

# CEE Presentation

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Canoga Park Heating & Air- President

IHACI- President

# My Background

- Family Business
- UCLA BA
- Pepperdine MBA
- HVAC contractor
- Res/Com 50/50
- 30+ employees
- Add on/Replacement Market





# IHACI

## Institute of Heating and Air Conditioning Industries

- California Trade Association for HVAC Industry
- Includes Manufacturers, Distributors, Contractors, Utilities, Associates
- 63 year old association
- BOD Since 2003
- President from 2007-08 and 2011-12
- Actively involved in development of the HVAC portion of the CLTEESP
- Western HVAC Performance Alliance

# Why Sell Energy Efficiency?

- Higher margins

Example: One Day System Changeout

Std Efficiency: \$3000 cost @ 50% GP= 3000 GM

High Efficiency: \$4000 cost @ 50% GP= 4000 GM

- Differentiate from other contractors
- Don't play in the gutter
- It's the right thing to do

# How to upsell to high efficiency

- Pictures of installations
- Awards and accreditations
- Load Calculations
- Give Options - i.e. Good/Better/Best
- Quality Installation
- Point to Energy Star

# Average Contractor Mentality

- Price driven
- Generally selling standard efficiency 60%+
- Many don't believe high efficiency is for real
- Federal Tax Credits, Utility Incentives, and ARRA make a big difference
- Few permits (depending on jurisdiction)

# Energy Star Thermostats

- Changed the way consumers think about thermostats.
- Allowed for contractors to differentiate themselves based on the thermostat.
- Defined Energy Star in our industry.

# The role of Energy Star in upselling

- Defines high efficiency
- Homeowners are comfortable with Energy Star
- Easy way to be green
- Quickly allows contractor to determine customer motivations
- Homeowners are happier after purchasing Energy Star systems

# The Role of Federal Tax Credits, Utility Incentives, and ARRA

- Increase awareness of high efficiency
- Gives average contractor a motivation to sell up to Energy Star
- Motivates homeowner to go higher efficiency

# Energy Star Confusion

- Condenser vs System
- Is it or isn't it?
- With Rebates
- Without Rebates, are homeowners really getting Energy Star?

Comfort™ 16 Two-Stage Air Conditioner with Puron® Refrigerant

Carrier  
Turn to the Experts™

Comfort  
SERIES

ENERGY STAR® and Tax Credit Eligible Cooling

24ACB636A003	CAPMP3617A(C,T)A	Multipoise	Single Speed	14.50	11.80	35,400	30	3471162
24ACB636A003	CAPMP4821A(C,T)A	Multipoise	Single Speed	14.50	12.00	36,200	30	3471183
24ACB636A003	CNPHP4221A(C,T)A	Horizontal	Single Speed	14.50	11.90	35,800	30	3471227
24ACB636A003	CNPHP4821A(C,T)A	Horizontal	Single Speed	14.50	12.10	36,400	30	3471237
24ACB636A003	CSPHP3612A(C,T)A	Horizontal Slab	Single Speed	14.50	12.10	35,800	30	3471251

# Residential vs Commercial

- Residential high impact from energy star
- Commercial less impact from energy star
- Different buying triggers
- Different purchasing process
- Shorter life cycles

# Marketing

- Focus on system
- Focus on Quality Maintenance
- Focus on Quality Installation

# The Future, (my perspective)

- Eliminate ratings for individual condensing units
- Focus on the system
- Simplification – AHRI certificates
- Quality Installation
- Quality Maintenance