

Ideas to Incentivize Contractors and Build a Strong Workforce

The Better Buildings Neighborhood Program partners are seeking different approaches to enhance partnerships with local Better Buildings contractors. Following a request for ideas, partners responded with the following list. This list is not intended to be exhaustive and should serve to provide basic framework to programs only. Grantees who wish to expand their programs to include contractor incentives will need to obtain approval from the Project Officer. For questions or to inquire about other programs employing one or more of these ideas please contact a Better Buildings Neighborhood Program Account Manager.

Direct Contractor Incentives

- Loans to Contractors
 - Depending upon the grantee's financial products, funds can be made available for contractor loans. This is especially beneficial to new contractors who may need a small working capital loan between retrofit projects or to buy new tools and equipment.
- Bulk Purchasing
 - The grantee can facilitate bulk purchasing among contractors for various construction items and tools. This not only lowers the cost to the contractors, but requires some level of communication and partnership between the grantee and the contractors. It also encourages contractor to contractor cooperation which could possibly lead to tool and equipment sharing.
- Rebates/Incentives for Contractors
 - Just as grant funds can be set aside for direct rebates and incentives going to home or business owners, grantees can offer incentives to contractors who refer customers to the program. As contractors generate leads, grantees can offer reward incentives which may encourage marketing by contractors; this can be another source of leverage for the grantee. Also, grantees can encourage contractors to upsell work already being done on a home to include retrofit work. Typically, cash incentives should only be offered when a lead turns into an actual retrofit.
- Productivity Incentives
 - Grantees can award recognition to contractors as they meet certain milestones (i.e. number of retrofits, dollar amount of retrofit work completed) or as they complete performance challenges in a given time frame.

Meeting the Contractor Halfway

- Renting or Leasing Equipment
 - Equipment such as a blower door system or an infrared camera can provide very valuable information, but tend to be pretty expensive. Grantees can create a program of renting or leasing equipment that they have purchased to help overcome the cost barrier to the contractor and provide sustainability to the grant program. The program can also include a rent-to-own aspect that is related to the number of jobs (or some other milestone) a contractor preforms.
- Tuition/Training Reimbursement
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- Providing partial or even full tuition reimbursement to contractors for classes that improve their capabilities can help create a well-trained, informed contractor base. For example, contractors tend to have a difficult time converting audits into retrofits. Sales training can help improve conversion rates which benefits both the individual contractor and the program overall.
- Mentoring Programs
 - Even after a thorough training course, new contractors can benefit from working closely with more experienced mentors. Grantees can help cover the cost of an internship to both help new contractors receive on-the-job training and to help expand existing contractors' workforce.
- Contributing to Contractor Marketing
 - For grantees who closely align themselves with the contractor base, contributing to a portion of the contractors' marketing expenses can be mutually beneficially. The contributions can include marketing tools and material pooling or matching contractor marketing dollars to aid their easily co-branded marketing campaign. Encouraging contractors to market themselves can help make the program sustainable after the grant period.

Incentives Based on Contractor Performance

- Spurring Competition
 - Periodic meetings with contractors can help a grantee clarify program requirements, goals and expectations among the workforce. During these meetings, inspiring friendly competition among contractors can help spur growth. Some suggestions include simply sharing contractor specific data (like conversion rates, number of completed retrofits, etc.) and letting kudos bestow itself; providing an award based on reaching a specific benchmark (i.e. number of retrofits) or; more broadly, creating some recognition through a "Contractor of the Year" award.
- Tracking Performance
 - Because most grantees have, or will have, a website, there is already a platform in place to provide information about contractors. While still taking a neutral stand on contractor endorsement, a grantee can create a customer feedback forum or compile and share contractor performance data (collected through customer surveys, based on retrofit numbers, etc.) which drives homeowners to select the most successful contractors.