

“Getting It Right” Principles for Running a Successful Rating Business

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**Steve Baden
Kathy Spigarelli**

Considerations in a Successful Rating Business Plan

Elements of Successful Business

- **Doing the Business**
- **Running the Business**
- **Getting the Business**

Considerations in a Successful Rating Business Plan

Elements of a Successful Business Plan

- **Define Your Services**
- **Define Your Potential Customers**
- **Define How Your Potential Customers will Know about Your Services**
- **Target Your Target Growth for the First Year, Year Three, Year Five**
- **Define Your Annual Budget, Income & Expenses**

Principle Number One

Selling Your Services

- Definition of Marketing
- Truisms in Adult Education
- Selling Your Story
- Steps to Effective Communication
- Elements of Effective Communication

“Selling Your Services”

Definition of Marketing

- **Smart Does Not Always Win in the Market Place**
- **80% of Marketing is Education**
- **Must Know Your Story to Sell It**

Truisms in Adult Education

- **“So Much Information, So Little Time”**
- **Must Grab Attention in the First 30 Seconds**
- **Credibility of Messenger & Message is Critical**
- **Repetition/Reinforcement**
- **Limit Message or the Number of Points to be Made at First Setting**

Selling Your Story: “Making the Invisible Visible”

- **Defining Your Services**
- **Know Your Customers**
- **Tailoring Your Story to Specific Customers**
- **Tailoring Your Story to Your Housing Market**
- **Being Comfortable with the Delivery**

Defining Your Services

- **Applied Building Science Solutions**
- **Builder/Buyer Quality Assurance**
- **Reduce Call Backs**
- **Access to Preferred Financing**
- **Added Comfort**
- **Qualifying More People for a Better Home**
- **Healthier Living Environment**
- **Building Performance Diagnostics**
- **Environmental Stewardship**
- **Verification for ENERGY STAR**
- **Identification of Cost-Effective Improvements**

Know Your Customer

Why?

To Know Their Different Motivations

- **Builders**
- **Buyers**
- **Lenders**
- **Home Owners**

Tailoring to Specific Customer

Approach Changes With Each Customer

Considerations:

- What are Their Current Needs?
- When do They Need It?
- How do Your Skills Match Their Needs?
- What Makes You Most Qualified?

Tailoring to Your Market

Considerations:

- **Current Building Practices**
- **Characteristics of Builders**
 - Production
 - Custom
- **Robustness of the Housing Market**
- **Demographics of Buyers**
- **Rate of Homeownership/Housing Costs**
- **Cost of Energy**
- **Common Building Problems**
- **Availability of Utility Programs**

Tailoring to You

Considerations:

- Your Personality
- Your “Comfort Zone”
- Your Definition of Services

Steps to Effective Communications

- **Be Aware of Your Audience**
- **Get Their Attention Early**
- **Present the Problem**
- **Empower Them with a Solution**

Elements of Successful Communications

- **Visual**
 - We Think in Pictures
- **Language**
 - Home Performance Not Conservation
- **Statistics**
 - Statistics That Can Draw Pictures are Best

Principle Number Two

Building Alliances

- Why Bother?
- What is Needed to Make It Work?
- Who Are Your Potential Partners?
- What Can Partners Do With You?
- Working Together to Reach the Consumer

Building Alliances

Why Bother?

- **Through Unity is Strength**
- **Third Party Endorsement/Credibility**
- **Instant Access to Housing Industry**
- **Not Enough Resources to do it Alone**

Building Alliances

What Is Needed to Make It Work?

- **Assist Potential Allies to Identify and Communicate Your Mutual Story**
- **Make Partnership a *Win-Win-Win* Situation**
- **Must Understand Their Motivations**

Building Alliances

Who Are Potential Partners?

- **State Energy Office**
- **Fannie Mae Partnership Office**
- **Lenders**
- **Builders**
- **Builder Marketing Agents**
- **Utilities**
- **Product Manufacturers/Suppliers**
- **Sub-Trades**
- **Affordable Housing Advocacy Groups**

Building Alliances: State Energy Office

What Can They Do With You?

- **Work to Get Ratings Recognized for Energy Code Compliance**
- **Independent Third-Party Endorsement**
- **Provide Media Awareness Support**

Building Alliances: Fannie Mae Partnership Office

What Can They Do With You?

- Assist in Recruiting Lenders in Your Housing Market
- Provide Assistance to Lenders in Signing the Energy Mortgage Contract Variance
- Assist Brokers in Finding Lenders to Service Energy Mortgages
- Provide Media Awareness Support
- Independent Third-Party Endorsement

Building Alliances: Lenders


What Can They Do With You?

- **Pay for Ratings/Reduce Closing Costs**
- **Sponsor Workshops**
- **Sponsor You as a Speaker at Home Builder Association Meeting**
- **Develop and Print Collateral**
- **Sponsor You as a Speaker at Mortgage Banker/REALTOR Association Meeting**

Building Alliances - Lenders

Example of Print Collateral


COLONIAL BANK
introduces
"Home Performance Power"™*
Energy Rated Homes Have More Value!



- Lower Utility Bill
- Increased Comfort
- Better Indoor Air
- Higher Quality Construction

Customers of Alabama Homebuilders Association can take advantage of two convenient programs:

**Flexible Home
Performance Power**

**Community Home
Performance Power**

You can qualify with:

- 3% down payment
- 1 unit, new construction that meets energy efficient standards

- Homebuyers' counseling
- 25% Mortgage Insurance

For more information about a Residential Mortgage call:

Anniston Kim Coker, (256) 741-3108 Birmingham ... Glenn Garrett, (205) 445-2221 Dothan Maxine Laney, (334) 678-7348 Fairhope .. Kathleen Williams, (251) 928-9359 Huntsville . Royce Richardson, (256) 551-4760	Mobile Kay Weiss, (334) 450-3728 Linda Phillips, (334) 450-3727 Montgomery Pam Davis, (334) 833-3911 Tuscaloosa Lisa Whitson (205) 507-0972
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*Subject to lenders approval

Member FDIC 

Building Alliances: Builders

What Can They Do With You?

- **Build ENERGY STAR Homes**
- **Recruit Their Preferred Lenders to Offer Energy Efficient Mortgages**
- **Sponsor You as a Speaker at Home Builder Association Meeting**
- **Develop and Print Collateral**
- **Sponsor Training for Their Marketing Agents**

Building Alliances: Builder Marketing Agents

What Can They Do With You?

- **Promote Energy Efficient Features of Home**
- **Display Signage**
- **Collateral Material in Model Homes**
- **Promote Energy Efficient Mortgages**

Building Alliances: Utilities

What Can They Do With You?

- Pay for Ratings
- Referrals of High Bill Customers
- Use Ratings as Verification of Incentive Programs
- Sponsor Workshops (Building Science, ENERGY STAR, Ratings, Energy Mortgages)
- Develop/Print Marketing Materials

Building Alliances: Product Manufacturers/Suppliers

What Can They Do With You?

- **Pay for Ratings**
- **Co-op Advertising**
- **Display Collateral in Show Rooms (“Energy Corner”)**
- **Sponsor Workshops (Building Science, ENERGY STAR, Ratings, Energy Mortgages)**
- **Develop/Print Marketing Materials**

Building Alliances: Affordable Housing Advocacy Groups

What Can They Do With You?

- **Have Housing Counselors Trained on Benefits of Energy Mortgages**
- **Include Energy Efficiency, Ratings and Energy Mortgages Included in Home Buyer Training**

Working Together to Reach the Consumer:

“Taking It To The Streets”

- **Cooperative Advertising**
- **Joint Presentations to Housing Associations/Civic Groups**
- **MLS Listing Workshops/E-mail Blasts**
- **Media Events**
- **Awards**
- **ENERGY STAR Homes PSA**
- **EPA ENERGY STAR Homes Marketing Funding**

“Taking It To The Streets”

Cooperative Advertising

- **Sharing Costs and Ad Space With Partners**
- **Stretches Advertising Budget**
- **Advantage to Partners: Independent Third Party Endorsement (Credibility)**
- **Advantage to You: Demonstrates Being a Player in the Housing Market (Credibility)**

“Taking It To The Streets”

Example of Cooperative Advertising

Build the best home for your future



ENERGY STAR® Homes provide a smart, profitable choice for homebuyers.

By using 30% less energy than conventional homes, these homes can save you thousands of dollars in utility costs. And now, financial incentives are available from your participating utility company for high-efficiency heating equipment, appliances and design advice.

Any home can be an ENERGY STAR Home.

Whether you're building now or planning to build:

Call 1-800-628-8413

or visit our web site at <http://www.energystarhomes.com> for information about building an

ENERGY STAR Home.



ENERGY STAR Homes are endorsed by the U.S. Environmental Protection Agency and the Department of Energy for meeting high standards for energy efficiency.

Sponsored by:



Look for these quality products and services to help you meet ENERGY STAR Home standards:



518-783-9761

877-991TRANE

617-557-6302
800-362-5332

“Taking It To The Streets”

Joint Presentations at Housing Industry Association/Civic Organizations

- **Lender Partner Arranges Speaking Slot at Association - Organization**
 - Home Builder/REALTOR Associations
 - Rotary, Lions, Jaycees, etc (One the community leaders participate in)
 - Sharing Costs and Ad Space With Partners
- **Build Presentation on Voluntary, Near Term Solution to High Energy Costs This Winter**
- **Advantage to Partners: Independent Third Party Endorsement (Credibility)**
- **Advantage to You: Demonstrates Being a Player in the Housing Market (Credibility and Name Recognition)**

“Taking It To The Streets”

Presentations at Multiple Listing Service (MLS) Meeting MLS E-mail Blasts

- **MLS Relied Upon By REALTORS to Identify Homes on the Market**
 - Generally Administrated by REALTORS Association
 - All RELATORS Subscribe
- **Most MLS Have Weekly Meeting on Topical Subjects Affective Housing Market**
- **Build Presentation on Voluntary, Market-Drive, Near Term Solution to High Energy Costs This Winter**
- **Most MLS Send E-mail on Topics Pertaining to the Housing Market to All REALTORS and Appraisers. Write an Article and Have the MLS Include It in Their E-mail**

“Taking It To The Streets”

Media Events/Open Houses

- **Opportunity to Catch Free Media Coverage (News)**
- **Consumers Place Greater Credibility on News Than Advertising**
- **Increases Name Recognition/Credibility**

“Taking It To The Streets”

Media Events/Open Houses

- **Takes a Lot of Work and Planning (Earned Media)**
- **Important that Timing Built Around Issue Currently in News (High Energy Costs/Weather)**
 - **Provides News Local, Positive Slant on National Subject**
- **Build Around Topical Subject**
 - **Signing Up First Lender in Community to Offer Energy Efficient Mortgages**
 - **First ENERGY STAR Home Rated**
 - **How Consumers Can Reduce Their Energy Costs and Stay Warmer This Winter**
- **Build in Visuals for Cameras**
- **Involve Community Leaders in Event**
 - **Governor**
 - **Senator/Congressman**
 - **Mayor/State Legislator**

“Taking It To The Streets”

Example of Boston Media Event **Governor Ribbon Cutting First ENERGY STAR Home**



"Taking It To The Streets"

Example of Boston Media Event News Coverage From Event

30-YEAR MORTGAGE RATE DIPS
Freddie Mac said yesterday that the average 30-year fixed-rate mortgage fell from 7.71 percent last week to 7.65 percent this week.

Real Estate

46 BOSTON HERALD FRIDAY, JULY 9, 1999

Giving homes (Energy) Star power

EPA touts labeling for new home construction

By KAREN UKRAINE
SPECIAL TO THE HERALD

Energy Star, a label you may have seen when buying appliances such as washing machines and refrigerators, will now be used to certify energy efficiency in newly constructed houses.

The U.S. Environmental Protection Agency (EPA) conducted an open house tour recently, showing houses from Amherst to Wayland that were built to save consumers about 30 percent on their utility bills, around \$480 a year, and help the environment at the same time.

Energy Star is a label developed by the EPA and the U.S. Department of Energy (DOE) and is awarded to products that conserve energy. The agencies set the energy efficiency criteria, which exceed the minimum national efficiency standards, sometimes by as much as 50 percent, and the manufacturer or retailer volunteers to place the Energy Star label on models that meet or exceed that criteria. In other words, as a consumer, looking for that label alone is an easy way to identify products that conserve energy.

Energy Star homes are built to reduce air pollution, as well as save the home buyer money. The characteristics of an energy-efficient home are tight construction, increased insulation and tightly sealed ducts, among others. One such home featured at the open house is a Victorian reproduction in Wayland, an elegant home which exemplifies the idea that conserving energy can be achieved without sacrificing beauty.

Jack Crimmins, of Crimmins Construction, is the owner and builder of this Energy Star home. The house is well-insulated, with blown-in cellulose, a flame-retardant recycled newspaper, as well as high-density urethane foam, both of which are environmentally friendly, and have high R-values.

"Energy efficiency is about the intelligent use of insulation," says Crimmins. "You lose more (heat) through leakage than through the insulation." The windows, doors and any other openings or connections, such as plumbing from one floor to another, are foam-sealed all around. The windows and doors are high quality. All of

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GREEN DAY: Jack Crimmins outside his energy-efficient home in Wayland.

STAFF PHOTO BY GEORGE MARTELL

“Taking It To The Streets”

Awards for Highest Rated Home in HBA Parade of Homes

- **Opportunity to Catch Free Media Coverage (News)**
- **Recognizes Builders Who Are Pioneering Energy Efficient Construction**
- **Sends Message That Energy Efficiency Market Force**

“Taking It To The Streets”

Awards for Highest Rated Home in HBA Parade of Homes

- **Need to Coordinate with Local Home Builders Association**
- **Offer Free Ratings to Participating Builders (“Stars of the Parade of Homes”)**
- **Have Governor’s Office Sponsor Award**
- **Have HBA Include Presentation of Award at Regular Awards Ceremony**

“Taking It To The Streets”

Example of Nevada Parade of Homes Energy Award



Third Annual Governor's Awards

For Excellence in Energy Efficient Design in New Home Construction

Category I – Production Homes
Barker Coleman Communities for the Frontier model
Priced under \$150,000

Category II – Multi-Family Homes
The Fourth Street Partners for the Plaza at Fourth Street
An affordable housing development

Category III – Custom Homes
Mike Holmes, Holmes Construction for a custom home design
Achieved a Five Star Plus home energy rating

Presented by
Governor Kenny Guinn
Energy Rated Homes of Nevada
Nevada State Office of Energy
Builders Association of Northern Nevada
Fannie Mae Nevada Partnership Office
Sierra Pacific Power Company

“Taking It To The Streets”

Nevada Governor Presenting Parade of Homes Energy Awards



“Taking It To The Streets”

EPA ENERGY STAR Advertising Partnership

Annually EPA Awards Funding for Coop Advertising

Partners provide:

- *Participation from at least 3 partners
(at least two of which being builders)*
- *Funds to run an 8-13 week placement of an EPA-developed ad
(or equivalent alternate)*

EPA provides:

- *Funds to run a complementary ad*
- *Customized ad templates for each market (partner names,
logos, local web site)*