Best Practices Work Group Final Report

This report summarizes the results of the Best Practices Work Group (BPWG) customer value proposition session held on September 28, 2017. The Contractor Best Practices Working Group was established in September of 2011 as a forum to provide an open line of communication about best practices between Participating Contractors, Lead Vendors and Program Administrators. The purpose of this group is to ensure that the Home Energy Services (HES) program is meeting customer expectations, operating in an efficient manner, and effective in delivering desired deeper energy savings.

A primary planning need for the 2019-2021 plan period is to strategize for the loss of significant residential lighting savings due to rising lighting baselines. Lighting delivered as an instant savings measure during in home energy assessments has historically contributed a large portion of electric energy savings in the Home Energy Services Initiative, and provided an immediate benefit to customers from the in-home assessment. Research from the BPWG customer value session was conducted, in part, to understand how contractors view the potential loss of lighting as an instant savings measure and the extent to which contractors feel this will impact their current business model.

Results show that vendors do not consider the loss of lighting to be a critical issue. The primary focus of contractors for unleashing their sales potential is better education and expectation-setting with customers and streamlined, simplified pathways for contractors and their customers to participate and move quickly to implementation of weatherization measures.

The session was led by Naomi Mermin Consulting (NMC). The session guided contractors through an exercise to critically examine the current customer experience and participation path and to identify areas for potential improvement. Responses presented in the reporting summary were gathered from facilitated small group sessions completing the Value Proposition Canvas[1] and from individual questionnaires. Representation on the BPWG included 10 Lead Vendor staff representatives, 8 Insulation and Installation Contractors (IIC), and 6 Home Performance Contractors (HPC). The IIC and HPC members of the BPWG are elected annually by their peers and act as representatives of their respective vendor communities.

Key Findings and Recommendations:

- Vendors see the removal of instant savings lighting measures during home energy assessments as a major opportunity to focus on customer education and support increased sales of weatherization measures.
- There is desire for an online portal where both contractors and customers can follow the job status of a customer.

[1] Figure 1: Strategyzer's Value Proposition Canvas

- ➔ Customers will benefit from reducing steps and time that customers must invest to complete the process. Increased speed of scheduling and completion of jobs, reduction of home visits, and comprehensive professional services are high priorities.
- ➔ More graphically engaging methods for educating and communicating programs to customers including roadmaps, videos and other materials online and for contractors to use in person are desired.

Value Proposition Canvas Results

The Value Proposition Canvas is a tool developed by Strategyzer and is a subcomponent of the Business Model Canvas. Courtney Moriarta, an EEAC residential consultant recommended this tool to the RMC based on experience in using the tool with the residential energy efficiency contracting community through the US Department of Energy. NMC led the full group through collective completion of the Customer Circle, identifying the 'customer pains' and 'customer gains' under the current program design. As described by the Canvas, 'pains' are anything that annoy customers before, during, and after getting a job done; while 'gains' describe the required, expected, or desired outcomes and benefits your customer wants. Contractors were then broken down into small groups to map out a value proposition (the value proposition side of the canvas) to strategize how to drive customer gains and to identify potential 'pain relievers' to eliminate challenges customers have in the current program. All participants put their top answers down to trigger questions on sticky notes and then shared and discussed as a group. The sticky notes from all participants were collected as well as the summary report out sheets, to ensure all voices would be captured. There was complete consistency in frequency of individual responses and the report out consensus priorities. The following answers thematically represent the most consistent individual responses from the joint session and the break out groups:

Customer Gains	Customer Pains
- Simple process through a seamless customer experience ensuring customer expectations are met.	*- Program complexity and amount of time customer needs to participate.*
- Providing education/knowledge about customer's home.	*- Unreliable service from providers.*
- Increasing home comfort (i.e. warming living area, less draft, etc..)	*- Deficit in understanding program offerings and procedures.*
- Peace of mind (i.e. pipes won't freeze, system will work, predictable utility cost, etc..)	*- Intrusiveness of insulation work.*
- Going the extra mile (i.e. changing a hard to reach bulb, adjusting a strike plate, cleanliness.)	*- Finding negative aspects of their home, surprised by pre-weatherization barriers.*
	- Different expectations, not getting what they expected.
	- No phone call return or email.

Gain Creators	Pain Relievers
- More time up front handholding at audit, phone, etc..	*- Flow chart showing process, before and after photos, duration of time, and expectations.*
- Reduce number of visits to home.	*- Clear resource guide for customers to reference.*
- New offering with emerging technology.	*- Standardize offerings, tailored to customer.*

- Automated follow up w/ opportunity for feedback.	*- Program participation simplification and consolidation (set clear expectations).*
	- Customer and contractor visibility to track process and provide clear channel for communication.

Individual Survey Results

Upon completion of the break out group sessions and report out, BPWG contractors were asked to complete a brief survey so we could more systematically collect their recommendations for driving increased customer value and planning for specific program design that could help unleash their sales potential. The following results are summaries of individual contractor survey responses. These results enumerate the most consistent themes identified through content analysis as well as a breakdown of dominant themes by contractor type:

What technology support (for contractors) would help you deliver more value to customers?[2]

Dominant response (14/24) was a desire for an online portal where both contractors and customers could follow the job status of a customer. The responses fell across all three types of vendors, IIC, HPC and Lead Vendor. Contractors want earlier access to customers – this desire is particularly strong for IICs. One IIC requested access to customer recommendations for customers who have contacted them but don't have a finalized contract. A Lead Vendor respondent suggested an online portal could enable coordination across multiple contractors.

Minority views included, two HPCs suggested moving to common software across all Lead Vendors, and one of the two HPCs was focused on software beyond customer job status. There was one comment calling for "better common auditing" and one calling for "more friendly software" by different HPCs. Two lead vendor participants suggested a need for simplified software to evaluate customers or moving to a deemed savings approach. E-signing technology was suggested by one Lead vendor participant to make the process easier for customers.

What technology support (for customers) would support increased value for customers?[3]

There was an overwhelming (15/23) desire for a customer portal to connect customers directly to job status and education. The portal was described as an opportunity to provide customers access to job status and to allow customers to perform tasks online; these opportunities include online scheduling, rebate submittals and assessment, contract review, and processing of contracts. The customer portal was also seen to improve timely communication of job progress, home history, and to provide tailored education for the offers customers are eligible for and provide visual maps of the process and videos of "what to expect" for the process and for individual measures to help set expectations.

Additional specific suggestions for customer education tools beyond the online portal mirrored the education/expectation setting needs the online portal would offer. These included developing a flow chart in pictures to allow customers to better understand the process and timeline they will undergo with before and after pictures of measures, flash cards to show possible measures as well as items like

[2] Figure 2: Survey Question 1, Major themes and distribution by vendor type.

[3] Figure 3: Survey Question 2, Major themes and distribution by vendor type

pre-weatherization barriers, and providing introductory emails with clarity on measures and rebates tailored to the specific customer. One HPC and one Lead Vendor called for smart home technology to be offered.

What opportunities for additional customer value are created by removing lighting installation during assessment?[4]

The leading response (13/24) was the ability to focus on customer education and support deeper weatherization work. The opportunity for educating the customer on weatherization and other measures accounted for over 50% of the responses across all contractors and within each contractor group. Contractors want more time and focus on weatherization opportunities and additional services with greater savings potential. This additional time would create the space to educate the customer on the value and to better understand and document any barriers and unique opportunities for the customer. Contractors felt time to better assess the barriers and opportunities and to sell the value proposition to the customer through better customer education and expectation setting is key to driving more weatherization jobs.

A minority but still significant number of contractors suggested the shift away from direct install bulbs during assessments would also offer time to explore additional measures. One Lead Vendor and two HPCs called out the ability to focus on more heating and cooling opportunities specifically. One contractor in each contractor group saw opportunity to educate and install more diverse smart home technologies, including, demand response, electric vehicles, and photovoltaics.

How might we unlock your sales potential - maximize the value proposition to customer?[5]

The most common response was (7/24) a need to simplify offerings, processes requirements that affect customers and increase incentives and other mechanisms to overcome barriers. This response was particularly strong for Lead Vendors and IICs. One Lead Vendor noted that simplifying the offers and process would create a customer-centric program and added contractors should be able to offer all EE/renewables services in one visit.

IICs (3/8) felt particularly strong about involving the contractor earlier and used this as an opportunity to revert to Q1 on the survey. Respondents view this as an avenue to help contractors sell and to set customer expectations.

One contractor in each contractor group viewed improving sales training as key to unlocking sales potential. One Lead Vendor and one IIC viewed customer education material as the opportunity, adding additional trainings and seminars would useful.

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[4] Figure 4: Survey Question 3, Major themes and distribution by vendor type
[5] Figure 5: Survey Question 4, Major themes and distribution by vendor type

Figure 1

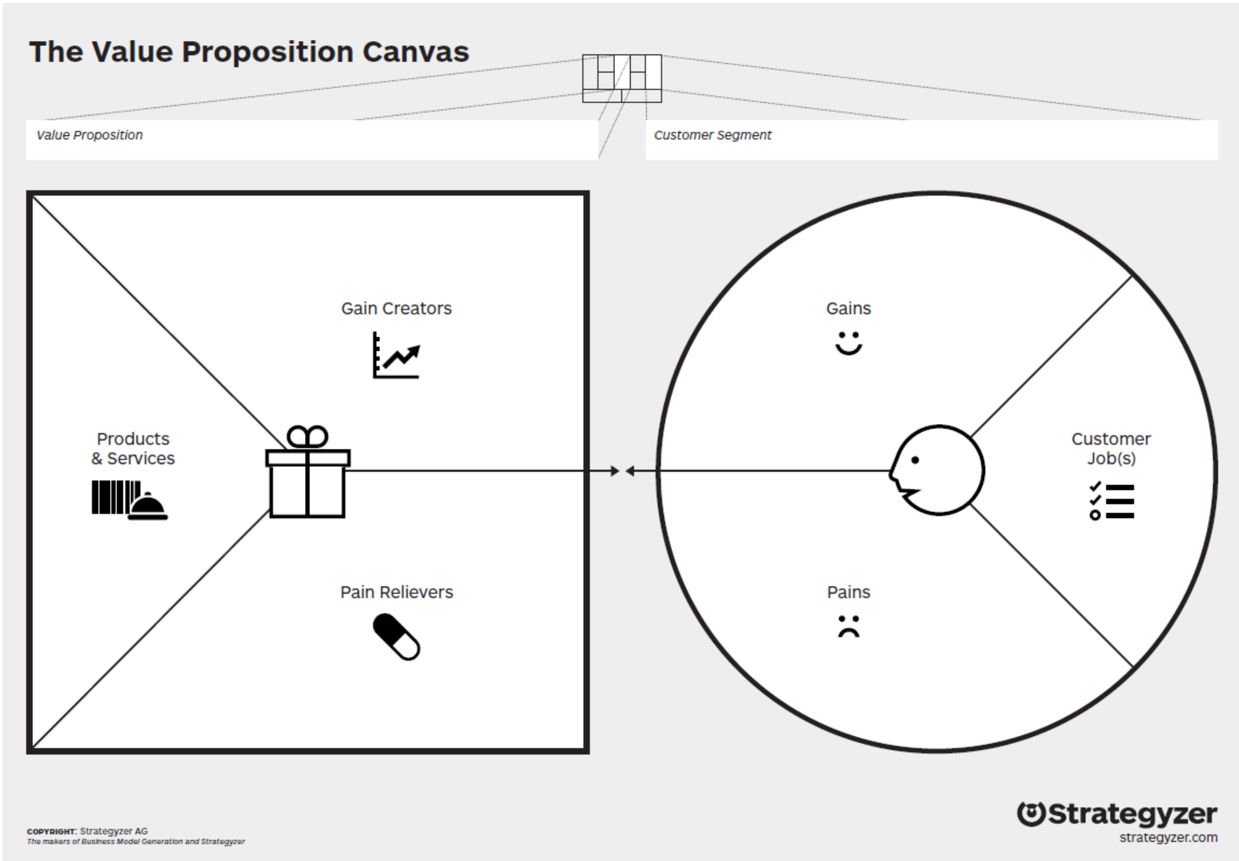


Figure 2

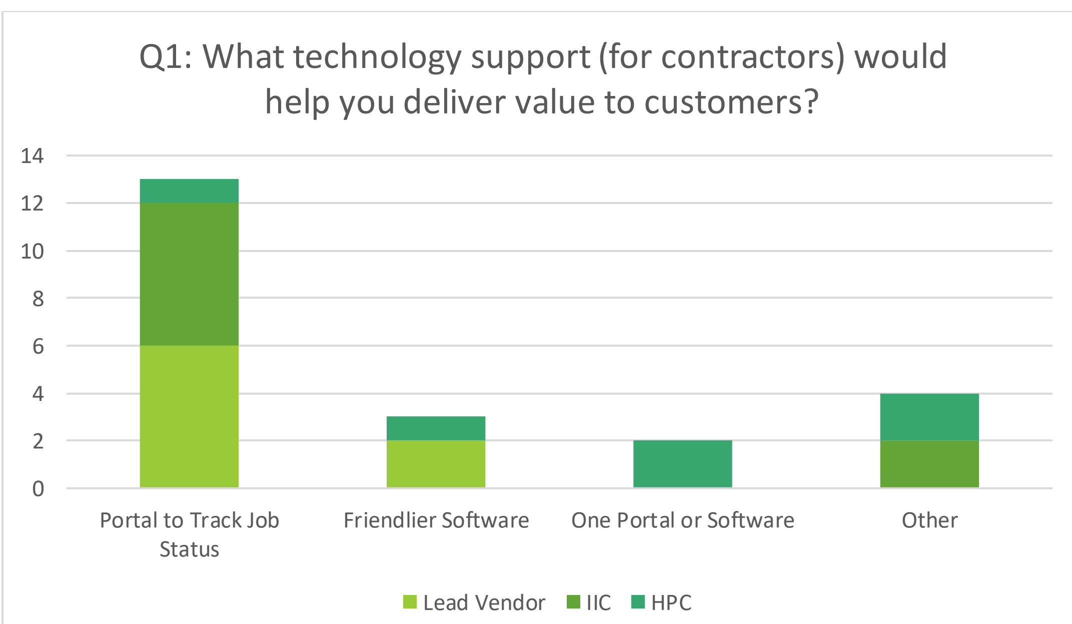


Figure 3

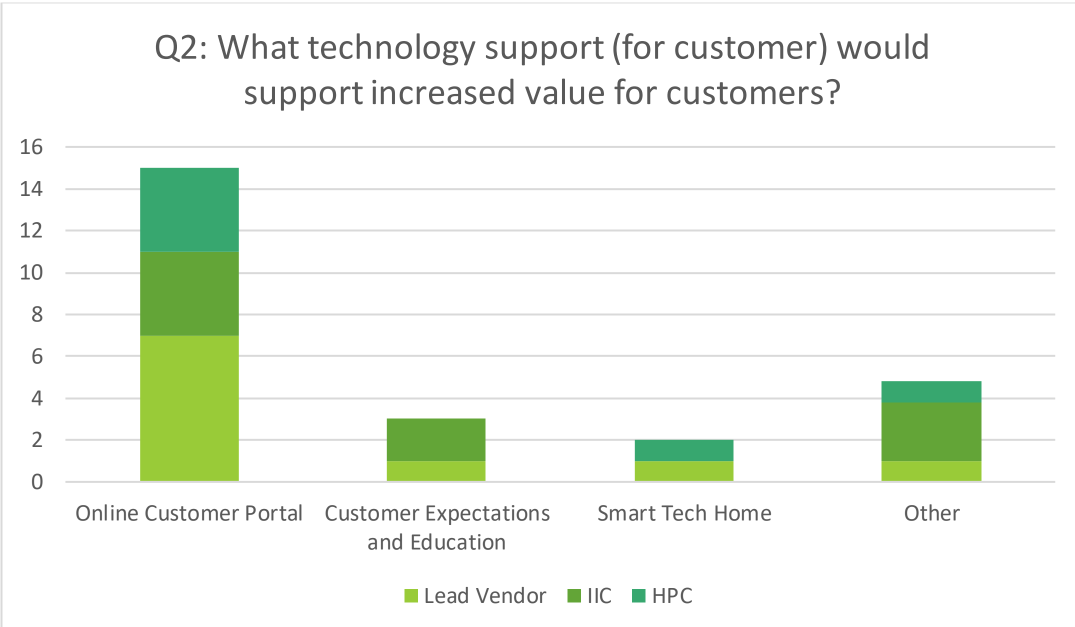


Figure 4

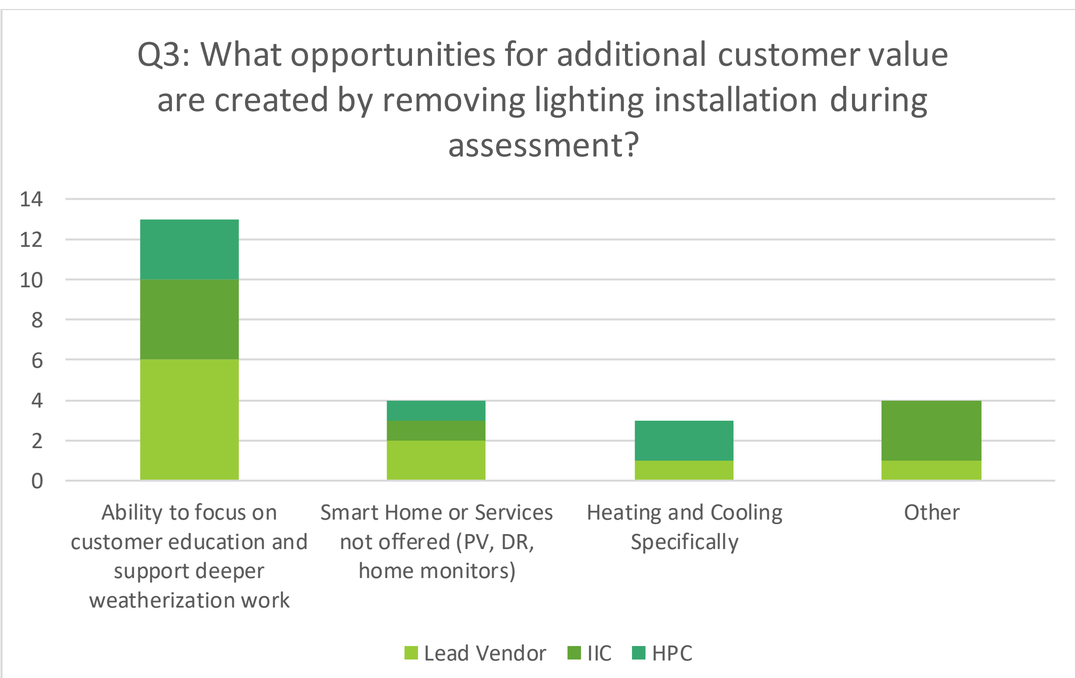
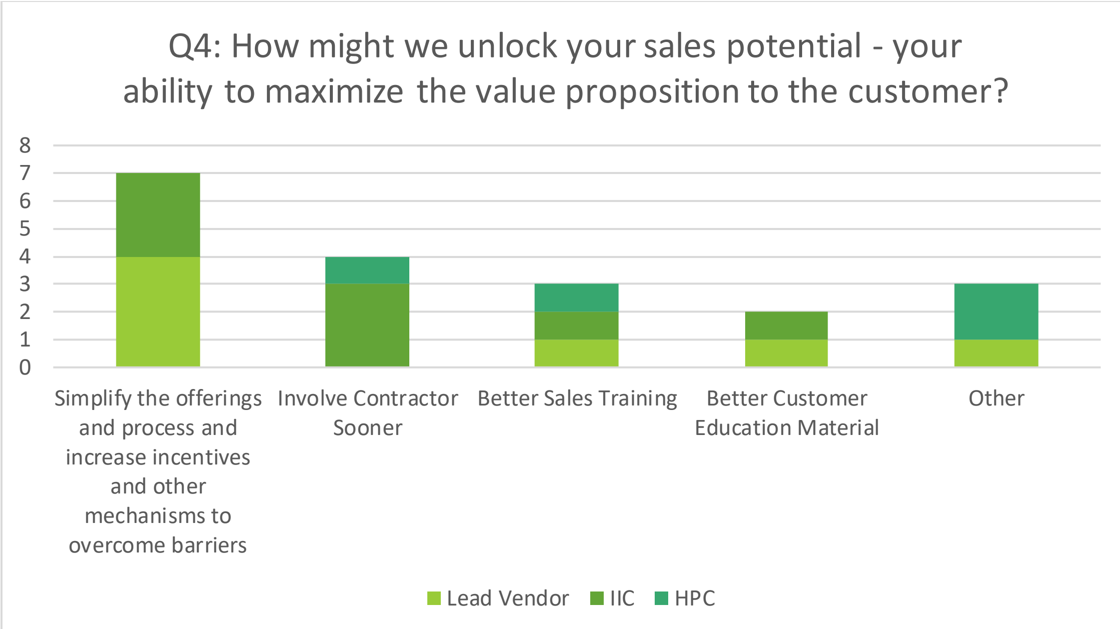


Figure 5


Q4: How might we unlock your sales potential - your ability to maximize the value proposition to the customer?
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Simplify the offerings and process and increase incentives and other mechanisms to overcome barriers
Involve Contractor Sooner
Better Sales Training
Better Customer Education Material
Other
Lead Vendor
IIC
HPC