

Help contractors understand the program's financing options and benefits, so they can communicate to homeowners

Homeowners do not benefit from access to financing if they don't know about or understand options available to them. Contractors are often the primary transaction point for selling upgrades, and many programs have found that ongoing collaboration with contractors through sales training, regular meetings, and requests for feedback can foster greater understanding and sales of program loan products. Some successful programs have staff in a contractor manager role to organize trainings, address questions and concerns, and overall coordinate relationships with participating contractors. Along with simplifying the financing application process, working with contractors to integrate financing into the home performance sales process avoids making financing another complicated decision point for customers.

[In Their Own Words: Empower Contractors to Sell Upgrades and Loans](#) [1]



Source: U.S. Department of Energy, 2012.

[In Their Own Words: Make Financing Part of Your Sales Process to All Customers](#) [2]



Source: U.S. Department of Energy, 2012.

- [EnergyWorks of Philadelphia](#) [3] recognized that contractors can have a tremendous influence on homeowner decisions about how to pay for an energy upgrade. The program therefore trained contractors on how to effectively make affordability of energy efficiency a key part of every sales proposal and assessment. Contractors were also trained on how to better utilize special financing and monthly payment plans to increase both their closing rates and market penetration for more energy efficient home improvements. In addition, EnergyWorks provided contractors with program-sponsored technical training for BPI and RESNET certification, if needed, streamlined the energy assessment process and developed a consistent customer report template, and used an integrated software platform to provide maximum efficiency and customer service to contractors during loan/incentive origination, administration, payment, and reporting. Between 2010 and 2013, EnergyWorks helped finance over 1,900 residential upgrade projects, totaling more than \$17 million.
- [Enhabit](#) [4], formerly Clean Energy Works Oregon, works with its contractors to provide business coaching, peer mentoring, business development classes, business accounting, and sales training. Supporting the development of these skills is a key factor in Enhabit's success. Trainings include discussion of Enhabit's loan offerings and eligible lenders, and how financing is a valuable tool to help drive sales. These trainings were well-received by contractors and helped them improve their business processes, making them more profitable. Between program launch in March 2011 and December 2013, Enhabit's [close relationship with its contractor partners](#) [5] resulted in the completion of more than 3,000 upgrades. For more information on how Enhabit partners with their contractors, see the case study [Making the Program Work for Contractors](#) [5].
- The [Greater Cincinnati Energy Alliance](#) [6] (GCEA) recognized that the best way to drive demand for home energy upgrades was to involve local contractors that worked in homes on a daily basis. To that end, GCEA identified, trained, and mentored contractors who were interested in promoting the benefits of energy efficiency and saw it as a means to expand their business. Through a network of participating contractors, homeowners throughout Greater Cincinnati ultimately purchased energy efficiency upgrades and services totaling almost \$19 million. Between program launch in 2011 and November 2013, GCEA issued 127 residential loans, totaling more than \$1 million with no losses.
- In October 2010, [Austin Energy](#) [7] rolled out its single-family residential energy "Best Offer Ever" promotion, a three-month special that combined rebates and no-interest loans for energy upgrades. Austin Energy offered [extra contractor training](#) [8] on the financing to drive sales during the promotion. Once draft promotional plans were in place, Austin Energy hosted a breakfast meeting—getting on their Home Performance with ENERGY STAR contractors' schedules before they were out in the field for the day—to discuss the plans and collect feedback from the contractors. Contractors provided feedback on the launch plans, received sample forms, and were trained on how to use them. The contractors were also candid about their involvement in implementing the offer. Most contractors had not actively marketed financing options before, so Austin Energy walked the group through each party's role and responsibility in the loan process. Austin Energy also scheduled the promotion during the fall and winter, which is typically a slow season for building contractors in otherwise sunny and hot Texas—increasing the likelihood that projects would be completed in a timely manner while also helping contractors avoid seasonal layoffs. As a result of the promotion, a total of 568 participants received Home Performance with ENERGY STAR upgrades through 47 contractors in six months—more than 10 times Austin Energy's typical participation rate.
- As part of the [ShopSmart with JEA](#) [9] program, Jax Metro Credit Union (JMCU) worked closely with contractors by holding regular meetings (monthly or quarterly) as well as lunch and learn opportunities to educate contractors on the loan options available. The credit union also did outreach to contractors or contractor associations in the community recognizing that the contractors would play an important role in selling benefits of the loan product. It was a long process, nearly 14 months, before the relationship between the credit union and the contractors was fully developed. From 2010-2012, ShopSmart with JEA completed 206 residential upgrades. JMCU members completed more than \$1.2 million worth of energy upgrades on 183 homes in the community, and JEA and JMCU financed nearly 90 percent of completed upgrades.

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Source URL: <https://rpsc.energy.gov/tips-for-success/help-contractors-understand-program%E2%80%99s-financing-options-and-benefits-so-they-can>

Links

- [1] <https://www.youtube.com/watch?v=FKeY9w-6AXI&feature=youtu.be>
- [2] <https://www.youtube.com/watch?v=cDbpAr53m-k&feature=youtu.be>

- [3] <http://energy.gov/eere/better-buildings-neighborhood-program/philadelphia-pennsylvania>
- [4] <https://enhabit.org/>
- [5] http://energy.gov/sites/prod/files/2013/12/f6/cewo_workforce_case_study.pdf
- [6] <http://greatercea.org/>
- [7] <http://energy.gov/eere/better-buildings-neighborhood-program/austin-texas>
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