

# ***Treating Trade Allies like Family***

***from NSTAR***



*Commercial Case Study from “How Energy Efficiency Issues Impact Utility Customer Service Operation” workshop presented following the American Gas Association and Edison Electric Institute Customer Service Conference on April 2, 2008 in San Diego.*

## **Executive Summary**

This case study explores how NSTAR’s vendor-partnership program supports its energy efficiency program goals. This program, which includes training the trade allies on NSTAR’s efficiency goals, budgets, and timelines, has been instrumental to creating long-term success in its commercial DSM program participation.

## **Program Description**

NSTAR has taken a novel approach to reaching out to its commercial trade allies. Instead of keeping them at an arms-length, NSTAR instead treats them like part of the family. Roseann Brusco, Program Manager at NSTAR, says the utility recognized that these trade allies were essential to the delivery of NSTAR’s energy efficiency programs and services.

“Our trade allies’ success is NSTAR’s success,” Ms. Brusco says. “We want to provide them with the tools, resources, and information they need to optimize value to them, to NSTAR and to our mutual customers.”

“We learned that approximately one-third of our commercial customers hear about NSTAR’s programs from vendors,” she adds. “So, we realized that we could leverage trade allies as an extension of our sales force.”

This outreach focuses on reaching out to the commercial trade allies who work predominantly in the commercial retrofit market as well as the new construction market. These vendors include energy services companies, equipment manufacturers, motor dealers, compressed air dealers, and engineering services companies that can provide energy analyses for facility upgrades.

This vendor partnership also dovetails nicely with trends in the industry and other activities currently underway in Massachusetts. NSTAR is working on an initiative that will deliver Demand Response (DR), renewable energy and energy efficiency simultaneously to customers. Any way the company can harness the services of its trade allies to achieve success in similar endeavors is very appealing. Having a strong vendor partnership forces creative thinking as to how NSTAR can make the relationship worthwhile for them as well.

The program began about four and a half years ago with vendor meetings. Since then, the company has expanded the program every year to include other activities.

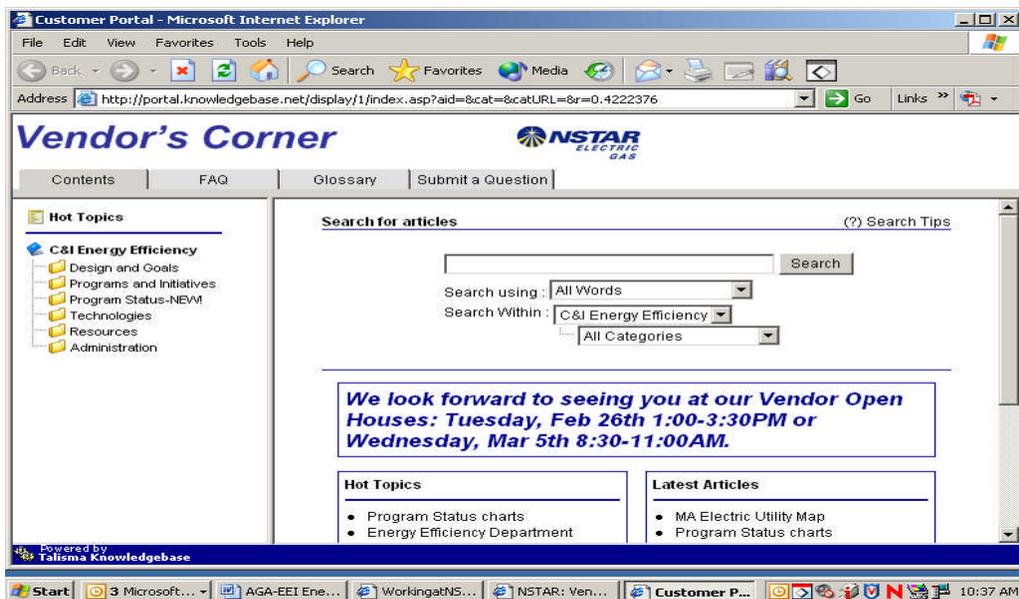
### ***Ways NSTAR partners with Vendors***

NSTAR has developed a variety of methods to reach out to vendors including meetings, a specialized website, training, and extending access to industry knowledge. The company also has established a vendor recognition program to further bolster these ongoing relationships.

**Vendor Meetings:** NSTAR hosts vendor meetings twice a year. One meeting is the Vendor Open House, hosted at NSTAR’s headquarters in the early part of the year. Energy efficiency applications, program changes, and status charts on incentive budgets usually top the agenda. The second type of meeting is an off-site, themed event held after hours. Both of these meetings provide updates on NSTAR’s programs, policies, and energy efficiency goals. Perhaps most importantly, however, these meetings offer networking opportunities with key NSTAR staff that simply would not be available otherwise.

The meetings also include updates about the status of the energy industry as another way to help the vendors grasp the context of NSTAR’s utilities programs.

**Vendor-only Website:** NSTAR also developed a specialized website, called Vendors’ Corner, as a way to reach out to a broader group of trade allies. This website is a separate and distinct area of the company’s website dedicated exclusively to its vendors.



The website provides information and documentation on NSTAR’s programs, procedures, policies, and personnel. Vendors are required to register to access these features. These vendors are then sent email about upcoming announcements. This also allows NSTAR to gather strategic data about vendors operating in its service territory, as a way to plan proactively for future energy efficiency programs.

Perhaps the most important feature is the contact information about staff. NSTAR has a hit report on the most popular articles posted on the Vendors' Corner. Organizational charts and contact information are always at the top of the list.

### **E Source Third Party License Agreements:**

NSTAR believes that knowledge is essential to the effective delivery of its energy efficiency programs. So the company works with E Source to extend third party license agreements to its contracted vendors. These agreements allow the vendors access to E Source's website, including members' login and participation in E Source's webinars. This access provides vendors with up-to-date information on the energy industry, emerging technologies, and information about energy efficiency programs.

“For an energy services contractor like us, NSTAR's E Source Third Party License Agreement offers a convenient opportunity to gain a broader perspective on emerging trends, technologies, and evolving activities in the energy services market....It's a benefit from our relationship with NSTAR that pays regular dividends for us,” says Vin Graziano of RISE Engineering

**Communication Sales Training:** Last year, at the suggestion of one of its vendors, NSTAR offered sales training to its staff, specifically those who work directly to promote energy efficiency services. That included NSTAR's contracted vendors. As the energy marketplace evolved, the company identified a need to better educate its staff to capture more opportunities. The suggestion for sales training came at an ideal time. The training focused on consultative selling skills and delivering a consistent, new energy efficiency message. More recently, one of these vendors was invited to present a case study on an application of its sales skills at NSTAR's 2008 Vendor Open House.

**Vendor Recognition:** As another way to support and motivate these trade allies, NSTAR has developed a vendor recognition program. Called the Most Valuable Partner (MVP) award, the recognition identifies those vendors who go above and beyond, day after day, to meet the needs of customers and staff. To date, NSTAR has presented six of these appreciation awards. Award recipients are recognized in front of their peers at NSTAR's themed event in the latter half of the year, which helps reinforce the vendor-utility partnership.

### **Results**

This vendor partnership has received overwhelming support and NSTAR continues to identify new ways in which to support this community. To date, there are more than 140 vendors registered at its Vendor Corner's website and approximately 100 vendors attend the vendor meetings twice a year. Thirty-two vendors, or 40 percent, also participated in the sales training.

**Evaluation and verification activities:** NSTAR also evaluates this program at the end of each event as a way to solicit ideas for other programs and topics. But perhaps the most telling result is that the vendors continue to be engaged and involved in promoting NSTAR's energy efficiency programs. Vendors keep coming back because they have found value in networking among the other vendors. For the NSTAR staff, it's a chance to meet new vendors and reinforce existing relationships.

## Lessons Learned

During the past four years, NSTAR has also learned several valuable lessons that could help other utilities who want to develop a more active relationship with key trade allies.

### 1. Don't put all trade allies in one bucket

Initially, this program targeted all the commercial trade allies, including those specializing in both new construction and retrofit programs. However, the utility quickly learned this approach was not successful. Instead, it has focused on developing a more customized approach because the staff began to recognize the differences between these trade ally groups.

These are two very different groups: one that works predominantly on the commercial retrofit side of the business and one that focuses on designing commercial buildings. NSTAR has a separate focus on reaching out to architects and has a different way of approaching them.

### 2. Knowledge is power.

NSTAR also learned the value of sharing with its vendors directly about its program goals, policies, challenges, and current status. Rather than keeping the vendors “in the dark” about program objectives, the company decided to view the vendors as part of its extended family. This has led to increased success for the utility in reaching out to its commercial customers, and a more productive relationship with these key trade allies.

As a way to further empower its vendors, NSTAR also opted to share its industry knowledge and expertise with the vendors who work directly on behalf on NSTAR in the field. These vendors, who are on the “front lines” of customer interaction, now have access to the same information as NSTAR staff through its E Source Third-Party agreement. This arrangement results in creating a more productive vendor relationship and ensures that customers are receiving the best technical support and advice available.

### 3. Sometimes it's not what you know, but who you know.

A clear benefit to both the vendors and the utility is the opportunity to build relationships. As Ms. Brusco observes, “I have been amazed that the networking and the contact information that we provide on our staff has been so valuable.” The feeling is mutual among the vendor-partners who gain a deeper understanding of, and appreciation for, the goals and objectives of NSTAR's commercial/industrial efficiency programs.

NSTAR's vendor partnership is truly that. The activities described in this case study are all designed to help make the vendors more effective in promoting energy efficiency programs to NSTAR's commercial customers.

## To Learn More



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*NSTAR is the largest Massachusetts-based, investor-owned electric and gas utility. The company transmits and delivers electricity and natural gas to 1.4 million customers in Eastern and Central Massachusetts, including more than one million electric customers in 81 communities and 300,000 gas customers in 51 communities. For more information visit: [www.nstar.com](http://www.nstar.com)*



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*For more than 20 years, E Source has been helping utilities and large energy users with critical problems involving energy efficiency, utility customer satisfaction, program design, marketing, customer management, and sustainability. For more information visit: [www.esource.com](http://www.esource.com)*

### **AGA-EEI Post Conference Workshop**

*This case study was developed to support the AGA-EEI Customer Service Conference and Exposition as a post-conference workshop that focused on “Energy Efficiency in Customer Service.” Other case studies developed for this workshop were: Call Center Case Study: CSRs on the Front Line of Energy Efficiency Joan Shafer, WE Energies; Linking Energy Efficiency to Energy Delivery, Jennifer Felder, Progress Energy-Florida; and Case Study: Generating Interest in Demand Response Programs, Beth Freibert, E.ON.*