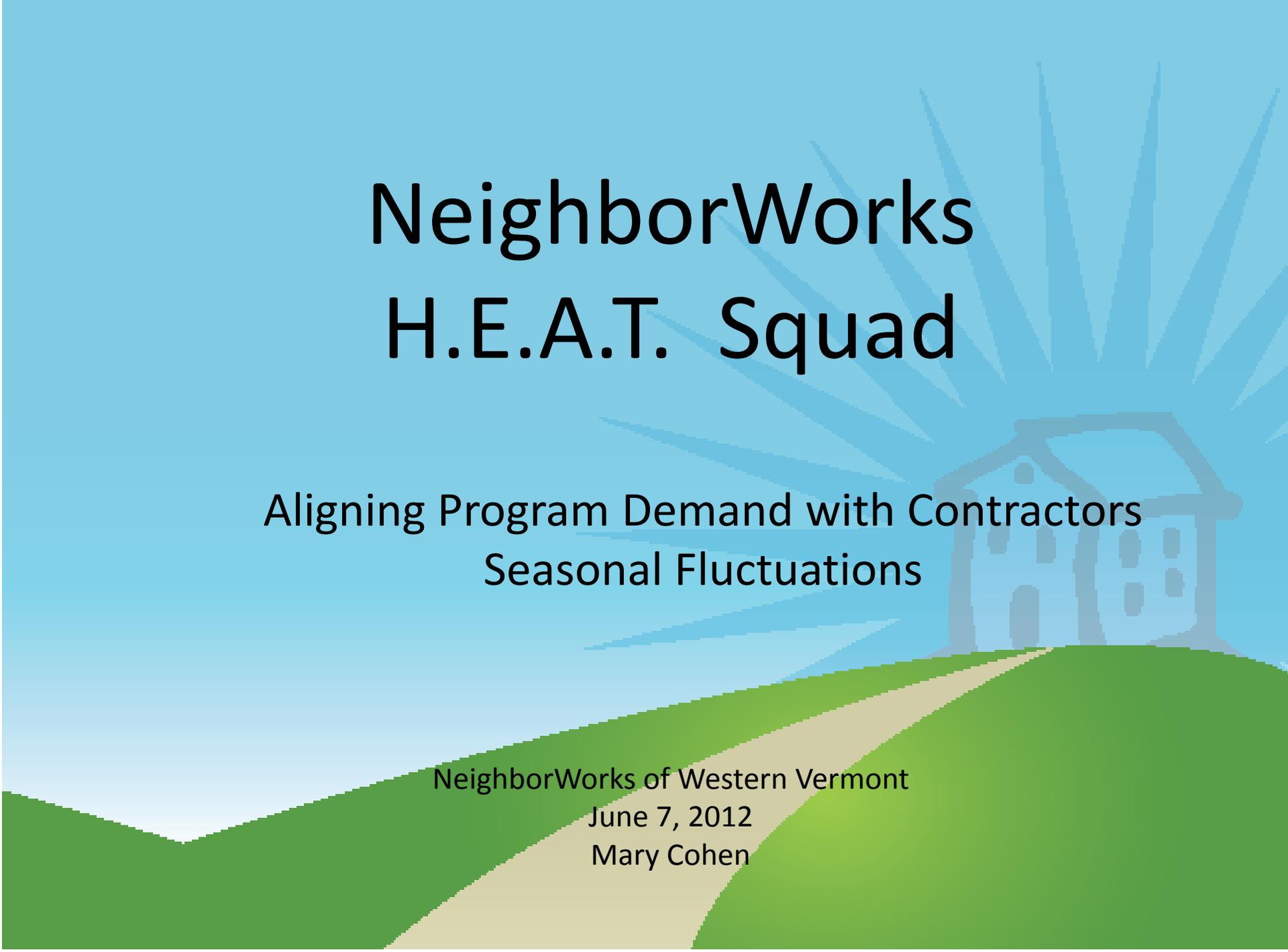


- Austin, TX
- Bellingham, WA
- Chicago, IL
- Cincinnati, OH
- Maine
- Maryland
- Michigan
- Philadelphia, PA
- Phoenix, AZ
- Portland, OR
- Seattle, WA
- Southeast Community Consortium
- Vermont
- Wisconsin

Rutland County, VT



NeighborWorks H.E.A.T. Squad

The background features a stylized illustration of a sun with rays rising behind a house on a green hill. A path leads from the bottom center towards the house. The sky is a light blue gradient.

Aligning Program Demand with Contractors
Seasonal Fluctuations

NeighborWorks of Western Vermont

June 7, 2012

Mary Cohen

Program Overview

- One Stop Shop
- Customer Service Driven
- Workforce Development
- Neighbor to Neighbor Outreach



Summer 2011



- **Town Energy Competition** Launched June 2011
 - Engaged Town Energy Champions
 - Increased rate of new energy check ups and participation
- **Summer Sale** Test Pilot July/August 2011
 - Offer for those who have had check up but were not moving forward
 - 100 Gallons of Fuel if you got your work done by October
 - Offer Came from Contractors – extra bonus to get clients off the fence

Winter 2011-2012

LaborWorks at NeighborWorks

- Temporary Labor Pool for Contractors
- 2 Tiers of Workers
- Included Weatherization Training
- Went from 4 months out to 2 months out
- Encouraged Contractors to make the hire!



General Driving Demand

- Energy Advisors Encourage homeowners to do work year round
- Educate clients as to possible reduction in pricing and better scheduling in slow times
- Customer service according to Clients Needs – may mean scheduling with a different contractor (to keep homeowners in the program)
- Contractors have doubled workload from last summer – in spite of the mild winter

Summer Sale 2012???

Currently Conducting a Survey of those with completed check ups

- Free Energy Efficient Appliance
- 6 month no payment no interest holiday on a loan
- 0% Interest rate loan
- \$500 additional incentive above what is already offered



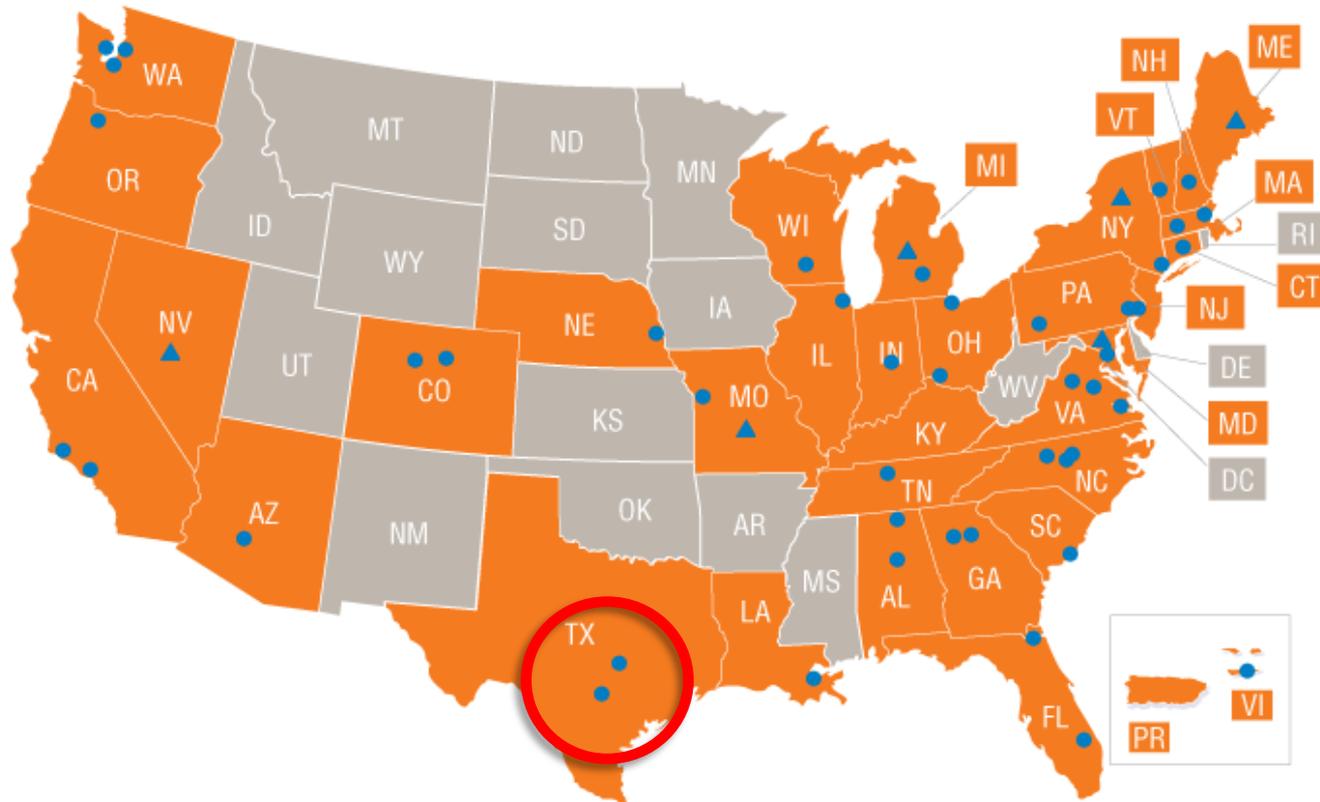
- Vermont focuses on the client's schedule and finds a contractor that can fit this schedule.
- Vermont offers training to contractors (i.e., for weatherization) to ensure they have what they need.
- Vermont experiences seasonal fluctuations in workload with a busy season of September to February for contractors. There is little work in Spring and Summer.
- To drive demand during the non-peak period, Vermont launched a town energy competition with 27 towns in their area. They engaged an energy champion in every town and provided incentives for the town that has the most retrofits per capita and for the town that has the most energy savings over the year.

- Vermont conducted a pilot last summer in which they offered an additional 100 gallons of fuel (\$400 equivalent) to customers if they had the contractors perform the work before the summer ended.
- Vermont trained and offered a pool of temporary weatherization workers to the contractors in the program to facilitate completion of jobs. Going into the busier winter, contractors began to schedule jobs out further (4 months instead of 2) and did not want to hire on permanent employees as the work fluctuated. Contractors were able to hire these workers at will.

- The training program was well received by contractors, with the only hesitation being the quality of the labor pool. Vermont combated this by doing background checks and providing guarantees to contractors of replacement workers, if needed. This also allows contractors to hire on these tested workers into more permanent positions if they become available.

- The program educates clients to drive demand in summer and create realistic scheduling expectations. They encourage clients to perform the work in the less busy months and/or to get on the schedule early if they would like to perform the work in the fall.
- Contractors in the program have doubled their workload in the last year, even with a mild winter.
- Vermont is surveying clients to determine what type of incentive would encourage them to perform the work (post-assessment). Options include a free energy efficient appliance, 6 months no payment, no interest on a loan, 0% interest rate loan, and \$500 additional incentive.

Austin, TX



Aligning Program Demand with Contractor's Seasonal Fluctuations

Jill Maness

Distributed Energy Services

June 7, 2012



Create consistent demand

Understand contractor business cycles

Respect
the clock



Follow the money
[their money]



Thanks!

Questions & Discussion



- Austin's also experiences seasonal fluctuations but their busy season is summer due to the heat.
- They have a home performance contractor base of 45 contractors.
- To encourage uptake in slow months, Austin provides enhanced rebates, stronger marketing pushes, and offers bonuses to contractor sales staff. The contractors make a lot of money replacing air conditioning systems and the program wants them to enhance this by offering more weatherization.
- Austin purposefully launches these programs during slow seasons to help smooth hiring and keep upgrade projects in the contractors' pipeline.

- Austin carefully monitors demand and considers providing additional incentives as demand drops off. The goal is to keep the pipeline filled. When the pipeline gets backed up, Austin prepares everyone (inspectors, financial institution, rebate processing staff, etc.) to staff up as needed to address the demand.
- Respect contractor's schedules by working around their work schedules. Do not push training during the busiest times of the year; it can be useful to push out new projects, audit tools, and software during the slower times.
- Interact regularly with contractors to obtain real-time feedback for what is or is not working for them.

- Austin has been working to reduce the amount of time it takes to process invoice payments for contractors from 6 weeks to 2 weeks after final inspection. Some contractors, especially smaller companies, are not able to wait 6 weeks to get paid. Austin moved to direct deposit to speed up payment times and worked with the financial institution partner.

- What are lessons learned or best practices regarding timing to ensure program demand can be met by contractors?
- Are there strategies other than “filling in the gaps” of contractor’s normal seasonal lulls that make sense for aligning program demand with contractor schedules?

- Seattle has also experienced scheduling issues when demand is high. They reopened their application for additional contractors twice. Seattle is seeing increased interest from contractors who are not traditional energy efficiency contractors, but focus on HVAC or remodeling.
- Portland, Oregon uses their limited marketing funds during peak season to drive demand to get the most return for their investment. They run special incentives (i.e., better rebate offers) which they feature in this advertising. This results in dramatic shifts in workload between peak and non-peak season. To increase demand in non-peak times, Portland is incentivizing homeowners to bring their demand forward into August/September or January before peak seasons with limited offers.

- Vermont encourages anyone intending to do rehab work on their home to include energy efficiency. This can include homeowners who have been affected by turbulent weather episodes. Last August, Vermont offered audits, free air sealing, and limited insulation projects to homeowners after a flood. Many are focused on surviving though directly after this kind of event.

Potential Future Call Topics

- Streamlining Service Delivery
- 3rd Party vs. Contractor Audits—What is the Right Approach?
- Designing Contractor Friendly Programs
- Engaging and Growing Small Contractor Businesses
- Engaging Local Efficiency First Chapters
- Contractor Pricing: Bid parties, set pricing
- Strategies for Attracting Business Owners to Trainings
- Home Performance Training/ Mentoring
- Quality Control Inspections and Testing
- Recruiting HVAC and General Remodelers to Become Whole House Contractors