Mission

To identify and offer the best opportunity for energy efficiency to a decision maker utilizing clear and concise facts presented in a way that meets their needs, budgets and purchase cycles leveraging Efficiency Works incentives.

Who sells?
WHAT ARE YOU SELLING?

To the White Board!

SELL IT!

FEATURES VS. BENEFITS

Provide a feature

Feature

Advantage
The key is to connect the dots between Features and Benefits.

Benefits

Identify potential benefits

Solution

How do we know which benefit creates the sale?
OBJECTIVE OF CUSTOMER INTERACTION

- Unaware
- No action
- One project complete
- Some training, research
- More than one project done, no strategy
- Started an energy or green team
- Action plan in place

Move customer along continuum
UNDERSTANDING THE ENERGY EFFICIENCY SALES PROCESS

Prospecting & Qualifying → Opportunity Identification → Presentation → Close → Support & Follow-up

PROSPECTING

• Disciplined on-going activity
• Recon – Do your homework
• Identify Key Decision Makers – Economic, Technical, User, Commercial
• Identify Accompanying Value Streams – Direct, Indirect, Ego

TYPICAL REASONS FOR A SALE

Energy Cost Better Awareness
Better Awareness
Better Awareness
Better Awareness
Comfort Issues
Corporate Directives
Carbon Footprint
Rebates
Grants
New Construction
Safety Concerns
Age
Appearance
Equipment Failure
New Technology
End of Year Budget
Tax Implications
Maintenance Headaches
Production Improvement
New Construction
Safety Concerns
End of Year Budget
COMMON MOTIVATIONS FOR ENERGY EFFICIENCY

- EE is a business issue for everyone
- Reduce operating costs (investment)
- Expand business growth
- Utility & Manufacturer rebates
- Tenant comfort

- Customers need/want your help
- Need to ensure regulatory compliance
- Meet corporate mandates
- PR potential
- Federal/State tax benefits
- Improving safety

THE SALES LADDER

QUALIFYING

- More reason - Do your homework
- You are talking with the decision makers
- You are asking strategic questions.
KNOW YOUR AUDIENCE AND SPEAK THEIR LANGUAGE

- Who are you speaking to?
- Determine what level of detail you may need – what determines that?
- Avoid using acronyms or abbreviations

Why will this make my life better?
I'm retiring and am not concerned about cost. I just want a 2 year ROI. Energy Savings does not help me.

WHAT TYPE OF BUYER ARE YOU TALKING TO?

In all opportunities, understanding the difference between an Economic, Technical, Executive/Corporate, User, and Commercial type buyer is crucial.

**Economic**
- One driven by the financial payback:
  - Simple ROI
  - Life Cycle Costs
  - Bottom Dollar Evaluation
  - Typically Final Decision Maker

**Technical**
- One driven by the TECHNICAL Equipment:
  - Meets all the process and production needs, sometimes attracted in having the latest, greatest, fastest, most powerful, most open architecture, ease of use, maintenance.

**Executive/Corporate**
- One/Many that will be looking for the overall health and strength of the company.
  - Does the solution keep the doors open
  - Will the offering make the workplace more attractive to the employees/potential clients
  - Does this increase the overall bottom line $/share or reduce the $/widget that I am producing?

**USER Buyer**
- One who will operate and maintain the solution:
  - Understand details
  - Features and benefits that will make the product easy to operate and maintain

**Commercial Buyer**
- One who gets the solution qualified:
  - Usually the purchasing representative. They will help establish the requirements and conditions of sale. gatekeeper

**COACH**
- May/May not be available or exist in every opportunity:
  - Will give you the good AND the bad
  - Will help you identify Buyers and Value Streams
  - Can be your eyes and ears when you are not present.
FIND THE MEANING BEHIND THE MEANING

“Nobody who bought a drill, wanted a drill.”
They wanted a hole.
How do we know what the customer really needs?

EXPLORE YOUR CUSTOMERS’ GOALS WITH PROBING QUESTIONS
PROBING QUESTIONS (CLOSED vs. OPEN)

Closed Questions (Yes/No)
- Do you want to go ahead and ...?
- Is it ok with you if we ...
- Are you ready to...

Open Questions
- How do you feel about moving ahead with ...?
- What do you think about ...
- How ready are you to ...

- Enhance your rapport with the customer
- Opportunity to establish common ground
- Timeframe to establish that there is NOT an opportunity and can disengage without burning bridges...

PROBING QUESTIONS

Exploratory
- What system do you have for...
- How do you determine...
- What are your biggest challenges?
- How comfortable are you with...
- What is working well?
- Do you anticipate growth?

Opportunity
- How well is that working?
- What trouble have you had?
- How successful has that approach been?
- What do you think about...
- What other options are you considering?
- How much support is there at the...

PRACTICE PROBING QUESTIONS: CASE STUDY 1

You are meeting with Tom Tipper after an initial phone call. He is the owner of a medium-sized industrial facility, where they are specializing in manufacturing Tip-ups for ice fishing. Business was great a few years ago which prompted the move into a larger, but older building. Sales have slowed and their energy costs are 60% higher than they were in the smaller building. There are numerous opportunities available, but Tom struggles with budgets and keeping the doors open.

Please write down some probing questions to ask Tom to determine his goals and your ability to address his needs. Be prepared to respond with Opportunity questions as follow-up.
FINDING THE DECISION MAKER

- Top challenge of 2/3 of B2B marketers = engaging key decision makers
- At a typical firm with 100-500 employees, 7 people are involved in most buying decisions
- Probability is low that the first person you reach (or even the second or third) is the right person!

GET ALL THE INFORMATION

- As much info on your prospects as possible:
  - Who are they?
  - What technology do they utilize?
  - What are they seeking?
  - With which of your competitors have they worked?
  - What partners do they have?
- Google and company websites - often reveal the decision makers, through quoted articles highlighting innovation
- Who to start with:
  - Do they promote efficiency or sustainability?
  - Who is quoted?

ASK THE RIGHT QUESTIONS

- Asking the right questions is a skill — something you need to continually improve.
- Use the question “Who pulls the trigger?”
  - Direct question - does not insult the person to whom you are speaking
  - DO NOT ASK: “Are you the decision-maker?” or worse, “Who is the decision-maker?”
  - Embarrassing for the prospect and
  - Pressure for an answer
ASK THE RIGHT QUESTIONS

- Simply asked: “How will the decision be made?” And whatever your customer says, follow up with yet another question about the decision-making process…
  “Then what?”
  - “Then what” leads you through the decision-making process
    - Keep asking: Then what? Then what? Then what?
    - Finally come back to the trigger puller

BE PERSISTENT

- Most successful salespeople – persistent, navigate the buying process
- When you do ask questions, be sure to include the tough stuff…
- Do not be afraid to ask about budgets, fiscal calendars, who signs the contracts.
- If you do not know HOW they buy and WHEN they buy, your proposal may sit for months

PRESENTATION

- Presentations can be to one or more people
- Customize your message to each customer
- Create a proper Value Proposition
- Anticipate and overcome critical objections
SIGNS OF INFORMATION OVERLOAD

• Recognize “glazed-over eyes”
• Ask questions
• Simplify
• Unresponsive/uncaring attitude
• Is topic relevant?
• Frustration about “paperwork”
• Only leave pertinent items,
• Explain importance (value)

TYPES OF OBJECTIONS

Fact-based & Specific

• ”I don’t know if it will work as well as what we already have”
• ”Why would a utility pay me to use LESS of their product?”
• ”Will this disrupt the workplace?”
• ”Are the savings real?”

Stalls

• ”I don’t have time”
• ”Come back next week”
• ”Sounds to good to be true”
• ”Who are you?”
• ”What I have still works… why replace it?”
• ”It’s too close to Christmas”
• ”I’m going on vacation”

OVERCOMING OBJECTION TIPS

• Objection handling principles
• Listen and understand
• Repeat the objection in your words
• Be prepared
• Gut check – Ask yourself, “Do they trust me?”
Office Buildings waste up to one third of the energy they consume.*

Many buildings will have profitable opportunities to lower their energy consumption by 20-30%.

Further, if the building uses more energy than the average building this opportunity increases.

Even buildings that use less energy than the average will still have promising opportunities for energy savings.

ENERGY STAR calculates that a 10 percent decrease in energy use could lead to a 1.5 percent increase in net-operating income (NOI)*


WHAT IS THE REAL OBJECTION?

BUILD TRUST: CLOSING THE EXPECTATION GAP

CLOSING

- Prospecting & Qualifying
- Opportunity Identification
- Presentation
- Close
- Support & Follow-up

- Always be closing
- Customer is interested
- It’s our job to keep it that way!
- Maximize and tailor benefits
CLOSING ESSENTIALS

• Find the decision maker
  – How does your company make decisions like this?
  – What steps happen before a PO is generated?
  – Who ultimately pulls the trigger?
  – Then what?
• Recognize the buying window
  – Ask about decision making timelines.
  – Does this need a request for capital (CapEx)

CLOSING ESSENTIALS

• Create a sense of urgency
  – Opportunity time-line
  – Promotions
  – Technology standard changes
  – Cost of waiting or doing nothing
• Asking them “Yes” questions
  – Choice of “yes” or “yes”
  – “Would you like to talk on Wednesday or Thursday?”

THINGS THAT CAN KILL A PROJECT

• Disruptions to work place
• Fear of the unknown
• Lack of confidence in savings
• Limited access to capital
• Vague understanding of true impact
• Lack of time to make a good decision
• It’s still working….why replace it?
• And sometimes….You.
SUPPORT & FOLLOW-UP

- Contact without being a pest
- Set expectations and deliver
- Take time to plan for long term

FINISH STRONG

- The Last Impression
  - Promote clarity, bring simplicity
- The Value Proposition
  - Focus on the benefits
  - Resolve PAINs
- Is there anything else I can do for you before I leave?
- Let them know what you’ve done and why.
- Let them know about the follow-up process

TECHNICAL SELLING
BUILDING BASICS

- Most buildings able to lower energy consumption by 30%
- Opportunity increases as energy use increases
- Promising savings for buildings using less energy

CHALLENGES FROM THE CUSTOMER’S VIEW

- “I believe that there are energy savings that can be achieved within my buildings. But the path to get there is more complicated than I would like.”

- “I am not an engineer. This means when it comes to making building infrastructure investments, I don’t have a deep understanding of all the unconnected pieces of the system and therefore, I am going to need to reach a certain level of comfort before making a decision.”

- “A data dump from an audit report does not help me get any closer to making a decision – there is a reason these often end up collecting dust.”

YOUR CUSTOMERS NEED A TAILORED SOLUTION

- “I need a short list of the things that I must do that will get me the most gains for my investment.”

- “I need data – help reassure me that these projects are going to work. Prove to me that these efficiency improvements have been done before at buildings like mine.”

- “Give me options – I may want to fund these projects, I may want to finance them. Help me understand and compare these options.”
THE VALUE OF ENERGY EFFICIENCY - COMMERCIAL

For a 500,000-square-foot office building:
• Cumulative cost savings of $120,000
• Increase in asset value of over $1 million

For a medium-box retailer with 500 stores:
• Cumulative cost savings of $2.5 million
• Increase in sales of 0.89%


THE VALUE OF ENERGY EFFICIENCY - COMMERCIAL

For a full-service hotel chain with 100 properties:
• Cumulative cost savings of $4.1 million
• Increase in revenue per available room of $1.41

For an 800,000-square-foot school district:
• Cumulative cost savings of $140,000
• Salary of 1.2 full-time teachers each year


BUSINESS PRIORITIES – CONTEXT IS KING

Supermarkets
• Bottom-line: Saving $1 in energy = $50 worth of sales.
  – Profit margins < 2%
  – Energy costs > $5/sq ft
• EPA's Energy Star program - reducing energy costs by 10% in a supermarket = increasing sales $42/sq ft

Universities
• Long term planning
• Facility life = 50+ years
• Focus on ROI / payback; life-cycle cost analysis is the best route
Colorado electricity prices rose 34% 2005 to 2015

**ECONOMIC MOTIVATION – FUTURE REALITY**

**OPPORTUNITIES FOR ENERGY EFFICIENCY**

- Typically 15% savings can be from low hanging fruit (lighting, tune ups, water measures).
- Moderate Cost, Best Practices can reach 30% savings (VFDs, Automation, upgrading equipment at end of life).
- Capital Intensive has highest potential, most cost (system redesign, complete replacements, envelope upgrades).

Methods for Evaluating Energy Cost Reduction Projects:

- Simple Payback
- Internal Rate of Return (IRR)
- Return on Investment (ROI)
- Net Present Value (NPV)

Which of these does not fit?

- Simple Payback because this metric doesn’t include the lifetime of the measure.
LIFE-CYCLE COST ANALYSIS

• Consider total cost of ownership, not just upfront cost (operating costs usually significantly outweigh first cost)
• Pay more now, save year after year

COST OF DOING NOTHING

Once recommendations have been identified and presented the lost savings start to accrue.

- Initial Cost: $500,000
- Annual Savings: $125,000
- Lifetime: 20 years

INTERNAL RATE OF RETURN, NET PRESENT VALUE – THE LANGUAGE OF THE CFO

The Internal Rate of Return is a good way of judging an investment. The bigger the better!

Internal rate of return (IRR) is the discount rate often used in capital budgeting that makes the net present value of all cash flows from a particular project equal to zero. Generally speaking, the higher a project’s internal rate of return, the more desirable it is to undertake the project. As such, IRR can be used to rank several prospective projects a firm is considering. Assuming all other factors are equal among the various projects, the project with the highest IRR would probably be considered the best and undertaken first.

Net present value (NPV) is the difference between the present value of cash inflows and the present value of cash outflows. NPV compares the value of a dollar today to the value of that same dollar in the future, taking inflation and returns into account.
During the course of the day, a typical executive is going to be running from meeting to meeting responsible for making decision after decision. Think about that a bit? How do you feel when are constantly asked to approve something over and over again (for those of you with kids at home this should not take much imagination). It won’t take long before your default response is NO! They can’t say yes to everything so you have to raise the bar of what is required before a project gets approved. Executives are also going to quickly lose patience for requests that don’t seem to be well formed and aligned with their business goals.

**FINDING THE DECISION MAKER IS NOT ENOUGH**

- Fan Energy Savings up to 90%
- Conditioned Air Savings up to 50%
- Less wear and tear on motors and belts with soft start from VFDs
- Payback 1-3 years typical

**KITCHEN DCV HOSPITAL CASE STUDY**

Energy Savings Potential

<table>
<thead>
<tr>
<th>Description</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fan Energy Savings</td>
<td>up to 90%</td>
</tr>
<tr>
<td>Conditioned Air Savings</td>
<td>up to 50%</td>
</tr>
<tr>
<td>Less wear and tear</td>
<td></td>
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<tr>
<td>Payback</td>
<td>1-3 years</td>
</tr>
</tbody>
</table>

**HOSPITAL KITCHEN DCV CASE STUDY**

<table>
<thead>
<tr>
<th>Description</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Energy Savings</td>
<td>5,118,309 MJ/yr</td>
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<tr>
<td>Fan Energy Savings</td>
<td>3,039,196 MJ/yr</td>
</tr>
<tr>
<td>Cooling Savings</td>
<td>2,079,113 MJ/yr</td>
</tr>
<tr>
<td>Net Installed Cost</td>
<td>$32,250</td>
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<tr>
<td>Efficiency Works Refurbish</td>
<td>$5,000</td>
</tr>
<tr>
<td>Payback Period</td>
<td>1.2 years</td>
</tr>
<tr>
<td>Carbon Footprint</td>
<td>265.240 MT CO2/yr</td>
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</tbody>
</table>
HOSPITAL KITCHEN DCV CASE STUDY
INTERNAL RATE OF RETURN – NET PRESENT VALUE

CASH FLOW ANALYSIS
PROJECT: CHICAGO HOSPITAL – ACTUAL EXAMPLE –

CALCULATIONS:

<table>
<thead>
<tr>
<th>NET PRESENT VALUE</th>
<th>INTERNAL RATE</th>
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</thead>
<tbody>
<tr>
<td>$80,655</td>
<td>8.6%</td>
</tr>
<tr>
<td>$167,354</td>
<td>9.1%</td>
</tr>
</tbody>
</table>

Savings into the EPA Equivalencies Calculator and share the good news!
http://www.epa.gov/cleanenergy/energy-resources/calculator.html

Hospital Kitchen DCV example: savings of 265,230 lb. CO2/Year =

CARBON SAVINGS TOOL

- Input the savings into the EPA Equivalencies Calculator and share the good news!
- http://www.epa.gov/cleanenergy/energy-resources/calculator.html
- Hospital Kitchen DCV example: savings of 265,230 lb. CO2/Year =

USE THE EFFICIENCY WORKS APPLICATION TO VALIDATE SAVINGS AND REBATE

<table>
<thead>
<tr>
<th>Savings</th>
<th>Tax Savings</th>
<th>Rebate</th>
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<tr>
<td>$46.00</td>
<td>$18.90</td>
<td>$0.00</td>
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<tr>
<td>$47,942</td>
<td>$3,878</td>
<td>$2,016</td>
</tr>
</tbody>
</table>
PUT THE REBATE ON YOUR PROPOSAL!
PRE-QUALIFY THE PROJECT AND CLOSE THE DEAL!

LightWorks (800) get-lite
123 Main Street, Ft. Collins, CO
400 LED fixtures: $20,000
Installation Labor: $12,000
Total: $32,000
* May qualify for a rebate from Efficiency Works

LightWorks (800) get-lite
123 Main Street, Ft. Collins, CO
400 LED fixtures: $20,000
Installation Labor: $12,000
Total: $32,000
Efficiency Works rebate: $16,000
Net cost after rebate: $16,000
- Rebate covers 50% of project cost
- ROI is 4.35 years
- Measure life is 30+ years

WHICH IS MORE ATTRACTIVE?

MAKING YOUR PROPOSAL STAND OUT FROM THE CROWD

- Include:
  - Efficiency Works Rebates, lowering overall cost
    - ROI and when appropriate Internal Rate of Return (IRR) and/or Net Present Value (NPR)
  - Use Life-Cycle cost analysis on large capital projects and show your client you chose the most reliable, lowest overall cost solution for the long term.
  - Share your knowledge of projected utility costs in the future and position your project as a hedge against price increases.

FACILITY – SPECIFIC KNOWLEDGE

- Know Your Customer:
  - Activity: Before a meeting, gather some characteristics about the business that would be helpful to know...
  - Let’s use somewhere familiar to all…
EXAMPLE: GROCERY STORE AND EQUIPMENT TYPES

Know your key terms!

- Equipment types
  - Multi-decks
  - Coffin cases
  - Know difference: Walk-in vs. Reach-in
- Technical terms
  - Tons of Refrigeration
  - Low Temp
  - Medium Temp
  - Anti-sweat heaters
  - Halogen vs. LED spotlighting

EXAMPLE: GROCERY - TYPICAL ENERGY USAGE

Electric

- High performance T5 T8 or LED lighting
- ECM motors
- LED case lights
- LED spotlighting
- Anti-sweat heater controls

Natural Gas

- Economizers for HVAC and Walk-Ins
- Auto Closers, Gaskets and Strip Curtains
- Heat reclaim from refrigeration for space heating
- ENERGY STAR rated kitchen appliances

EXAMPLE: GROCERY - KEY OPPORTUNITIES
EXAMPLE: GROCERY ENERGY INTENSITY CHARACTERISTICS

- Electric intensity – average
  - 51.3 kWh/square foot or 175 kBtu/square foot
- Natural gas intensity – average
  - 0.38 therms/square foot or 38.1 kBtu/square foot
- Most electric-intensive commercial building type
- Set-back thermostats often not applicable – store temp set same 24/7 to limit food spoilage

HOW TO SPEAK A GROCER’S LANGUAGE – BIG PICTURE

Grocery stores measure Sales per Square Foot
- Average US Supermarket = $16M/year in sales with average size of 50K sq. ft.*
- Net Profit averages 1% or $160,000 per year*
- This equals $320/sq. ft. in sales annually
- Average energy cost $200K per year or $4/sq. ft.*
- Example 20% reduction in energy use over 3-4 years

EPA Source:

Energy Efficiency is equivalent to INCREASING SALES!
- According to the EPA, $1 saved in energy = $59 in sales
- $40,000 in EE savings X $59 = $2,360,000 in net sales
- $16 Million in sales becomes effectively $18,360,000!
- $320 in sales per square foot increases to $367 +/-13%
- $4 per square foot of energy use is reduced to $3.20
- Energy Efficiency is the easiest way to increase sales and lower costs at the same time, over time.

EPA Source:
ASPIRE TO OVERACHIEVE

• Leave a positive and lasting impression
• Do more than is expected
• Follow-up as promised
• Offer to walk them through their first project
  – Help with supporting activities
  – Build an appreciated, trustful relationship

COMING AROUND FULL CIRCLE

• Understanding – Prospecting/Qualifying
  – First listen, learn and filter before applying knowledge
• Recommending – Presenting/Engaging
  – Narrow to highly pertinent items, explain rationale
  – Keep things simple, but use their financial language.
• Nurturing - Follow-up as promised, build trust, assist in next steps, initiate action, culture growth

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