Appendix 2. Employer Priorities

Employer Survey – Fall, 2012

Objective:

Acquire input from industry executives and senior professionals to improve success in developing the market for energy efficiency projects.

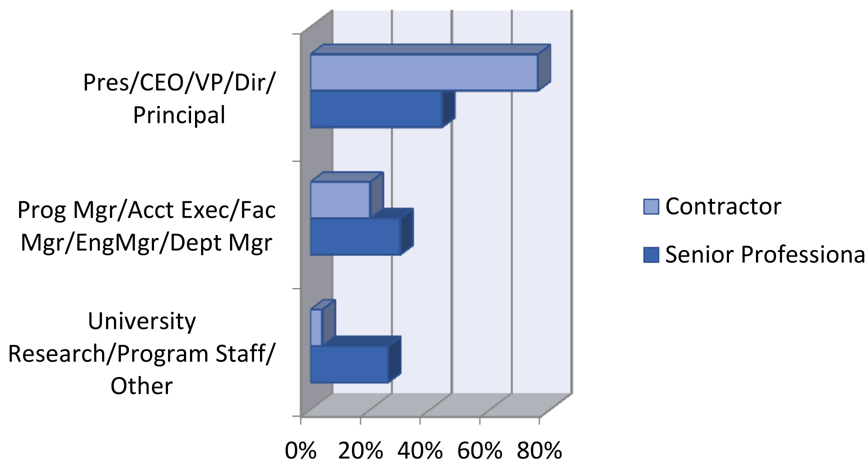
Profile of Population Surveyed:

Participants in these interviews were selected as a sample population representing stakeholders who are engaged in business or research in meeting the AB 32 goals for energy efficiency in commercial, industrial, and agricultural buildings. Those interviewed were typically very senior, with long experience in engineering, architecture, construction or research in the nonresidential building environment.

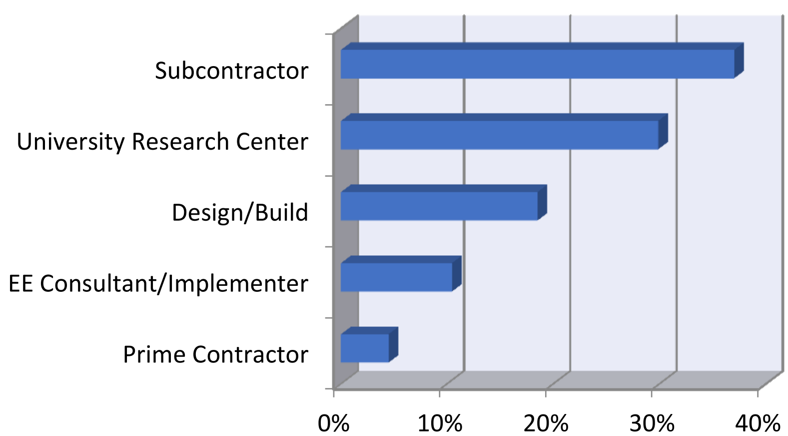
Population Surveyed	Number Surveyed	Source
Contractors	40	NECA Contractors CALCTP Listed Contractors
Senior Energy Professionals	27	PG&E Implementation Partners Senior Energy Professionals University Energy Research Center

Questions

1. What is your job title?



2. Please describe the nature of your business (or work). (Check all that apply)



2. What types of projects are typical for your company (program)? (Check all that apply)

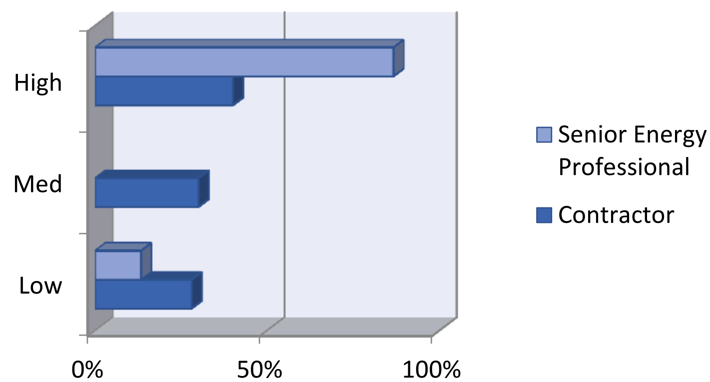
	Contractor	Senior Energy Professional
Government	80%	6%
Colleges	85%	12%
Hospitals	78%	3%
Industrial	83%	9%
Hotel	40%	3%
Restaurant	38%	6%
Retail	48%	3%
Office Bldg.	73%	21%
Strip Commercial	48%	12%
Residential	13%	12%
Utility	58%	15%

3. What energy efficiency services do you currently provide? (Check all that apply)

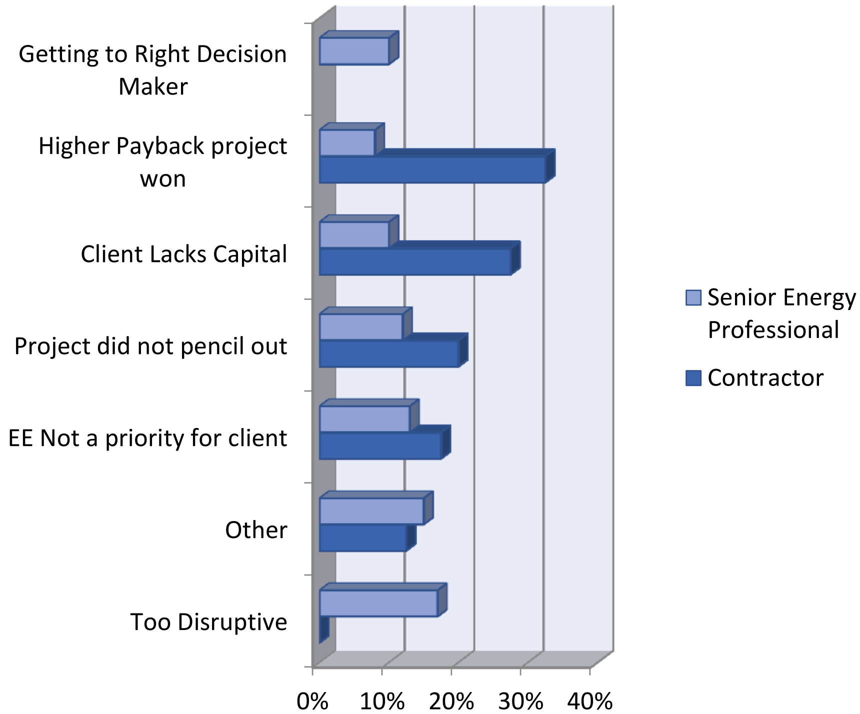
	Contractor	Senior Energy Professional
Lighting	95%	16%
Lighting control systems	93%	16%
HVAC systems and controls		16%
Building envelope measures		6%

Building automation systems	68%	6%
Environmental control systems	40%	3%
All of the above		38%

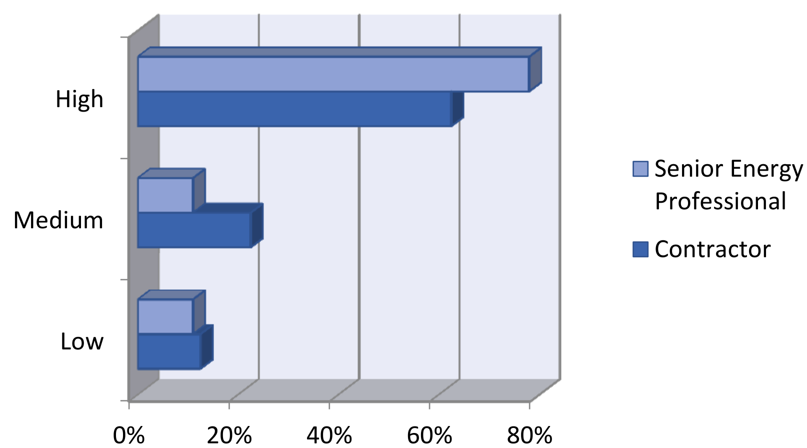
4. What priority do you place on winning energy efficiency projects?



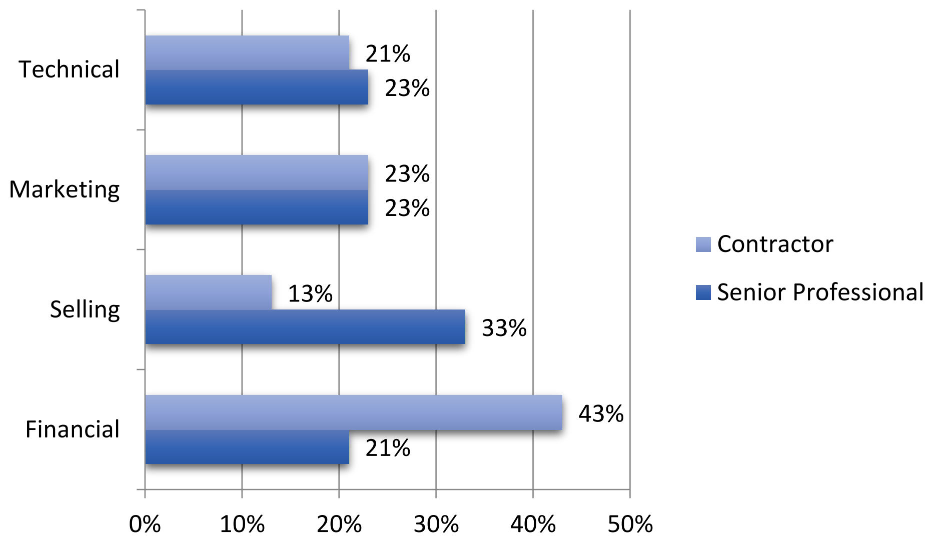
5. What are the most difficult obstacles to winning more energy efficiency projects?



6. What impact could be made on removing these obstacles if you and your team had better tools and were better educated on selling energy efficiency projects?



7. What would you like your employees (colleagues) to be able to do differently as a result of the course in order to overcome client obstacles and win more energy efficiency projects?



<u>Comments from Senior Energy Professionals</u>

Would be good to educate customers on the added benefit of more complex measures. Persistence training, whereby customer does not mess up settings (e.g., refrigerator settings).

I'm a firm believer in learning by doing. One has to do it to really get it. This course could be good introduction to new business development ideas.

We train mechanical and lighting trades (2 half-day sessions) BEFORE they qualify as a trade allies. (On technical tools, succinct financial information, performance information.) We align user value proposition to trade allies. Then we do monthly refreshers, some online and some face-to-face (1/2 day) as well as ride-alongs with trade allies in customer meetings and for in-field training. This has effectively turned trade allies into multiples of our sales force.

Communication skills - Sales 101. Create urgency with qualified data. Address barriers to adoption. How to research before the customer meeting. Cover tools (Finance 101, time value of money), information, research, awareness. Relate technical information to financial situation. Question: How will this course be different than what is already out there?

Understanding customer's base sector, institution, individual facility, their needs, and decision process. Cover sales basics (informal, straightforward approach). Am wary of generic sales practices without tailoring approach to limitations of the sector and institution. Listening skills, consultative selling. Emphasize face-to-face meetings to develop a personal relationship and credibility. No B.S. - Don't fake it with customers to appear more knowledgeable.

Sale approaches and strategies start-to-finish. Project managers will benefit from training. Standardize the sales approach to save time. Human interaction (you and customer) - take their perspective.

Currently see a dual track mentality: Tech savvy or customer relations/business skills. Ideally, having both skill sets is best. Not aware of such a training program.

Whole integrated approach (not piecemeal) would better serve customers. Ability to write easy-to-understand reports. Identify all benefits: savings, maintenance, incentives.

Way to simplify doing ROI Calcs. Provide high-level typical ROI for measures like chillers/lighting for similar operations. Like sample savings examples.

a. Technical - Understand how to use tools and proper assumptions. Takes mastery of science (Our Engineering Grads require about a 5-year break-in period and extensive training). b. The issue is putting forth competent, well-assessed proposals. c. Short course could expose customer decision makers to the EE process.

Understand how certain land uses can maximize EE with a particular package of measures. How to show benefits. Lighting and refrigeration is main issue for grocery stores. Requires standard templates AND specific analysis. Training should include financing options.

Understand customer's business needs first. Then tailor a presentation around that (e.g., Read customer's trade association publications.) Have an industry focus, like key accounts representatives do. Understand what can make the customer successful.

How to identify ALL the customer needs and benefits. Listening skills. How to put together a case that shows a real payoff to the customer. How to sell more extensive projects and to more customers.

Need someone who can do a deep dive from a business perspective and understands how to account for energy savings. How to drive change. Interpersonal skills at the C-level. Understand financials (e.g., balance sheet). Consultative selling. How to do background analysis on company (D&B sheets, trends). General understanding of technical factors.

We need connections and money to grow. Focused on chain retailers because of market advantage. Would be good if seminar helps us meet other companies who might join forces/partner and offers intelligence to help us grow. Recommend marketing opportunities and liaisons. Ultimately, we want to sell the company once we are partnered with a company who can grow it.

Life-cycle-costing should always be the goal. LCC should be the motto for any long-term investment. Facilities people get this. Their bosses often do not. Also, control systems should be included in training. High-level people need front-end education on building EE.

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1. Financial justification -NPV, simple payback, cost-effectiveness calculators.
2. Sales skills.

3. Deep energy retrofit understanding.

4. Streamlining tools introduction (e.g., software to pre-qualify customers, business enterprise tools to handle data, pass info to contractors, and track project status).

5. How the utility works.

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1. Understand equipment energy use.

2. Cannot go too far from technical aspects of the sale b/c you don't want to overstate expected savings.

3. Finance - Loans for EE (e.g., on-the-bill financing is a fabulous tool and the process is improving), and NPV.

4. Like Richardson Sales Techniques (i.e., become a trusted advisor with a long-term relationship).

<u>Comments from Contractors</u>

Felt that they "had their pitch down" but allowed that customers who used to be OK with a 4-5 year payback are now "squinting" at a 2-year payback.

Marketing of energy efficiency solutions Financial: How to package the numbers for different types of clients. This includes the constraints that public companies encounter and the differing approaches for private companies.

They see their customer base as savvy regarding existing solutions but in need of awareness regarding how emerging technologies relate to their business.

They seem to have a very thorough staff well skilled on all aspects but would be interested in helping PG&E on addressing these topics

Technical where benefits are made obvious to customer; Financial where a simple model shows benefits with good payback scenarios

Would like to see creative approaches to financing projects. Customers are strapped for cash but may look to leasing type funding.

Marketing - How to overcome Solyndra hype and downturn of Solar City.

Financial - Would like to see easy to understand models integrating technical benefits to financial benefits

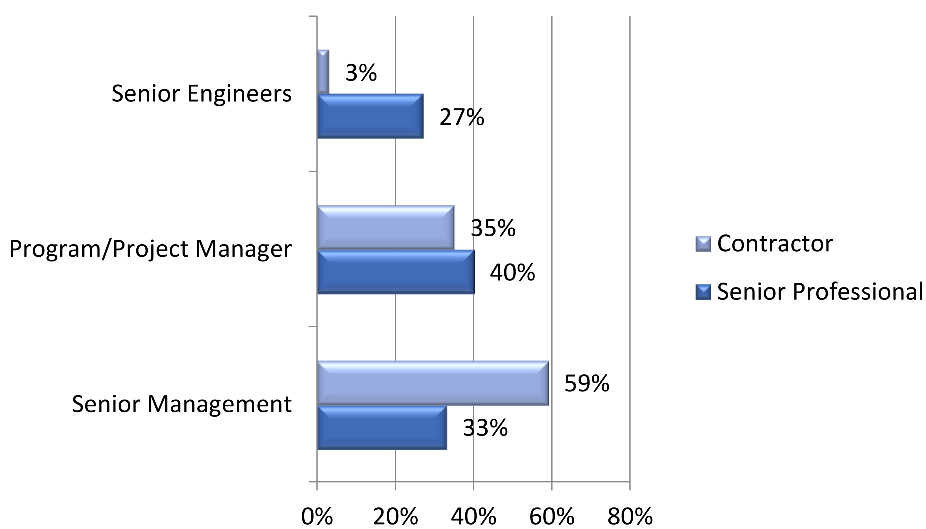
Would like to see the industrial customer base addressed, everybody is claiming solar, would like to see more tie into rebates.

Would like to see what type of partnership approach could be employed to coordinate the efforts of contractors with the PG&E field representatives. Cited cases where his company submitted proposals in support of PG&E's efforts to lower energy that were picked apart by the PG&E field representative resulting in customer confusion and unapproved projects.

Would like to see tools showing paybacks less than 2 years with ease of applications. Cited complexities and too many forms in rebate programs.

Where the technical aspects are addressed from a financial benefit perspective.

8. Who do you think would be the best candidates for the training to deliver results in overcoming obstacles?



9. What would be your advice to PG&E on how to structure the course?

From Senior Energy Professionals

Advice to PG&E NOT on bus. dev./sales training. Rather, "Tell PG&E that if they work closer to us, we can jointly help farmers. "As a national expert with strong ties to National Resource Conservation Services (NRCS), EnSave can audit farms and obtain incentives for EE projects from NRCS.

Students should be field staff (people who sell). Time it for the beginning or end of the week (people tend to travel mid-week). Online webinar would be helpful for field people, but cannot replace face-to-face instruction. Spread sessions out over several weeks. Use case studies (e.g., how on-bill financing has helped customers).

Focus training on business owners, senior managers and marketing people. Workdays in the middle of the week would be best. 3 half-day sessions would allow us some time in the office to get daily work done. Prefer less than 45 minutes driving distance to course.

Focus on a couple populations of 3rd parties involved with utilities. 1. Customer-facing people. 2. Traditional product vendors and installers (HVAC, lighting, envelope retrofits, ME companies). This group is harder to attract b/c they may not perceive the need to sell better. There needs to be a hook to get people to participate. Must convince them it will help their business. Distinguish them (e.g., give them a credential or partnership agreement). A utility partnership can add value, but the utility must add marketing dollars or co-op advertising to qualified vendors. I believe you can get people to attend a couple 1/2 day sessions. More than that and you will lose participation. Follow-up is equally important, whether it is an individual or an accredited company. Keep them engaged over time.

Focus on training field sales people. Many come in with a lack of sales experience and experience talking with customer decision makers. Vendors should be part of the training. Suggest 1/2 time in class and 1/2 in team projects. Recommend 3 months, 1-day every other week with team exercises on case studies in between.

Train installers, program implementers, rank and file program managers (best impact), and vendors (have narrower focus on selling just their product). Divide these into separate group sessions. Suggest 1/2 to a full day max. or 2-3 half-days spread over a month or two. Online segments can save people a lot of time and reach more people.

Prefer in-person training AND online webinar (like PEC does). Half day about right. Train project managers, contractors, utility staff, public agency staff.

Focus on an industry sector (offices, property mgrs.). Then identify "inflection points" with customers. Focus on decision makers (e.g., regional manager at EE firm). Educate folks on customer business needs. We struggle with putting ourselves in the customer's shoes. EE is not the center of their universe. 2 1/2 days max.

Do Sales 101 (i.e., know your product and customer). What's needed to close the sale? Students should be whoever has the customer relationship (management, sales, implementers). All students should be at similar level of experience/knowledge. Content should match time available. Don't drag it out. Some may like web-based course. Cost?

Train in San Ramon for program managers and account representatives, NOT management people. 3-4 hours, not 8 hours. Hard to go away for a day. Keep it concise. Online sounds interesting. Don't do role-play - too drawn out.

Repeat the training for site champions on energy manager skills and for middle management project developers. (Upper management relies on them.)

Target training to EE firms (engineering staff, sustainability department) and facility people and HVAC installers.

5-day training too long. Try 1,2, or 3 days. Hold it at the utility site. Get students offsite to avoid distractions. We've not had much success with online. People don't stay engaged. We do lectures plus teams problem solving. The trainer should be 30% content and 70% showbiz, to keep them engaged.

Hard to get contractors to take a long course. So organize courses for minimum intrusion into the workday (e.g., partly evenings and weekends). Maybe do basics online for a portion of the course combined with some human interaction (e.g., role playing). Consider free to take online lessons, but pay to take the test.

Evenings/weekends best. Would not do online initially - shake out with hands-on course. Not 100% lecture (e.g., class evaluate a balance sheet. Small group interactions - role-playing. Suggest 5-6 one-hour sessions. Follow up with case study with example company. Homework between sessions.

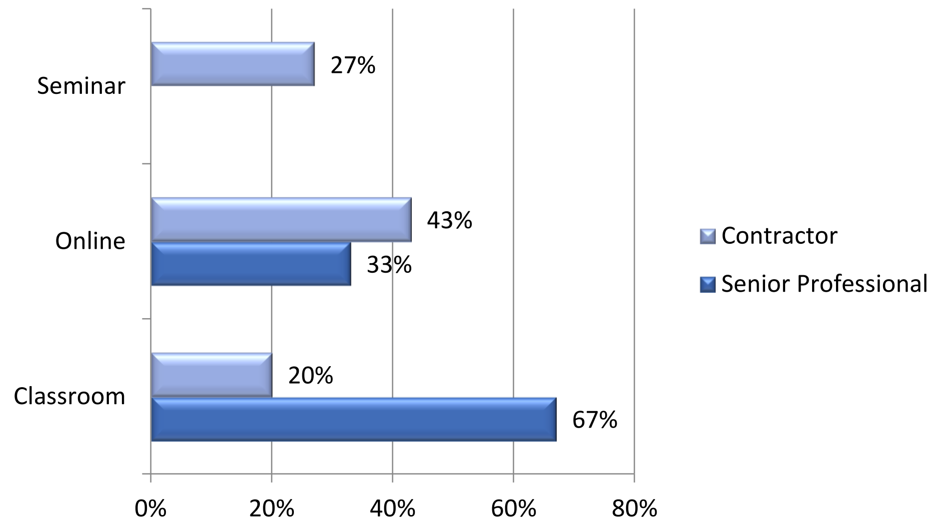
Prefer that key/senior people take the course. They would be more open to possibilities than technical folks (Business savvy connections). Online not as valuable as face-to-face. Like multiple 1/2 day or 1-day sessions separated by about 1 week. Use real case studies. Could be evenings. Whole days are tough. 3 sessions sounds good. Happy to be a case study (i.e., Integrated Comfort Dual Cool). We would welcome and appreciate that.

People are busy. Keep it short and sweet. Meet the students' timelines. Consider short online course modules for high-level people. Use 5-10 minute video segments like Khan Academy model or YouTube. These would be good for top college administrators.

The people to train depends on the firm. All levels of people could use sales training.
Online webinar could be good for some parts. Face-to-face is good for networking. A combination of these might be best. Suggest 1 1/2 hour webinar combined with a 1/2 day classroom session, including case studies.

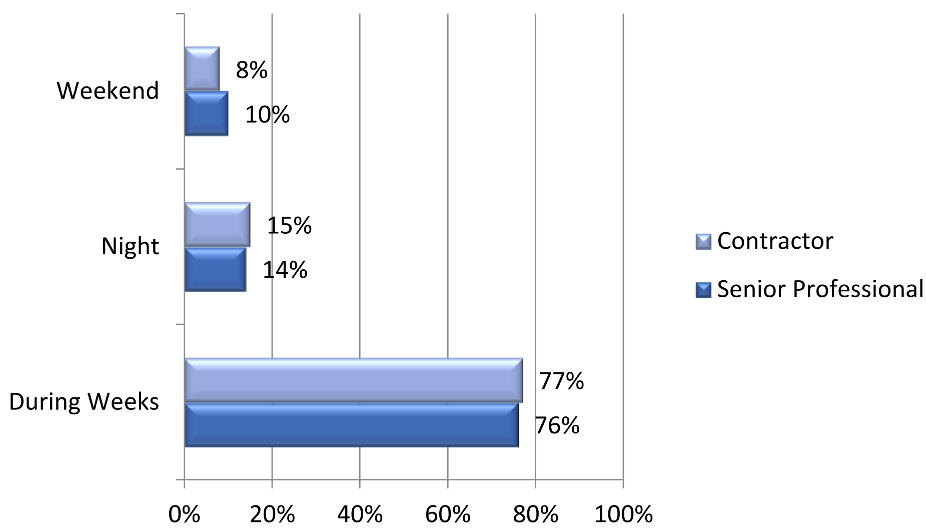
Train vendors, account managers, and people in local government partnerships. Prefer face-to-face training. Suggest two - 1/2-day sessions (about 8-10 Hours).

10. What format do you think would be most effective in delivering the training?



Note: Many "Online" respondents indicated a desire for other feedback

11. When would the training best fit into your business's schedule?



12. How many hours of training do you think would be effective?