

**DON'T WORRY...BE HAPPY
THE MUSIC MAN'S APPROACH TO
SELLING INDUSTRIAL ENERGY MANAGEMENT**

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ABSTRACT

The pressure is on to shape load. Some utilities are looking for ways to reduce peak; others are looking for conservation; and still others need to improve load factor. The fact is, there is not a utility in the country that is totally satisfied with its load characteristics. Most are conducting residential programs designed to shape load, and many have commercial programs with the same intent. However, utilities are finding more and more that their greatest opportunities are in the industrial sector. Turning these opportunities into realities is whole new ballgame for many utilities.

INTRODUCTION

In times past, utilities relied on the old tried-and-true audits-for-everyone approach to meet their energy efficiency goals. And, in times past, this approach worked. Audits made customers happy (or at least didn't make them unhappy), and they made the commission happy, which combined to make the utility happy. But what about results? Were customers doing anything as a result of the audit besides being happy? Unfortunately, no. And years of audit program evaluations are only now beginning to reveal what we call the basic truisms of working with industrial customers:

- * Customers do things for their reasons--not ours. Our job is finding out what will motivate them to take action. Sometimes what you least suspect motivates them.
- * An energy audit alone is not **enough** to cause industrial customers to **implement** energy alternatives. It takes follow-up **conviction** and persuasion.
- * Customers fall into three categories: those that **will** do something, those that **might** do something, and those that **will never** do anything.
- * **Customers** have varying **degrees** of energy **management potential**.
- * **Energy conservation/efficiency improvements** are not a **priority** for industrial customers
- * **Customers** are hesitant to finance energy improvements unless they see them as their best **business investment**

Today, utilities are recognizing the need to do more than provide customers with an audit report--they must achieve results. Rather than measure a program's effectiveness in terms of numbers of audits performed, they are now being judged in terms of actual energy and demand savings. These aggressive, action-oriented goals are demanding a new and innovative approach to their attainment.

So what is this new approach and where is it working? Several aggressive utilities, with assistance from A&C Consultants, have begun this new, flexible approach to initiating energy efficiency in the industrial sector and are seeing marked results. The five major principles underlying the success of this new, more flexible approach are the following:

1. Just show up. It is said: "In life, 90 percent is just showing up." And that holds true for influencing your industrial customers.
2. Get to know the territory. Segment customers into groupings having common characteristics. Identify the ones likely to take action and those with greatest load management potential. Then get to know the individual customer well enough to identify their best energy alternative and the reasons this person will act.
3. Present the alternative as the solution to their problem.
4. Spend time **helping them** implement **your** recommendations.
5. Follow-up, **Follow-up, Follow-up.**

A NEW APPROACH

The key to this approach is **reminiscent of the selling style** used by one of the world's greatest salesmen--**Harold Hill**. Remember Professor Harold Hill? Played by **Robert Preston**, he was the infamous but brilliant band instrument salesman in the movie "The Music Man." The **fact that** some considered him a hero and others the villain of the musical is really not important. His method was a **magnificent example** of uncovering needs and filling them on an **individual basis**--not a mass appeal, generic approach **designed to reach the general population.**

Showing up

Harold Hill went to River City. He didn't mail catalogs to the townsfolk hoping they would take advantage of his excellent prices, nor did he simply mail coupons to attract their attention. He knew showing up was an essential part of the selling equation for band instruments. And selling energy ideas is no different.

Get to Know the Territory

Professor Hill came to River City, Iowa to sell band instruments. Experienced salesmen on the train to town warned him against trying to sell anything in River City. They chanted about "having to know the territory" and commiserated about how bad the market was. However, their caution did not deter Professor Hill. He knew what they were doing wrong; they were pushing their product without establishing the prospect's need. Harold Hill didn't announce on his arrival that he was there to sell band instruments. No. Rather, he quickly set about the task of getting to know the townspeople. In no time he learned their likes and their dislikes, their inside political pressures, and their individual hopes and dreams. He identified the most likely buyers to be the childrens' parents and identified a problem--the pool hall. Sure, some would say there wasn't a problem in River City until Harold Hill came to town. But he did what every good salesperson must do. He looked beyond the obvious, found something everyone took for granted and suggested a better alternative.

Some utilities promoting energy management send auditors out on a mission to sell a technology or a concept. Customers usually react the same way they reacted to the salesmen who visited River City before Hill came to town. The Harold Hill method would require showing up and getting to know the territory well enough to know what is needed. If it means conducting an audit, fine, do an audit. If it means changing out lamps, forget about the audit for now and focus on the lamps.

Clearly Identify the Problem and the Solution

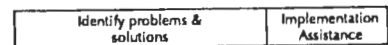
When Professor Hill eventually had gathered enough information, he announced to the good people of River City that there was "Trouble in River City." In a truly inspirational oratory, he demonstrated to the townsfolk the problem at hand, namely, children were fritterin' away their time in the pool hall--not doing their chores and not studying their books. The solution? A marching band. Using this new method of selling energy management, the auditor must present to the business owner or operator the problem that will be solved by taking the recommended action. If increased production is obviously what is needed, tell them how your energy idea will improve production. If competition is killing them, show them how your idea will give them a competitive edge in the marketplace.

Help Them Implement

Once the good Professor presented his solution, do you suppose he left town? Would he consider for an instant rushing off to the next town to perform his magic without following up to make sure the towns' people actually ordered their equipment? Of course not! He stayed around to sell the band instruments, fit the uniforms and ensure every person was properly equipped with batons and all the other paraphernalia marching bands need. Professor Hill helped the people implement as if his income depended on it. After all--it did.

In our new approach to promoting energy alternatives, the auditor must do the same. In the past, auditors spent the majority of their time identifying problems and solutions. The reverse of this time allocation is required today. Identify the problems and solutions as quickly as possible and spend a majority of the time with the customer helping them implement.

Old Approach

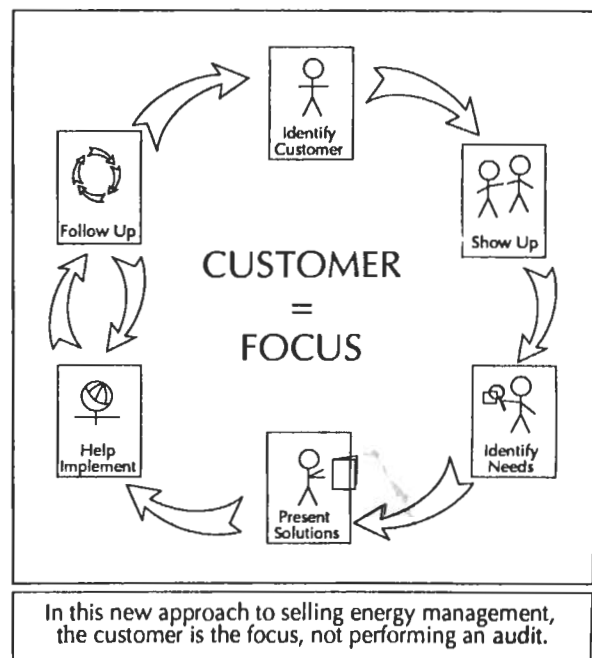


New Approach



Follow-up

Follow-up for the Professor as he traveled from town to town likely consisted of checking-in occasionally to sell additional band supplies. Similarly, this new approach requires a continuous loop of activities: staying in touch to monitor implementation and assist as needed, presenting new problems and solutions to the customer and overcoming obstacles as they arise.



SUMMARY

The lesson to be learned from Harold Hill is that selling industrial customers energy alternatives is really very similar to selling people band instruments. A bland, generic approach applied to every customer does not work. Industrial customers--like the people in River City--need someone to show up, get to know them, present a problem, offer a solution and help them implement it. Then, they need continuous follow-up to keep them on the path to success. When these steps are followed, energy management in the industrial sector happens. And by applying these selling principles, you'll no longer have to worry--your customers, your company and your commission will be happy!