



# Better Buildings Neighborhood Program Workforce Peer Exchange Call: Engaging and Growing Small Contractor Businesses

November 8, 2012

- Call Logistics and Attendance
- Discussion:
  - Do programs have any lessons learned, success stories, or barriers with regard to engaging and growing small contractor businesses they would like to share?
  - What ideas do people have for engaging small contractors, either that they have heard of, have tried, or are thinking about?
  - What hurdles do small contractors face and what are some potential solutions to those hurdles?
  - What other questions or concerns do you have with regard to small contractor business?

# Participating Programs

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- Virginia - SEP
- Austin, TX
- Maryland
- Charlottesville, VA
- Chicago, IL
- Fayette County, PA
- Cincinnati, OH
- Michigan
- Boulder County, CO
- Portland, OR
- Seattle, WA
- Rutland County, VT

- Work with 60 contractors statewide ranging from substantial size home remodel companies that have reoriented their business to the home performance model to an HVAC company that now works with whole home performance
- Overarching lesson: supporting the companies to build robust and resilient business systems helps with success
  - Brought in business coaches to work with companies
  - Required new contracting firms to go through provided trainings to examine their business model and ensure profitability
  - Developed a rigorous selection process
  - Offered classes and one-on one coaching for smaller operators

- Contractors participate in the program via a two-tier status
  - Basic Status: made it through the application program but have to bring in and maintain their own leads
  - Full Status: contractor receives leads the program is generating through marketing efforts
- To move from basic status to full status contractors have to complete the coaching and classes, bring in a specified number of leads, and close a number of jobs; this takes 4-5 months for most companies

# Program Experience: Seattle, WA



- There is a high bar to become a contractor in the program via a points based application system; receive a lot of points for being small, local company – no company has more than 25-30 employees
- The program provides a lot of free training including 10 hours of business development consulting services
- Seattle has conducted a number of customer services trainings and has seen an increase in customer service from contractors since program inception
- Used to conduct trainings on general administrative support, but now bring contractors into the office to shadow staff and see how they work with the platform, conduct customer service calls, etc.; this works great
- Contractors have expressed a desire to be the first contact for customers
  - They understand the importance of “first touch,” especially if an audit lead from someone else has been transitioned to them
  - There is a requirement for contractors to contact new customers within three days

- Issue: Many programs are finding there is a limited number of contractors that can do high-quality work
- To make their businesses sustainable, small contractors need internal business skills and more efficient processes
- After an initial focus on the technical aspects of the work, switch to customer service training: sales, marketing, and business model
- Connecting the dots is key to growing small business
  - Hold monthly happy hours, contractor recognition awards, and other networking events to help build connections and bridge gaps for contractors lacking specific experience
  - Use state-level and local-level trade associations to form connections, network, and help with contractor training ; this provides a single point of contact to distribute information to a segmented audience of contractors
  - Encourage contractor firms to be champions for a local Efficiency First chapter

# Lessons Learned: Converting Audits to Retrofits



- One approach is for the program to generate leads and schedule the audits and then transfer the customer to the contractor
- Another approach is fee based – the program pays a contractor set amount (\$100) when they generate a lead and perform an audit and then a conversion fee (\$300), which is split to encourage increased customer service and engagement
- Maintain a strict service level agreement with contractors across each task/stage of their work, and monitor that closely
- Conduct program monitoring through a vendor (e.g., Energy Savvy); this ensures program staff can see all aspects of the customer process and can run reports and monitor on daily, monthly, and annual basis
- Monitoring and performance can effect a contractor's status in the program (brand protection)



- Have good messaging to customers to let them know there is high demand and it may take awhile for work to be completed
- Use a workforce development liaison or contracted recruiter to secure individual workers or companies when there is a shortage
- Seattle has had difficulty getting HVAC contractors in to do whole house work; last summer they altered their rebates to entice HVAC companies to conduct whole-house retrofits
- Portland developed a mentoring program between existing full status contractors and new contractors that has received a lot of positive feedback from everyone involved

# Lessons Learned: Generating Leads

- Portland uses aggressive marketing with print, radio, and direct mail campaigns that have been extremely successful; they also use a specified code to associate contractors with the program so that contractors can bring their own leads into the program
- In Seattle, direct mail has been the silver bullet; use both Seattle City Light and City of Seattle logos that people trust
  - The program used home age data from the County Assessors Office to develop a direct mailing targeted at oil heated homes and those who need to upgrade their natural gas systems
- Maryland is using grass roots/community organizing to overcome trust issues
- Terminology can be an issue, e.g., “home performance” is often not recognized

Thank you to all the participants!