

Market Position & Business Model – Set Goals & Objectives

Description

After [assessing the market](#) and determining that your organization has an opportunity to deliver a residential energy efficiency program, you should define or update your organizational vision, mission, and goals accordingly. Motivating factors may include energy savings, peak electric load reductions, job creation, economic growth, greenhouse gas reductions, energy affordability, health and safety, or other relevant topics. These should be reflected in your stated vision, mission, and goals:

- **Vision** identifies a desired future state that an organization will help its community achieve. It answers the question “Where do we want to be?”
 - Example: My organization is creating jobs, helping homeowners save money, and fighting climate change by improving the efficiency of home energy use.
- **Mission** expresses the purpose and function of an organization. It answers the question “Why do we exist?”
 - Example: We are increasing the pace of energy efficient technology deployment.
- **Goals** define and prioritize broad direction for an organization. They answer the question “Where are we going and how will we know when we get there?”
 - Example: Establish a partnership with the local workforce center and operate one joint training event each quarter in 2015.

Vision, mission, and goals are the foundation for development of a [business model](#). They will also help you set more specific goals and objectives for overall [program design](#), [marketing and outreach](#), [financing](#), [contractor relationships and workforce development](#), and [evaluation and data collection](#). Your vision, mission, and goals provide the overarching direction for your organization and should form the basis of all strategic and tactical decisions related to your residential energy efficiency program.

In this handbook, you will learn about how to:

- Examine your organization’s existing vision, mission, and goals
- Define or revise your organization’s vision and mission
- Create specific and actionable goals
- Get buy-in from stakeholders.

Market Position & Business Model

Stages:

[Overview](#)

1. [Assess the Market](#)
2. [Set Goals & Objectives](#)
3. [Identify Partners](#)
4. [Develop a Business Model](#)
5. [Create a Business Plan](#)
6. [Develop Evaluation Plans](#)
7. [Develop Resources](#)
8. [Assess & Improve Processes](#)
9. [Communicate Impacts](#)

Find related information across other program components:

- **Program Design & Customer Experience – Set Goals & Objectives**
Establish program goals and objectives to clarify what you want your program to achieve and to guide program design and implementation over time.
- **Marketing & Outreach – Set Goals & Objectives**
Establish specific marketing and outreach goals, objectives, targets, and timeframes.
- **Financing – Set Goals & Objectives**
Establish goals, objectives, and timeframes for your financing activities.
- **Contractor Engagement & Workforce Development – Set Goals & Objectives**
Establish objectives, targets, and timeframes for your program to support local contractors and the type and quality of service they provide to help meet your program's goals.

Step-by-Step

The steps below provide direction on how to define and secure stakeholder support for your organization's vision, mission, and goals. These are the cornerstone of your organization and provide the foundation for all program design decisions related to your residential energy efficiency program.

If your organization already has a vision, mission, and goals, you may only need to complete the first and last step to ensure they adequately reflect your future residential energy efficiency activities and that you have appropriate stakeholder support. If your organization is new to residential energy efficiency or still forming, or if after completing step one you determine you need to refine your existing vision, mission, and goals, steps 2-4 will walk you through that process.

Examine your organization's existing vision, mission, and goals

Existing organizations may already have a vision statement, mission statement, and defined goals. These vision, mission, and goal statements can provide a framework for organizational decision making, but they may need to be revised or expanded to fully support your new residential energy efficiency efforts. You should begin by re-examining your existing vision, mission, and goals. Consider how well these reflect activities to support residential energy efficiency.

If revisions are needed, the process outlined below for new organizations may help. Stakeholder input will be valuable as you refine your vision, mission, and goals. See the "Get buy-in from your organization's stakeholders" step for more information.

New organizations looking to develop a residential energy efficiency program will have a more in-depth process to consider, outlined in the following three steps.

Adopting and revisiting a mission statement

The [Regional Climate Protection Authority of Sonoma County, California](#) (RCPA) adopted the following mission statement: "RCPA coordinates countywide efforts to implement and advocate for a broad range of programs and projects to reduce GHG emissions." This statement and the underlying goals are revisited regularly to make sure they reflect the broad range of the authority's work (including transportation, land use policy, and residential home energy upgrades); they were adopted in 2010 and amended in the spring of 2011 and 2012.

Define your organization's vision

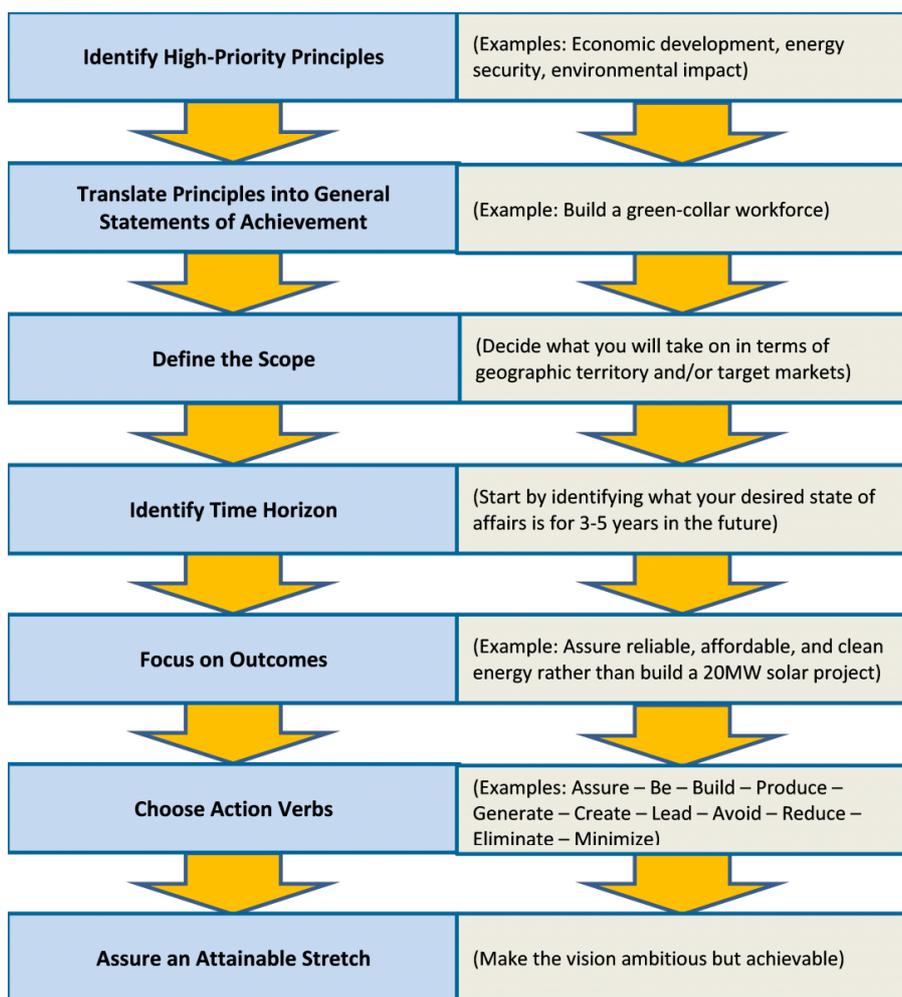
If your organization is new to residential energy efficiency or still forming, or if after completing step one you determine you need refinements to your existing statements, start by first defining your organization's vision. Vision identifies a desired future state that an organization or program will help its community achieve. It answers the question "Where do we want to be?"

A good vision statement:

- Paints a picture with words, is easily understood, and inspires action
- Covers a three-to-five-year timeframe
- Expresses where an organization wants to be in a given timeframe, rather than how it is going to get there
- Is both action- and customer-oriented.

Your vision statement articulates what the world will look like if your organization is successful. To develop your vision statement, consider the following steps, which are based on recent U.S. Department of Energy (DOE) materials about strategic [energy planning](#):

Process for Developing a Vision Statement



Source: [Guide to Community Energy Strategic Planning](#), U.S. Department of Energy, 2013.

Following the process above will help you define a vision statement that captures your organization's purpose and gives your staff and stakeholders a common platform for strategic thinking and decision-making.

- Examples for organizations focused on low-income customers:
 - "Low-income homeowners and tenants can better afford their energy bills."
 - "Milwaukee's most vulnerable residents can afford to keep warm." (Or, for a warm city, "Orlando's most vulnerable residents can afford to keep cool.")
- Examples for organizations focused on job growth:
 - "More jobs and energy savings are coming from home energy upgrades for homeowners."
 - "Michigan is creating jobs and fighting climate change by reducing home energy use."

- Examples for organizations focused on health:
 - “End childhood lead poisoning and create green and healthy homes so that every child may grow up to reach his or her full potential.”

Define the organization’s mission

Once you have identified (new organization) or revised (existing organizations) your vision for your organization, it is time to define (new organizations) or revise (existing organizations) the mission. The mission statement expresses the purpose and function of an organization or program. It answers the question “Why do we exist?” and explains your organization’s role in achieving the vision you have laid out. Mission statements are important because they guide the organization in making decisions about expanding or changing services over time.

A good mission statement:

- Provides a reason for your organization’s existence
- Defines your organization’s value to its stakeholders and community
- Is long-term in nature
- Is easily understood.

Using stories or case studies may be helpful to paint a picture of your mission, and show how your organization will operate within the home improvement market. You can develop your own story based on how you anticipate your organization will operate or use an existing organization’s (including your own if revising an existing mission statement) story or case study as inspiration. Once you have identified the story of how you think your organization will operate, you can hone it down to a mission statement that focuses on the specific role your organization will play.

An Example Story Development Process

The Story: The [Local Energy Alliance Program](#) (LEAP), which implements programs in several areas of Virginia, has embraced a staged home energy upgrade approach. The graphic shows this, as well as showing how customers currently interact in the market and how they could pursue home improvements differently depending on their circumstances.

Staged Retrofit vs. Whole-Building Retrofit



Source: [Industry Embraces Staged Retrofit as Energy Efficiency Best Practice](#), Local Energy Alliance Program, 2013.

The Mission Statement: In LEAP’s case, this picture (i.e., “story”) of how the home energy upgrade market could function more effectively ties directly into their mission statement: to “lead the effort in communities to retrofit buildings with energy efficient and renewable technologies.” In other words, they are seeking to be a catalyst at each step of the staged retrofit process.

Another example of an operational case study:

A homeowner sees a Web banner promoting a program and calls the 800 number for more information. She is greeted by an expert staff member who determines her need for services and financing and helps her find a qualified contractor. The staffer then connects the homeowner with the contractor and ensures that an energy assessment is performed. The contractor reports back to the program that the homeowner is having an upgrade done and that it will save 20% on total energy. The program performs a quality inspection visit when the work is done and provides the homeowner with a certificate noting the measures installed and the estimated savings.

A mission statement developed from this case study might read: "We facilitate energy savings by engaging homeowners, connecting them to contractors, ensuring that the work gets done right and reporting on the impacts."

Other example mission statements are:

- We work to reduce the energy use in our region by 20% by providing technical and financial assistance to homeowners and businesses as they retrofit their buildings.
- We are increasing the pace of improvements in building efficiency by providing a mechanism for companies to deploy cutting edge technologies in homes and report on the results.

Develop S.M.A.R.T. goals

This step outlines how to develop (new organizations) or refine (existing organizations) organizational goals. Goals define and prioritize broad direction for an organization or program. They answer the question "Where are we going and how will we know when we get there?" Those involved in designing and implementing an energy efficiency program within an organization will need to answer a similar question in order to develop [program-level goals](#).

In Their Own Words: Creating a Solid Foundation Takes Time and Patience



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

Good goals are "S.M.A.R.T.":

- **Specific**
- **Measurable**
- **Achievable**
- **Realistic**
- **Timely**

Think about the path needed to get to the vision you have defined for the mid-term (e.g., year three of your five-year time horizon). For example, if your organization's vision is to establish a robust contractor marketplace to deliver residential upgrades in the region within five years, you might set the following interim goals:

- Create 50 new jobs in your community or region by end of next year.
- Establish a comprehensive contractor training program and deliver an industry recognized curriculum that results in 50 trained and 25 certified contractors in your community by end of this year.
- Establish a partnership with the local workforce center and operate one joint training event each quarter this year.
- Conduct three yearly outreach sessions at local vocational schools to promote the home energy upgrade industry and share information on job opportunities, resulting in 5 new professionals joining the industry each year.

Keep in mind that outside factors may affect your organization's ability to achieve one or more of your goals, or it may be difficult to attribute achievement as a direct result of your efforts rather than the combined effect of multiple market forces. For more information on how to evaluate your success, see the Market Position handbook on [Evaluation Plans](#).

SMART Goals on Bainbridge Island

[RePower Bainbridge](#), a partner to the [RePower Kitsap program](#), set very specific and ambitious goals for itself: conduct free home energy assessments in 4,000 homes (half of the homes on the island) and to perform energy upgrades in 2,000 of them. The organization established a web page to track progress toward these "S.M.A.R.T." goals. Having worked hard toward achieving them and learned many lessons along the way, RePower Bainbridge used its knowledge to develop a [guide](#) for other island communities to design and launch their own residential energy-efficiency programs.

Get buy-in from your organization's stakeholders

Regardless of whether your organization is already in operation or a new venture, you need buy-in from your organization's key stakeholders on your vision, mission, and goals so they can support your efforts.

Lessons on Ongoing Stakeholder Engagement in Los Angeles County

[Retrofit LA](#) was a county-wide program serving Los Angeles County associated with the statewide Energy Upgrade California program. The mission of the LA County program was to rapidly deploy home performance upgrades in the region, resulting in market transformation. The program recognized that aligning a large number of key stakeholders would be important to program success and established a steering committee early on to secure buy-in on overarching goals (as well as program implementation tactics) up front. When the program fell short of the desired volume of home energy upgrades, a key finding was that better ongoing alignment of stakeholders (e.g., utilities, governments, and program implementers) was needed and would have improved results. The program continues today as part of Energy Upgrade California. This example underscores the importance of not only lining up key stakeholders early but also engaging them regularly to ensure their continued support for your vision, mission, and goals while gaining their insights along the way.

Stakeholders can be internal (e.g., employees, organization leaders) or external (e.g., funders, partners, political leaders). One way to identify your key stakeholders is to answer the question, "Who could make it easier or more difficult for my organization to achieve our vision, mission, and goals?" These are the people you will want to approach for input on your plans. For more information on identifying stakeholders, see the Market Position handbook on [Identifying Partners](#).

As you seek stakeholder input, you will want to ask probing questions that will elicit information you can use to modify your organization's vision, mission, and goals. These questions should include the following:

- Are my vision, mission, and goals consistent with those of other organizations operating in the residential energy efficiency market?
- Are there areas of alignment between our organizations based on the draft vision, mission, and goals?
- Are there areas of misalignment? If so, how should we address them?
- How might we support each other's efforts?

You have many options for how to get stakeholder input. The approach you take should depend on your organizational culture, your management style, how involved each stakeholder group is in your organization, and the type of input you are seeking. At one end of the spectrum, you could establish a process that maximizes stakeholder engagement by holding a planning retreat to develop the vision, mission, and goals from scratch with the key stakeholders in attendance. At the other end of the spectrum, you could develop the vision, mission, and goals independently, and then share your ideas with others to gather input from them either individually or in a group.

Individual meetings work best when your stakeholders have divergent opinions because each person will be free to provide input without worrying about how others in a group will receive it. After the individual meetings, you can bring all of the input together, weigh what you heard and decide on the path forward that is right for your organization. Group meetings can work best if your stakeholders are highly aligned and the discussion will contribute to strong consensus and support for your organization.

The level of stakeholder involvement in forming or vetting your vision, mission, and goals is up to you, but giving your stakeholders an opportunity to weigh in and carefully considering their feedback are important steps to ensure that they agree with where you are going and will help you get there.

Tips for Success

In recent years, hundreds of communities have been working to promote home energy upgrades through programs such as the Better Buildings Neighborhood Program, Home Performance with ENERGY STAR, utility-sponsored programs, and others. The following tips present the top lessons these programs want to share related to this handbook. This list is not exhaustive.

Make sure there are enough customers in your target market to meet your goals and attract partners

Many programs that focused on a specific neighborhood or other small geographic areas have found it difficult to generate enough customer interest, partner interest, and upgrade activity to meet program goals. Regional or statewide approaches are often more attractive to contractors, lenders, utilities, and other partners than smaller markets defined by neighborhoods or city boundaries because they align with more typical service territories. Programs have found that larger contractors often are not interested in working in multiple cities or towns that have varying qualifications procedures and incentive rules. Utility partners are often better able to engage with a program offering services across a large segment of their customers. Historically, credit unions, community banks, CDFIs, and national lenders already specializing in energy efficiency loans have been more receptive to partnerships with residential energy efficiency programs.

- **Be SMART Maryland** shifted away from a volunteer-driven, neighborhood-by-neighborhood approach in favor of marketing through contractors and local community organizations to a broader geographic area. The program found it difficult to manage marketing and outreach to diverse geographic locations with the neighborhood approach (e.g., volunteer networks were difficult to engage and inconsistent from community to community). The adjustment in marketing strategy and target audience definition expanded Be SMART Maryland's service area, proved to be more effective in generating interested customers, and made the program more attractive to qualified contractors.
- **Community Power Works (CPW)** in Seattle found that its geographic scope was too narrowly focused when it first began providing services. At that time, CPW was focused on specific areas of the city, including many low-income neighborhoods. These geographic boundaries limited the number of potential customers, and many residents in these areas did not have the financial ability to invest in energy efficiency upgrades or access financing. CPW achieved significantly higher results once it expanded its geographic scope to the entire city in early 2012, more than doubling the number of eligible households. The expansion of the service territory—along with other program changes, such as simplifying and increasing incentives and offering new financing options—significantly boosted the number of upgrades per month from around 10 per month in late 2011 to around 50 per month in mid-2012. For more information, see Seattle Community Power Works' [Fall 2012 Progress Report](#).
- **Energize Phoenix**, which focused its program on a central downtown light rail corridor, expanded its service area after a year of operations in late 2011 to increase the number of homeowners eligible for upgrades and unite neighborhoods that the previous boundaries had unintentionally divided. After the program launched, managers realized that the original program boundary, scaled down to better match funding amounts, divided close-knit neighborhoods and didn't correspond to traditional media and market boundaries. The program found that it was hard to target its marketing and outreach only to residents in the service area without also reaching those ineligible for the program. Especially in tight-knit neighborhoods, this created discord over who qualified for the program and who did not. When the program expanded the service area in 2011 to cover entire neighborhoods, it increased its geographic area by 55% and increased the number of eligible residential parcels by 77%. This helped drive an increase in single family and multifamily upgrades in 2012 and 2013. After three years in operation, the program upgraded over 2,000 housing units. For more information on the program and the expansion of its service area, see Energize Phoenix's [Energy Efficiency on an Urban Scale, Year Three Report: Results](#).
- **New Hampshire's Better Buildings program's** original upgrade goals were based on the state's Climate Action Plan and some general knowledge about the demographics of the three participating communities in the program. As the program began to unfold, however, the program noticed significant differences between the estimated number of projects and the actual level of demand. The projections were likely high because the original estimates were based more on need (i.e., how many buildings the state should upgrade), rather than an analysis of the existing market demand and potential for expansion. By the end of the grant period in 2013, a suite of efforts, including increased marketing and a statewide expansion of its residential program helped the program exceed its revised residential upgrade goals.

Develop partnerships based on an alignment of goals, strong collaboration, and consistent communication

Programs that have developed strong and lasting partnerships have done so by identifying shared goals and seeking ways in which programs and partners can mutually benefit by advancing each other's missions. Even if partners don't have the same goals as your program, you can still try to find ways to work together that improve the success of both efforts. Several programs have established forums for regular communication with partners, such as a steering committee or stakeholder group that meets monthly or quarterly, to maintain collaboration and communication. Informal events—such as engaging with partners after hours in a social setting—have proven to be successful at building trust and camaraderie. One key lesson from programs that have established robust partnerships: remember that partnership development often takes more time than planned.

- The [Better Buildings Program San Jose](#) leveraged local, well-known organizations that delivered non-energy services to low-income residents to help the program reach interested homeowners. Most Holy Trinity Catholic Church and the local Boys and Girls Clubhouse offered the program space for events where they could meet with homeowners, teach them more about the program, and schedule home energy assessments. To help low-income residents cover the cost of home energy evaluations and upgrades, the program also created a partnership with Pacific Gas and Electric's Moderate Income Direct Install program (which offered free home energy assessments and weatherization services to income-qualified residents) to allow all program customers into the utility's program. To learn more about the Better Buildings Program in San Jose, see the case study [“San Jose, California, Partners with Established Community Groups to Win over Homeowners”](#).
- Early in its program, [EnergyWorks](#) in Philadelphia established a partnership with its local gas utility, Philadelphia Gas Works (PGW), to share lessons learned and customer information, including sharing energy use data once customers authorized its release. This partnership helped PGW enhance its own energy efficiency programs by applying the knowledge learned about home energy upgrades from EnergyWorks. The partnership also provided PGW customers with access to EnergyWorks' loan program. For EnergyWorks, the partnership gave it access to PGW customers for marketing. Learn more about the partnership from the case study [“In the City of Brotherly Love, Sharing Know-How Leads to Sustainability”](#). EnergyWorks found that by the end of their Better Buildings Neighborhood Program grant period, they had identified a successful formula of marketing, outreach, and contractor interface. They wanted their lessons learned to be useful in the future continued working with the city-owned utility, Philadelphia Gas Works (PGW) to develop a new [utility-run energy efficiency program](#). This program built off and mirrored the design of the EnergyWorks program by incentivizing comprehensive, whole-home residential energy efficiency projects. EnergyWorks' role changed to providing training and acting as a general contractor, which gave it more flexibility. PGW was able to provide bigger incentives than EnergyWorks could. In addition, PGW benefited from increased customer satisfaction by offering the program, so the program involvement and partnership was a win-win for everyone involved. For more information, see the U.S. Department of Energy's [Focus Series Interview with Philadelphia Energy Works](#).
- [Michigan Saves](#), formerly BetterBuildings for Michigan, established a partnership with Grand Valley State University (GVSU) to take the program's community-based approach to a new type of community—university staff—through a semester-long, employer-assisted initiative. The program found that the sustainability staff members at GVSU were interested in the program, and program staff described a “sustainability ethic ingrained in the school's culture.” GVSU employees were receptive to the energy efficiency message. University leadership joined in as well, with the provost's office and university president writing letters to staff in support of the program. The school's human resources department helped the program develop a database to manage services to employees. As a result of the program, 215 people working for GVSU (nearly 10% of total employees) signed up for the program. By going through the university, these sign-ups cost one-fourth to one-third of the program's normal marketing cost per person. Sixty percent of the homeowners who participated in the GVSU program undertook home upgrades, which was higher than Michigan Saves' average rate of 44%. To learn more about the effort, see the interview with program leads: [“It's Academic: BetterBuildings for Michigan Partners With University to Reach Employees”](#).

Examples

The following resources are examples from individual residential energy efficiency programs, which include case studies, program presentations and reports, and program materials. The U.S. Department of Energy does not endorse these materials.

Case Studies

None available at this time.

Program Presentations & Reports

[Retrofit LA: Final Report](#)

Author: Los Angeles County, California

Publication Date: 2012

This final report for the Retrofit LA Program includes activities, metrics, accomplishments.

Program Materials

[Business Plan Example - Catering for Kids Business Plan \(1 MB\)](#)

Author: Bplans

Publication Date: 2011

Example business plan to serve as an illustration of a functional and realistic business plan.

[Regional Climate Protection Authority \(RCPA\) Mission Statement, Goals and Objectives](#)

Author: Regional Climate Protection Authority

Publication Date: 2012

Mission, goals and objectives of the Regional Climate Protection Authority.

Toolbox

The following resources are available to help design, implement, and evaluate possible activities related to this handbook. These resources include templates and forms, as well as tools and calculators. The U.S. Department of Energy does not endorse these materials.

Templates & Forms

[Message Map and Value Proposition Worksheet](#)

Author: U.S. Department of Energy

Publication Date: 2011

This worksheet can help programs develop a value proposition statement for each audience and a message map to expand on those propositions.

Tools & Calculators

None available at this time.

Topical Resources

The following resources provide additional topical information related to this handbook, which include presentations, publications, and webcasts. Visit [Examples](#) for materials from and about individual programs.

Topical Presentations

None available at this time.

Publications

[Better Buildings Neighborhood Program Business Models Guide](#)

Author: U.S. Department of Energy

Publication Date: 2012

This report serves as a resource for program administrators and building contractors who are or may be interested in starting or expanding their services into the residential energy efficiency market.

[Guide To Community Energy Strategic Planning](#)

Author: U.S. Department of Energy

Publication Date: 2013

This guide introduces the Community Energy Strategic Plan (CESP) approach, a step-by-step process for creating a robust strategic energy plan. The guide offers tools and tips to complete each step and highlights examples from successful planning efforts around the country.

Webcasts

None available at this time.

