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: 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
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.

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 Contractors 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.
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.

<table>
<thead>
<tr>
<th>Contractor Name</th>
<th>Completed Home Energy Checkups</th>
<th>Dropped Out of Program</th>
<th>Completed Home Energy Upgrades</th>
<th>In Upgrade Process</th>
<th>Completed and In Upgrade Process Conversion</th>
<th>Average Cost of Energy Upgrade</th>
<th>Ave. % Heating Energy Savings</th>
<th>Fall/Winter 2012 Competition</th>
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<tbody>
<tr>
<td>Red Barn Design and Build LLC</td>
<td>135</td>
<td>35</td>
<td>70</td>
<td>15</td>
<td>63%</td>
<td>$8,234</td>
<td>36%</td>
<td>A=9 D=0 0%</td>
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<tr>
<td>Weatherization Works</td>
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<td>54</td>
<td>105</td>
<td>16</td>
<td>59%</td>
<td>$5,766</td>
<td>31%</td>
<td>A=16 D=3 19%**</td>
</tr>
<tr>
<td>Green Mountain Energy Professionals</td>
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<td>8</td>
<td>12</td>
<td>0</td>
<td>50%</td>
<td>$4,168</td>
<td>20%</td>
<td>A=6 D=1 17%***</td>
</tr>
<tr>
<td>Solsaa Building &amp; Energy Solutions</td>
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<td>64</td>
<td>10</td>
<td>48%</td>
<td>$7,220</td>
<td>32%</td>
<td>A=15 D=1 7%</td>
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<tr>
<td>Absolute Comfort</td>
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<td>15</td>
<td>3</td>
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<td>25%</td>
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<td>Vermont Energy Works, Inc.</td>
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<td>80</td>
<td>4</td>
<td>41%</td>
<td>$7,237</td>
<td>31%</td>
<td>A=20 D=5 25%*</td>
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<tr>
<td>Harrington Custom Building</td>
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<td>33</td>
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<td>41%</td>
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<td>37%</td>
<td>A=12 D=0 0%</td>
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<tr>
<td>Shaping Energies</td>
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<td>45</td>
<td>5</td>
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<td>$6,974</td>
<td>35%</td>
<td>A=49 D=5 10%</td>
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<tr>
<td>Vermont Foam Insulation</td>
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<td>A=8 D=0 0%</td>
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<tr>
<td>McKernon Group</td>
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<td>3</td>
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<tr>
<td>Comprehensive Bld'g Solutions</td>
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<td>$7,427</td>
<td>26%</td>
<td>A=13 D=0 0%</td>
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<tr>
<td>Montpelier Construction</td>
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<td>6</td>
<td>3</td>
<td>24%</td>
<td>$7,014</td>
<td>27%</td>
<td>A=0 D=0 0%</td>
</tr>
<tr>
<td>Structural Energy Conservation</td>
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<td>35</td>
<td>25</td>
<td>2</td>
<td>23%</td>
<td>$8,548</td>
<td>32%</td>
<td>A=14 D=2 14%</td>
</tr>
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</table>
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.

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?
  - 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?
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