

Preface

The *Steps to Success* white paper explores the five steps to successfully build your business with Unified Lighting Control.

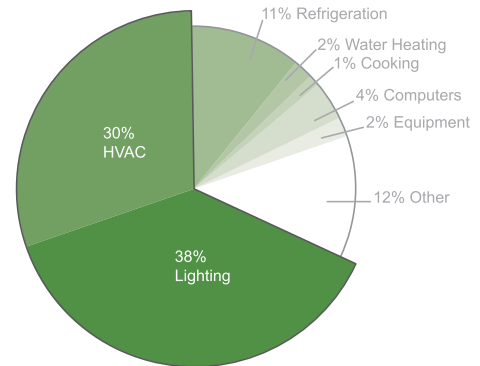
Introduction

Lighting control has traditionally been delivered to customers by electrical contractors as specified through Divisions 16 or 26 by the MEP firm employed by the owner. However, as energy costs increase and green building and sustainability needs grow the adequacy of this delivery mechanism falls short.

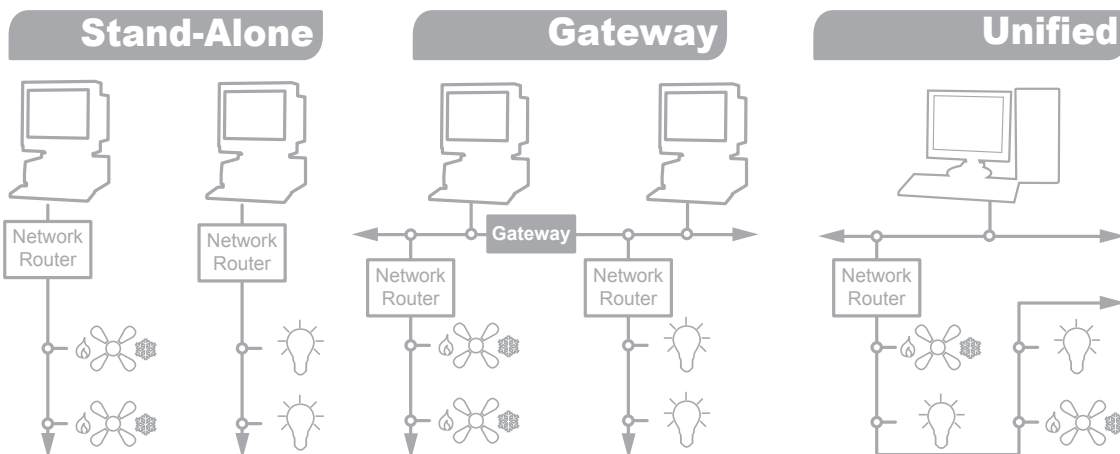
Increasing energy costs and green regulatory demands are driving more sophisticated and integrated lighting energy management solutions. Simple on/off control is no longer enough. Integration between various building systems is required to meet these energy cost and regulatory demands.

However, Division 16/26 contractors are not systems integrators. Nor are they building controls people. This opens unique growth opportunities for the BAS Controls Contractor, whether independent or company owned branch operation.

Commercial Electricity Usage



http://www.eia.doe.gov/emeu/cbecs/cbecs2003/detailed_tables_2003/2003set19/2003pdf/e03a.pdf



“Integrated Lighting Control - Improperly Divided We Fail”

<http://www.automatedbuildings.com/news/may10/columns/100420102101big.htm>

Reasons for Building the Business

These changes provide the BAS Controls Contractor interested in growth many additional opportunities:

Expand revenue and profit in a flat economy

In a difficult economy adding value by providing Unified Lighting Control to existing customers or to the few active construction projects offers revenue and profit growth potential. "Fries with that burger" is a great way to grow both the top and bottom lines.

Extend your installed base to smooth the ups and downs

Contracting organizations can sometimes experience the feast or famine syndrome. This is often caused by the large size of construction projects relative to the total volume of work an organization can handle at a given time. Also, some organizations are subject to seasonal fluctuations due to the nature of their particular specialties.

Unified lighting projects are generally smaller than the typical BAS project and can be used to fill the valleys between the peaks of the construction business.

Build new business : Incorporate lighting in BAS contracts

Every BAS contractor knows facilities entrenched with their competitors systems. Although the owners of these systems may be reluctant to take on another BAS system or lack the appetite to replace it, there may be opportunities to solve these customers' lighting problems and set the stage for spreading into the entire BAS should the competitor stumble.

Solidify your customer base : Give them another reason to call

If your customers know you offer solutions in the unified lighting arena they are more likely to call you than one of your competitors.

Expected Results

BAS Controls Contractors utilizing these methods have recognized a 20% - 30% increase in their business. Although the actual results will vary from organization to organization, most companies are capable of increasing overall revenue 25% in less than 3 years.

Steps to Success

There are five steps to successfully building your Unified Lighting Control business. Although these steps can be undertaken in any order, working them in order is often the most effective.

Step 1: Make the Commitment

Start by making sure everyone in your organization understands the importance of the Unified Lighting Control business to your organization. Setting sales goals and providing incentives to achieve these goals is important.

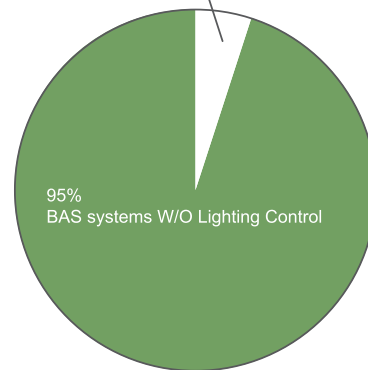
The Sales Team in particular must understand the strategic importance of making Unified Lighting Control part of your company's customer offering.

Step 2: Start with Your Installed Base

According to an industry survey, less than 5% of existing Building Automation Systems control lighting. Thus, at least 95% of existing BAS installations are Unified Lighting Control candidates. How do you get started with the installed base?

BAS and Lighting Control

Only 5% of BAS systems include Lighting Control



Industry survey of over 100 BAS controls contractors.

First, identify and qualify where there is opportunity with your existing customers. Identifying them is easy. Then talk to your customers to discover where their pain points are relative to lighting. Some questions to ask them are...

- Have you driven by your building after hours and noticed lights on that should be off – Christmas Tree Syndrome (as in, "My building was lit up like a Christmas tree last night")?
- Is your energy consumption too high relative to industry baselines such as Energy Star or are you seeing an increase relative to previous time periods?
- Are your existing lighting control systems failing or incurring burdensome maintenance costs?
- Are your occupants complaining that the lights are not on when they should be?

Once you have answers to these questions you can qualify these customers' budget and payback requirements. Utilizing Blue Ridge's Green Payback Estimator you can coordinate with customers to resolve cost concerns early in the relationship.

Blue Ridge's Green Payback Estimator

http://www.brtint.com/tools/Payback/Green_Payback_NC.pdf

Two approaches have resulted in identifying substantial opportunities:

Option 1: Service Initiative

In about 30 minutes, over coffee one morning, your service technicians and service sales people can learn how to start a lighting control conversation with a potential client. The key is to make sure the potential client knows that your organization can provide a comprehensive and unified solution.

Option 2: Marketing Initiative

In your monthly or quarterly newsletter, an article on lighting control can be included to help promote and gauge interest with your installed base. The call to action of the article is for the owner to contact your organization to obtain cost and payback analysis, utilizing Blue Ridge's Green Payback Estimator. After the customer has been found and qualified it is time for the next step.

Step 3: Get it Installed

This is where the rubber meets the road. It is time to show them what you can do. This is the most critical step and it is also the step that separates the top performers from the rest.

The goal of this step is to get some systems installed. You may need to start small – just a customer or two. Also keep in mind that the customer may be reluctant to jump into a complete building wide solution. He may be more comfortable with a small trial system. This is OK.

There are three goals for these systems:

- First, it allows your operations team to hone their skills. Although not more difficult than BAS controls work, there are some new aspects. These first small projects allow for this learning curve.
- Second, it demonstrates to the client that you can get the job done and that your solution solves their problems.
- And third, it provides a demo site that you can show to attract other clients. Testimonials from Facility Managers or Energy Managers of these successful installations are powerful sales tools.

Step 4: Influence MEP Firms

The traditional approach to specifying and purchasing Unified Lighting Control through Division 16/26 is extremely fragmented, and it has led most building owners, facility managers, and engineers to believe that Unified Lighting Control is more expensive and/or more difficult than stand-alone lighting controls.

To resolve the fragmentation and the unnecessary expense of the traditional approach, work with the MEP Firm's engineers to specify and purchase Unified Lighting Controls in a way that aligns accountability with the expertise of those who are best positioned to be successful. Simply stated...

The Building Automation System (BAS) Controls Contractor provides the lighting control and the Electrical Contractor installs it.

This simple change in alignment accomplishes the following:

- Eliminates the integration uncertainty premium that many have paid
- Eliminates costly delays and finger pointing at the end of a project
- Eliminates unnecessary infrastructure costs such as separate networks, computers, and gateways

Most engineers are slow to change unless; there is a problem to solve, there is money to be saved, or there is time to be saved. The good news is that you can help them in all these areas.

Utilize your relationship with the mechanical department, request a lunch-n-learn meeting with the mechanical and electrical divisions to show them how to do Unified Lighting Control better.

At the lunch-n-learn, introduce the Unified Lighting Control presentation. Make sure to include a demo or screen captures of your Building Automation System software; especially floor plan graphics, scheduling, trends, and energy reports. Many electrical engineers have not seen a Building Automation System, and most are pleasantly surprised with its capabilities and immediately begin contrasting it against the stand-alone lighting control front ends they know.

Discuss lighting control sequences with the engineers. Include sequences that feature interaction between the lighting control system and other building systems. Demand limiting, occupancy based ventilation, and global scheduling are some examples. Remember, there is a real opportunity to include these sequences as appropriate in the engineer's specifications.

Be sure and reinforce that you and your team are available to work with and support the MEP firm's engineers as they move to this new way of specifying their projects.

Step 5: Keep it going

Now that you have an installation and you have a few MEPs onboard, it is time to dedicate some resources to this effort.

There are two models that work:

1. Dedicate a person in your organization to lighting control sales and incent them to grow sales. This is your Unified Lighting Control champion. This person must have a strong working relationship with the other sales people in the company. A small incentive for the sales people that generate leads for the lighting control champion helps to ensure everyone's interest.
2. Set sales goals and incentives for the entire sales team. Also, ensure that the entire team understands the strategic importance of Unified Lighting Control to your organization.

Conclusion

Unified Lighting Control is a significant growth opportunity for the BAS contractor. Following the five steps; Make the Commitment, Start with Your Installed Base, Get it Installed, Influence MEP Firms, and Keep it Going will provide the best chance of success. By diligently following these five steps top line growth, bottom line growth and deeper customer relationships will follow.

“Accountegration”



About the Authors

Ron Poskevich

Ron has over 22 years experience in the lighting control and building automation industry. During his storied career he has held various technical, marketing, and sales positions in leading companies.

Ron worked for Siemens as Market Manager of Power Management Technologies and was involved with ABSIC (Advanced Building Systems Integration Consortium) projects including The Robert L. Preger Intelligent Workplace at Carnegie Mellon University as well as The Adaptable Workplace Laboratory at General Services Administration Headquarters.

Prior to co-founding Blue Ridge Technologies Ron was the General Manager of Lumisys, a division of Automated Logic Corporation. Under Ron's leadership, Lumisys was recognized with the 2008 Frost & Sullivan Award for North American Green Lighting Control Industry Innovation & Advancement. During this period Ron also spearheaded the development of integrated lighting control system design practices which have revolutionized lighting control delivery and maintenance.

Ron's experience continues to flourish with Blue Ridge. As Vice President of Sales and Marketing Ron leads all sales, marketing, and product management as Blue Ridge strives to advance Unified Lighting Control.

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Steve Pachal

Steve joined Blue Ridge in June 2010 following a productive 22 year career with Automated Logic Corporation (ALC) throughout which he facilitated countless successes in a variety of roles.

Steve started as a field technician and controls engineer with ALC in 1988 transferring from Nalar Industries, an ALC dealer and controls contractor in Southern California. He later cultivated many of ALC's successful dealerships as District Sales Engineer for the Western and Southwestern districts.

In 1993, Steve and his wife moved to Georgia where Steve became Manager of ALC's Dealer Services Group, which handled applications engineering, graphics, and third-party integration. Following six years in this role Steve's versatility continued to develop as he assumed many responsibilities including Operations Manager for ALC's Critical Systems Group (CSG), Director of Financial Operations for CSG, Director of Information Technologies, and finally Director of Research and Development.

Steve is an integral member of the Blue Ridge family. Serving as Director of Technology he continues to inspire innovation in every department.

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