




A NEW DISTRIBUTOR TOOL FOR ENERGY-EFFICIENT TIMES: NAED ENERGY AUDIT SOLUTION POWERED BY ECOINSIGHT



A facility energy audit takes the pulse of energy consumption in a building by documenting what electrical systems exist, their current equipment components and how much energy those components use. Typically completed manually on-site by one or more electrical professionals with paper and pen, the audit provides comprehensive information which can be analyzed to recommend energy-efficient equipment upgrades and energy conservation measures which can significantly reduce energy, operational and maintenance costs while increasing a building's market value.

A growing number of electrical distributors are entering the burgeoning green building market segment and are actively pursuing energy-efficient facility upgrade business. A facility energy audit is the first step toward winning the facility customer's buy-in for the upgrade, determining the scope of an upgrade project and projecting the actual energy cost savings scenarios of installing one or more energy-efficient technologies.

However, there's a catch. Conducting the on-site audit manually, analyzing the data and preparing an investment-grade customer report recommending various energy-efficient products and pricing using multiple single-product energy cost savings calculators is time-consuming and complex.

The National Association of Electrical Distributors (NAED) Energy Audit Solution powered by eColnsight is about to change all that.

ENERGY AUDITS TAKE A LOT OF ENERGY

As a solution generated from within NAED's membership ranks, this comprehensive audit software has been shepherded through the development process by NAED Board, member and vendor task forces. A Phase One audit software beta release is projected by year's end with a generally available version for NAED membership in the first quarter of 2011. The software will be available to non-NAED members at a later date and at a higher price, but without the manufacturers' data upload.

"This software tool will make our members much more efficient because it makes the energy audit process much easier, faster and more flexible in reporting," explains Anita Bauer, senior director of member services at NAED. "But it's ultimately a sales tool that strengthens distributors' positions in the marketplace as experts in selling and providing energy-efficient building solutions."

"The issue in our company is that we have so many energy-efficient project opportunities," says Doug

Borchers, vice president of sales and engineering at Dickman Supply in Ohio. "We've field-collected the audit data manually for various projects and they're each sitting in stacks of folders about a foot high."

According to Borchers, the challenge of transforming each stack into an investment grade customer report is compounded by the need to enter the information about each electrical technology recommendation into different proprietary audit and financial analysis software which often have reporting formats that may not share common reporting standards or graphical compatibility with each other.

"Meanwhile, the customer wants to know the payback analysis, ROI, and how soon we can start. We need to be able to mine through the reporting process faster," he says.

THE EVOLUTION OF AN AUDIT SOLUTION

NAED's South Central Regional Council (SCRC) has been particularly active over the past several years in developing initiatives to educate NAED members about the opportunities of the green building market. When SCRC vice president Glenn Goedecke of Mayer Supply presented the idea of a single software tool that integrated all the analysis and reporting functions of an energy audit to NAED's Board of Directors, Borchers, who was on the Board, championed the idea and was quickly joined by others.

"Glenn and I are both heavily involved in the energy efficiency

market and had been talking for months," says Borchers. "We both saw the value of a one-stop solution where a distributor could enter audit data, do all the financial analysis for various energy conservation measures and produce a professional looking energy audit report."

Borchers and others were also looking for a software tool with the flexibility to support what he calls scenario planning. "You say to the customer, 'This upgrade project is going to cost \$250,000' and the customer says 'My maximum budget is \$150,000, so come back to me with the best scenario for a project within that budget.' That demands a lot of additional manual work and is time-consuming to do," Borchers explains.

NAED Board, distributor and manufacturer energy audit task forces met independently and together over 18 months to define specific needs and outcomes for the software initiative. "They met to perform needs analysis and hammer out the common ground so the initiative moved forward as

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a win-win for all," Bauer observes.

This process evolved a set of goals for the audit software initiative, which is funded by NAED:

- Increase distributor and manufacturer sales of energy-efficient products
- Provide a user-friendly, accurate audit tool and presentation package
- Reduce audit labor costs and increase productivity
- Improve solution response time to the customer
- Position NAED distributors as leading energy-efficient service providers that offer quality, trustworthy products
- Gain a competitive advantage for NAED member companies

POWERED BY ecoINSIGHT

NAED's Energy Audit Solution powered by ecoinsight will simplify the audit process by allowing a user to electronically utilize standardized data collection forms while walking through a building. Once complete, the user can model lighting and electrical system upgrade scenarios to determine how recommended changes alter the building's energy performance and operational costs. The scenarios incorporate the distributor's product recommendations derived from its various manufacturer vendor partner product catalogs.

The software will allow distributors to provide contractors, building owners, facility managers, CFOs and other C-suite management

with a comprehensive and flexible financial analysis that includes energy savings, the payback of building upgrades, the cost of waiting to upgrade and much more.

Dave Kart handles global marketing for ecoinsight, the Atlanta-based software company that has been developing the audit tool in close consultation with NAED for 12 months. "We're creating an on-demand software platform that helps improve the energy efficiency and financial performance of all types of buildings," Kart says, noting that the audit solution will be browser-based, deployed over the Internet and have password protection and appropriate security.

"It is easy to use and access," Kart explains. "The input screens are intuitive and include drop-down menus and user prompts. Once information is entered, it links to other sections of the software. You can pull the energy audit data into the solution and provide clients with multiple options and recommendations. We're creating a tablet PC version as well, particularly an iPad application that can be used to collect the building audit data in the field," he says.

This last feature is just one of audit tool's benefits Borchers is excited about. "If we can collect the audit data electronically in the field with an iPad and get it back to the office, somebody could have the analysis done by the time we returned from the audit site," he explains. "Overall, the audit tool could mean a 35 percent to 40 percent time savings. Distributors need this ASAP."

The audit software will include multiple products released in a phased roll-out with Phase One focused on lamps, ballasts, fixtures and basic lighting controls.

"Online training will be provided for the software, but a distributor should be able to get up and run with it in a very short time," says Kart, also referring to an online demonstration at www.ecoinsight.com/naedpreview. "It's a live demonstration conducted by one of our product consultants here," he says. "The guy who gives the demo has been pretty busy."

A MARKET DIFFERENTIATOR

The energy-efficient facility upgrade market is frequently referred to as a perfect storm driven by macro-forces like volatile energy prices, independence from foreign oil and growing consensus about global warming. The market is fueled by federal, state, local government and utility financial incentives for installing energy-efficient products as well as growing awareness among building owners of the long-term financial and market value benefits of energy-efficient facilities.

Like any growth market, and particularly in uncertain economic times when traditional electrical distributor construction segments are flat, it is an increasingly crowded playing field. For all-in energy efficiency distributors like Dickman Supply, becoming popularly known as DISCOs (distributor-ESCOs), the NAED Energy Audit Solution powered by





ecoInsight is a differentiating sales tool for Dickman Supply's dedicated Green Energy Solutions division, which Borchers credits as a strong factor in pulling the company through the recession. For those distributors marginally involved in upgrades, the software tool can be an incentive to jump into the market with both feet.

"It gives them a tool to get out there now and become known as green building solutions providers by really attacking the market," says NAED's Bauer. "It's part of our mission to listen to our members and it became obvious there was a real need and a viable, innovative solution. That's one of the reasons I like having the word 'solution' in the initiative's name. We listened, we brought a variety of industry partners together and together we came up with a solution."

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