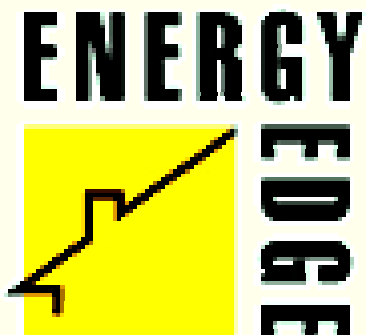


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Taking Care of Business

The Management Issues of Running a Successful Rating Business

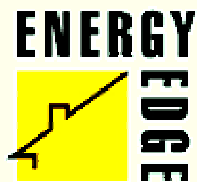
Ed Minch

President, Energy Services Group



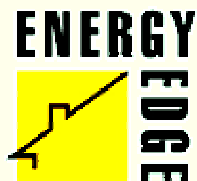
Issues Same As Most Businesses

- What are your products
- Define your customer
- Get effective marketing
- Who's the competition
- Put the right people in the right place
- Leapfrog to new offerings
- Get organized



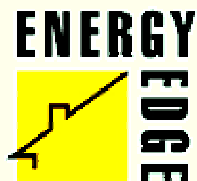
What Are Your Products

- Consult based on BS
- Consult based on HERS
- MEC Check and MEC Performance
- Manual J Calcs
- Your own Energy Efficiency Programs
- Energy Star and other national programs
- Contracting - air sealing, duct sealing, duct design, problem solving, insulation, and more
- Be Flexible



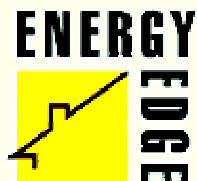
Define Your Customer

- New home builders – logical choice
- Don't forget the private new market
- Testing and retrofitting have a place
- Do you want volume ??
- Rebates help but they will go away
- State Energy Offices
- Utilities



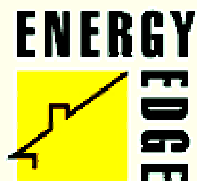
Get Good Marketing

- There is a lot out there already
- Use others'
- Don't be too technical
- Get a website – with hotlinks
- Don't need much
- Work Open House, Parades, etc.
- Be active in HBA and others



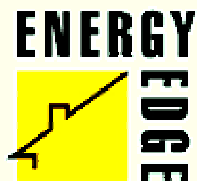
Who's The Competition

- Ratings, Consulting, Contracting
- Competition not always bad
- Become the 800 pound gorilla
- Sound like a consultant, not just another sub
- Stay ahead of the game



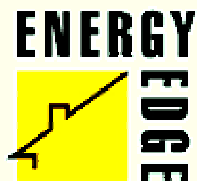
Leapfrog To New Offerings

- All of this is BS, with more to come
- What skills do you have
- Easier to add new products than new customers
- Progression might be from MEC consulting, to contracting, to Energy Star



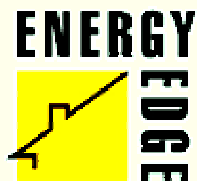
The Right People

- Sales
- Contracting
- Rating
- Inspecting/Testing
- Training
- Paperwork



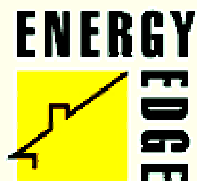
Who Is This Person?

- It's probably you
- All skills could be done by the same person
- For volume, break down skills –sales/rating, contracting/inspecting/testing
- All staff should be very familiar with all skills
- Think about other jobs to use these valuable skills – BS is still in its infancy, so keep up



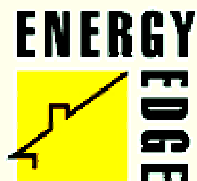
Who We Are

- Began using "Princeton House Doctor Approach" for retrofitting homes in 1981 - early BS
- Began new home consulting and air sealing in 1982
- Began guaranteeing air leakage rates in 1984
- Began State Weatherization auditing and air sealing in 1993
- Began HERS rating and Energy Star Certification in 1996
- Became HERS Provider in 1998



A Natural Progression

- Each step built on the previous step
- BS is the basis for all
- Flexible offerings – what do you need?
- Air sealing gives good control of the end product
- Lower air leakage rates provide cost effective points toward HERS rating
- Viewed as consultants, not contractors
- Easier to add new services then to add new customers



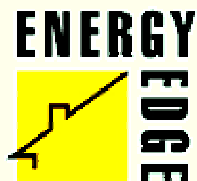
Where We Are Today

- Goal has been cost-effective efficiency
- Offer MEC, Code, HERS, Manual J
- Problem solving even for builders we don't yet work for
- Air sealed 3,000+ homes in 2002
- Energy Star 1,000 – homes in 2002
- No incentives (so far)
- Thirteen trucks, staff of sixteen
- Double digit growth for 5 years, 22% in 2002



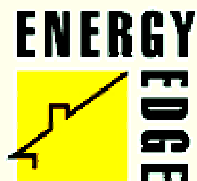
Our Customers

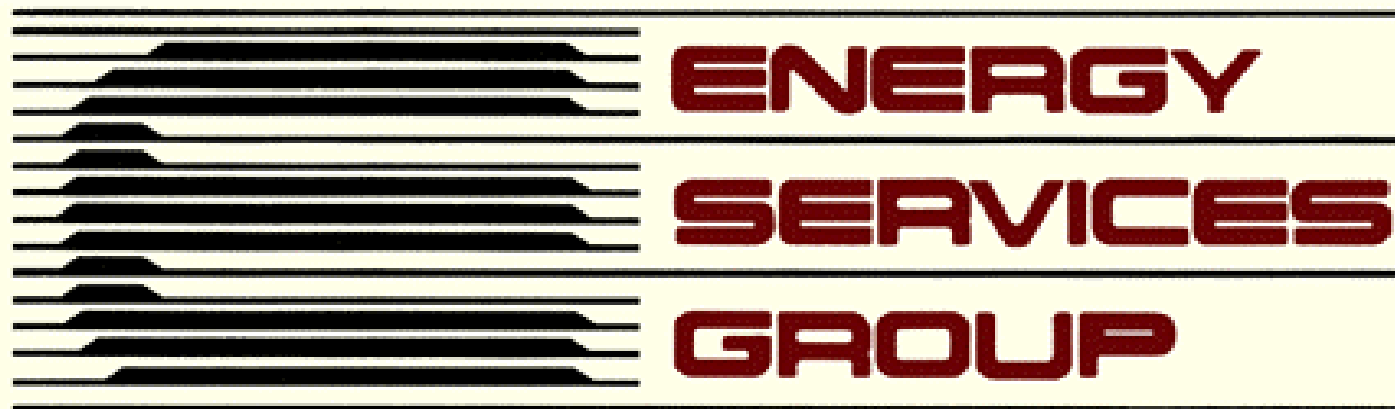
- Builders –small, regional, national
- Private – new and retrofit
- HUD/Section 8
- WAP
- Habitat for Humanity



Now What

- We recommend multiple offerings!!!
- Don't keep them waiting
- HERS ratings satisfies MEC
- "I" Codes don't have firestopping
- Rating is cheaper than BOPS
- Ducts are the next big issue





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