

Offering or Utilizing Financing to get my Energy Efficiency Project DONE

MichiganSaves.org



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Benefits to Energy Efficiency Contractors

- Increased:
 - Sales (close rate)
 - Removes a major barrier
 - Revenue (ticket size)
 - Makes the full project possible instead of portions
 - Customer satisfaction
 - Employee retention (tools to succeed)
 - Referrals



Benefits to Energy Consumers and Property Owners

- Allows the project to pay for itself over time
- Provides an external source of capital
- Provides a solution for the property manager to bring to the CFO when presenting an investment



Benefits to Energy Advisors

- It's an answer to overcome the objection, "I can't afford it"
- You are giving the contractor a competitive advantage
- Increase savings per application
- Our mission is the same: Save Energy!

How to Sell Financing

- Offer financing upfront—don't wait until the end
 - Include the monthly payment options on your proposal
- Include financing information:
 - On website and all marketing materials
 - On presales call
 - In sales presentations
 - In estimates and proposals
- Be transparent

Estimates and Proposals

- Looks matter!
- Use a software program
- Provide payment options
 - Cash
 - 0% APR promotion
 - Low interest
- Show the “cost of doing nothing” vs the monthly payment
- Be as clear and concise as possible

Two Types of Customers

- Cash buyers
 - Open to using someone else's money
 - Good candidates for a 0% APR promotion
- Affordable-payment buyers
 - Payment must fit into their budget
 - Low rates matter
 - Open to upselling

Case Study - Lighting

- Project Scope
 - Replace T8 Fluorescent Troffers with 40W 2x4 LED panels (office), removal of 1000W and 400W High Bays with 250W LED (shop), replace 250W floods with 150W LED shoeboxes and wallpacks (exterior)
- Project Cost - \$49,545
- DTE Utility Rebate - \$13,450.91
- Monthly Energy Savings - \$1,268
- 60 Month financing payment - \$825.75 (0% offered thru DTE)

Case Study - Boilers

- Project Scope
 - Replace boilers and piping
- Project Cost - \$235,000
- DTE Utility Rebate - \$7,000
- Monthly Energy Savings - likely some savings by installing newer more efficient technology but this is not the driver of the project
- 72 Month financing payment - \$3,845 (5.6%)

Questions?



Matt Maczka

President, Team Financial
Group

Phone: 616-735-2393

Email:
matt@teamfinancialgroup.com



Mac McCabe

Contractor Account Manager

Phone: 517-371-7456

Email:
mmccabe@michigansaves.org

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 Linkedin.com/company/Michigan-Saves/

517-484-6474

outreach@michigansaves.org

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