

# Designing Results Oriented Programs Interactive Session

Or

*How to avoid all this Gray Hair*



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# Designing Results Oriented Programs

- **Objective:** Provide key high-level concepts for developing effective programs. As groups develop initial program designs.
- **Objective 2:** Have you learn from my mistakes.

# What is a Program?

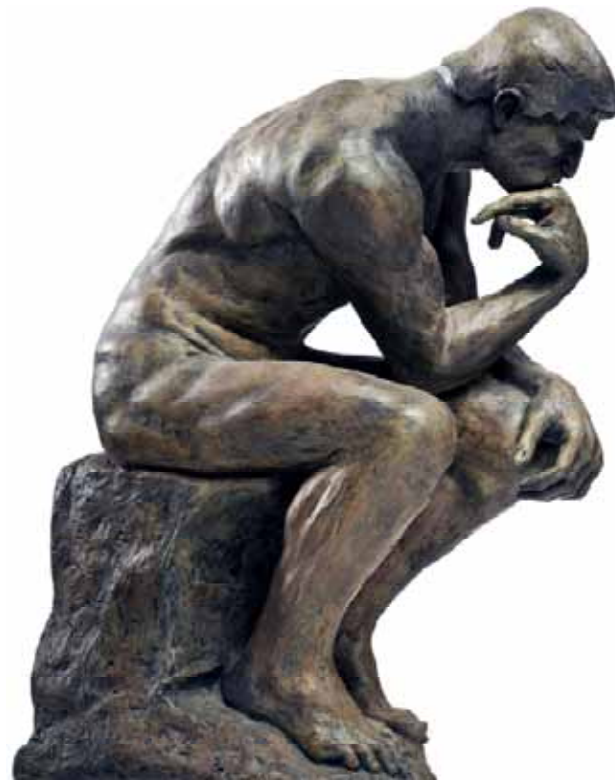
- Webster: *a plan or system under which action may be taken toward a goal*
- MMP Definition: **A marketing and delivery structure for a target market to provide funds and services to get adoption of certain DSM technologies and practices that wouldn't happen on their own**

# What is a Program?

- “a marketing and delivery structure” – not just about communications but a structure to deliver as well.
- “for a target market” – we usually generalize into very large segments and we would be more effective with smaller defined targets (ex: grocery vs. Commercial)
- “funds and services” – every product has a service dimension. It is not just throwing money at a market
- “technologies and practices” – for long term impacts you need both
- “wouldn’t happen on their own” – we want to put our efforts into making additional things happen not just what would happen anyway

# Ask Ourselves - WHY??

If this is such a good idea, why are people not adopting it on their own? **Why** is a program “intervention” required?



# WHY???

Customer, Market and Technology **Barriers**

Start your planning by understanding and addressing barriers.



## Where is the measure/service in its evolution/adoption?

- Strategy will vary based on where the product is within the Adoption Curve. New products and ideas take different approaches than existing products.
- Insulation versus new LED lights





# Adopter types

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Courtesy of TecMarket Works



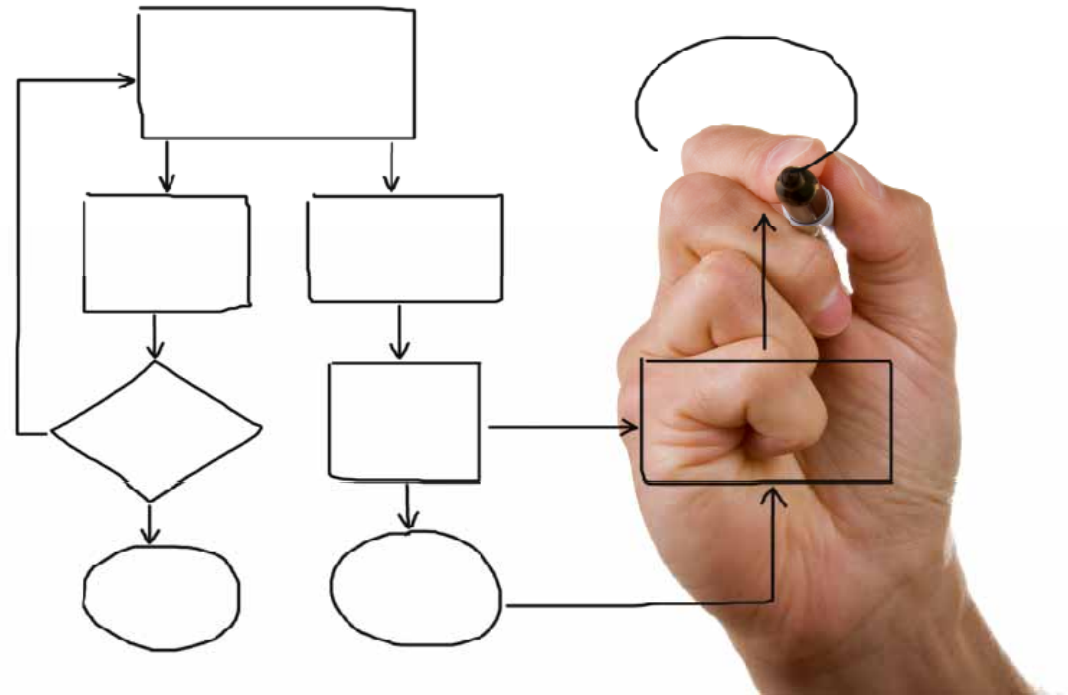
# Key Steps - Understanding



1. Understand Technical Potential & Opportunities
2. Understand Market Opportunities
3. Understand Customer- **Market Research**
4. Identify Barriers and Market Problems
5. Analyze the Market Channels, Delivery Processes and Decision Making Steps

# Key Steps - Planning

1. Refine Target Markets – Segment Opportunities
2. Decide Ways You Can Get Over Those Barriers
3. Develop Plan
4. Economic Benefit Cost Analysis



# Plan Components

- Target Market
- Technical Opportunity
- Barriers to be addressed
- Channel Needs and Support
- Marketing
  - Product/Service – define product and services
  - Price – incentives, financing, buydowns
  - Place – how and who delivers
  - Promotion - Communications



# Typical Program Design Template

- Program Name
- Objective
- Target Market
- Program Duration
- Program Description
- Eligible Measures & Incentives
- Participation Requirements
- Implementation Strategy
- Marketing Strategy
- Milestones
- EM&V Requirements
- Estimated Participation
- Estimates Impacts
- Estimated Budgets

# Economic Analysis

- Cost Effectiveness – from various perspectives
- Adjust program costs so it can be cost effective

Cost / Benefit Tests For Normal Weather						
	Cost Based	Market-Based				
		Minimum	Today	Alternate	Option	Maximum
Utility (PAC) Test	7.63	3.83	5.74	6.37	6.33	11.74
TRC Test	4.78	2.40	3.59	3.99	3.96	7.35
RIM Test	2.16	1.09	1.62	1.80	1.79	3.29
RIM (Net Fuel)	3.36	1.70	2.53	2.81	2.79	5.14
Societal Test	5.53	2.97	4.46	4.95	4.92	9.12
Participant Test	1.81	1.79	1.81	1.81	1.81	1.82

DSMore Analysis Output

# Good Program Design

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- Has clear goals and objectives
- Targets specific market segments
- Addresses multiple barriers throughout the market channel
- Builds long term market change as well as short term savings
- Does not just depend on the \$ incentives
- Leverages existing market channels and actors
- Adapts to the normal change and decision making process
- Markets like a *Marketer*

# Information Aids

- Best Practices Site – [www.eebestpractices.com](http://www.eebestpractices.com)
- State Program Info – [www.dsireusa.org](http://www.dsireusa.org)
- Database of Energy Efficiency Resources – [www.deeresources.com](http://www.deeresources.com)
- AESP Training – [www.aesp.org](http://www.aesp.org)
- CA info – [www.Calmac.org](http://www.Calmac.org)
- Energy Star – [www.energystar.gov](http://www.energystar.gov)
- CEE – [www.cee1.org](http://www.cee1.org)
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