

SERVE Social Case Study for Retrofitters/Contractors

Case Study No.4

7/27/2011

Tipperary Energy Agency

Fiona Cloherty



CONCERTO is co-funded by the European Commission

Contents

Case study basic information	4
Name of contractor/company:	4
Address/location:	4
Short description of contractor/company:	5
Type of company:	5
Year of start of operation/founding:	5
Number of employees:	5
Type of services offered:	5
Market coverage:	5
Level of engagement in SERVE project:	6
Opinion on the benefits of the SERVE project:	6
Impact on reduction of energy consumption:	6
Environmental protection:	7
Help to the local economy and the creation of new employment:	7
Other benefits:	8
• Quality control:	8
• The target market:	8
• Customer satisfaction and feedback:	9
• The necessity and ability to offer a comprehensive retrofit package to homeowners:	9
Opinion on issues/problems with SERVE:	10
Access to information for consumers (for example, regarding companies performing retrofitting) and/or contractors:	10
Adequate amount of grants/subsidies as motivation for homeowners to participate:	10
Any technical problems:	11
Other issues:	11
Opinion of homeowner's knowledge of RES and EE technologies	11
Opinion on a scale from 1 (worst) to 10 (best):	11
Opinion on whether lack of homeowner knowledge is a barrier to increased utilisation of RES/EE technologies in Ireland:	12
Opinion on the future of RES/EE in the residential sector in Ireland:	13
General opinion:	13
Identified main barriers:	13

Identified main drivers:..... 14

Opinion on what should be done immediately/in the near future to facilitate increased RES/EE applications:..... 14

Overall satisfaction with the SERVE project: 15

Opinion on whether the SERVE project had a measurable positive impact..... 15

For contractor personally: 15

For RES/EE contractors in general: 15

Case study basic information

Name of contractor/company:

The subject of the fourth case study is Gerry Heenan. He is the proprietor of Munster Insulation Ltd.

Address/location:

Munster Insulation is located at:

Unit 2D1,

Ard Gaoithe Business Park,

Clonmel,

County Tipperary.



Office in Clonmel

Short description of contractor/company:

Type of company:

Munster Insulation is a limited company.

Year of start of operation/founding:

Gerry founded Munster Insulation in 2007.

Number of employees:

Gerry now employs 10 people.

Type of services offered:

Although the company's primary function is attic and wall insulation it is rapidly evolving into a comprehensive retrofitting outfit capable of offering everything needed to completely upgrade a home.

Market coverage:

His market coverage is national and has an average annual turnover of €1.5 million. He thinks it fair to classify his company as one of the larger contractors involved in SERVE.

Level of engagement in SERVE project:

Gerry has been involved with SERVE since the beginning, attending the first public meetings and so on. His company would have worked in an estimated 130 SERVE houses. He approximates the percentage of work done as sole contractor to be 85%, for the remaining 15% he worked jointly with other contractors.

‘Primarily we would have looked after cavity wall and attic insulation. On some occasions we would have worked hand in hand with contractors providing services such as heating upgrades and plumbing upgrades or electrical upgrades.’

Another side to Gerry’s engagement with the project could be said to be the time invested in clarifying the finer working details of SERVE for customers; explaining the measures and grants available, and guidance with paperwork, but Gerry maintains this was a beneficial exercise as Irish people tend to prefer dealing with people they feel they can trust.

Opinion on the benefits of the SERVE project:

Impact on reduction of energy consumption:

Gerry was unable to offer an estimate of the reduction in energy consumption but states that when he has spoken to/received feedback from SERVE customers 95% would speak of the reduction in oil consumption in particular, as a positive result of the retrofit work carried out.

‘95% of the customers we would have dealt with, when we meet them in other walks of life.....have spoken to us of the aftermath and reduction in oil consumption.’

Environmental protection:

Again Gerry could not estimate the impact of SERVE in terms of environmental protection or the lowering of emissions but maintains that:

'It makes sense that it has to have had a huge benefit.'

Help to the local economy and the creation of new employment:

Gerry, through working in SERVE, has identified a definite section of the population whose houses genuinely require retrofitting. He foresees that there is still quite a large need for retrofitting work in the market in general. He stated that throughout the lifespan of SERVE the field became more competitive but that the auditing carried out regulated the sector.

'Absolutely it became more competitive but to be fair to the way it (SERVE) was run it all effectively became good competition.'

Gerry did not comment on the creation of new employment but did say that the growth in his own company, directly attributable to the SERVE project, was between 5% and 8% over the three year period. Furthermore he maintains that it will be responsible for continued growth in his company because of the adaptations he has made as a direct result of his involvement with SERVE.

'It was a big, big help to us.....it will be responsible for us growing more because we had to adapt because of the requirements of SERVE.'

Other benefits:

Gerry's observation of the development of the project throughout its lifespan has enabled him to identify its effects, the needs of potential customers and the implications for his own business in relation to:

- Quality control:

Gerry feels that the stringent auditing of SERVE retrofit works has had a tangible benefit both for his company, homeowners and the industry in general by raising the overall standard of workmanship and weeding out contractors who provided substandard product.

'From our point of view.....from an ongoing training point of view, it helped us emphasize to staff the importance of quality control.....That was a great help to any legitimate company out there and I think other companies out there would reflect that as well.'

- The target market:

The largest demographic to engage with the SERVE project has, in Gerry's experience, been older people whose houses are not mortgaged and were built between the 1960s and 1980s. These people tended to have the money to spend on retrofitting and those house types benefitted most from the upgrades.

'That was what emerged as the demographic.....I think that you'll still find that that will emerge as the demographic.'

- Customer satisfaction and feedback:

Gerry is cognisant of the positive feedback he gets from customers, especially those who had undertaken retrofits/upgrades between the previous two extremely cold winters.

'We have had a lot of positive feedback and that's a huge benefit to us in relation to new inquiries.'

- The necessity and ability to offer a comprehensive retrofit package to homeowners:

What has transpired in Munster insulation, and Gerry attributes this directly to his involvement with SERVE, is an evolution from a company geared solely towards insulation, to a company that now offers a 'one-stop-shop' for energy retrofit needs. Through working with SERVE he was able to identify the ease for customers in dealing with a single contractor as opposed to a different contractor for each measure. He was also able to observe what was involved in the various trades and bring them together as a complete package.

'As the SERVE project developed we realised there was a far greater need for a company who could provide a one-stop-shop of services.....Familiarity was important from the customers point of view, from a trust point of view, so I'm sure I'm not the only company who's expanded to provide the full package.....that would have been a massive benefit for us at Munster Insulation and we're extremely grateful for that.'

Opinion on issues/problems with SERVE:

Access to information for consumers (for example, regarding companies performing retrofitting) and/or contractors:

The SERVE project involved customers ‘taking in’ a large amount of information. In relation to access to information for sourcing contractors it is Gerry’s experience that people like recommendations from people they are familiar with and trust. This was one of the main motivations behind the expansion of services at Munster Insulation.

The difficulty of getting information out into the broader public domain to potential customers, at the beginning of the project itself, was an issue that Gerry commented on. He admits that all that could be done had been done, but that uptake of the offer was slow for the first year and a half at least. Uptake increased as word of mouth spread and resulted in a snowballing of interest in the last six months before the project’s end deadline and continues even now.

‘So it really took a few people dipping their toes into the water and taking the actual opportunity to do a full retrofit, then realised the benefit; and once they realised the benefit they relayed this to friends, family and neighbours. Then we had a much faster uptake than we had.’

Adequate amount of grants/subsidies as motivation for homeowners to participate:

Gerry feels that the grant assistance available through the SERVE project was substantial and adequate although he stated that there will always be a proportion of the population who will have ‘higher expectations.’

When asked to rank peoples motivation for availing of the retrofit he said that finance was the main motivator, followed by a desire for less reliance on oil, with environmental concerns

lagging far behind the previous two. In his experience only 10% of customers who initiated their involvement with SERVE did so for environmental reasons.

Any technical problems:

Gerry encountered very few problems all of which were ironed out very quickly in an educational and collaborative manner. Gerry feels that he can still rely on the expertise of the auditing division of the SERVE personnel.

'I have to say that..... the accessibility to the actual people who knew the 'dos and don'ts' of it was very, very good and that was a help, that was a huge help.'

Other issues:

As far as Gerry is concerned the only issue that arose with the project was the complexity and volume of the paperwork and details (facts and figures) for the customers, especially in light of the demographic that engaged with the process. Dealing with customer's needs in this respect made that part of the process a time consuming one.

'.....The actual finer details to get across to the customers were quite difficult.....the facts and figures of what was available and what was not was not always clear-cut.....To try to outline all the benefits in a clear A to Z manner was quite difficult.'

Opinion of homeowner's knowledge of RES and EE technologies

Opinion on a scale from 1 (worst) to 10 (best):

Gerry's impression of homeowner's knowledge of the simpler technologies (insulation and boilers) is pretty good, whereas he feels the heating controls did, and still, pose difficulty for some customers. Again he feels that this is related to the demographic involved.

'They were coming from a fairly basic background.....There was a sizeable degree of education required.....to talk them through how they actually work, how they should work.....and the necessity for them.'

However, as the project developed Gerry found that homeowner's knowledge improved as more people were informing or educating themselves about energy issues generally as well as the technologies involved.

Opinion on whether lack of homeowner knowledge is a barrier to increased utilisation of RES/EE technologies in Ireland:

Gerry sees lack of homeowner knowledge as a barrier to increased uptake but cannot say how much of a barrier it is. He feels that the barrier will come down slowly but highlights the need for projects like SERVE to increase awareness of energy issues and retrofit benefits to ensure this happens. He suggests that this could be achieved much the same way as Rural Electrification was rolled out in the past, concentrating on particular town-lands or parish level projects.

'If there was education of people within their own parish community.....in the local parish hall or through those organisations that are there to help the local communities.....that is something that may be looked at and hopefully things would develop from that.'

Opinion on the future of RES/EE in the residential sector in Ireland:

General opinion:

Gerry's outlook for the sector is quite positive. The realities of the situation as he sees it are that as a nation Ireland:

- a) Is still highly dependent on fossil fuels;
- b) Has a large percentage of houses still requiring retrofitting;
- c) Is in the grips of a 'financial impasse'.

He admits the current economic situation will probably be the most difficult obstacle for the industry to overcome and will bring about a short term lull in the sector but feels that the section of the population in the 55 to 70 age group, who own their houses outright, will choose to retrofit their houses. He will be targeting that demographic and is reasonably assured that they will spend their money on such work.

In the meantime he feels that in light of the financial constraints it is necessary to instil confidence in the financial outcome of retrofitting for homeowners.

'It's a matter of getting confidence back into it.....The system does work.....the actual system of retrofitting houses financially works for the homeowner....'

Identified main barriers:

The main short term barrier, in Gerry's opinion, is the current financial situation and people's confidence in the outcome of retrofitting.

Identified main drivers:

The main drivers for the industry will be people's financially driven desire to lessen their dependency on fossil fuels and the associated bills.

Opinion on what should be done immediately/in the near future to facilitate increased RES/EE applications:

Gerry feels the main way to promote increased use of RE/EE is by going back and examining schemes such as SERVE; how they operated and the impact they had, and trying to repeat that either on a broad county by county basis or in smaller locations.

Gerry also feels that if current building regulations in relation to insulation specifications were enforced this would be of benefit to the sector. He feels there is an educational element involved in this for builders and builder's suppliers/stockists alike.

'They can't see the woods from the trees.....they could be offering a higher value item.....It could be something where they could have added value.'

Gerry voices concern about what he sees coming down the track i.e. Pay as You Save Schemes. He feels that contractors tendering to large utility companies, for large amounts of houses, may be forced to price work at low prices and that quality of product, work and finish would necessarily suffer.

'Quality is important, auditing is important; all of these things go out the window with the pay as you save scheme.'

Overall satisfaction with the SERVE project:

Opinion on whether the SERVE project had a measurable positive impact

For contractor personally:

Gerry is very satisfied with scheme and thinks it has been extremely successful from the point of view of householders who received quality, guaranteed work; for the local economy and businesses involved (financially and educationally) and for the environment.

From a general comment point of view Gerry feels that:

'It has been an extremely successful venture; it's obviously been a great help to the local community in North Tipperary. The big thing is if we can repeat something like this again because , as I say, there's a huge amount of people out there who have either regrets about not taking part in it, or else financially could not take part in it at the time.'

For RES/EE contractors in general:

At the end of the interview Gerry stressed how valuable the experience of working with the SERVE outfit was, and continues to be, to his company. He praises the openness of communication channels between all involved and contrasts this with the methods and level of communication available for contractors when dealing solely with the SEAI.

'Communication between the auditors, the BER Assessors, the County Council and the TEA was second to none in my opinion.....There was respect of opinions.....sometimes it's hard to put into practice what's on paper, physically, and

there was willingness to look at those situations and advise.....They (SEAI) just say if you can't do it by A (method) then you can't do it at all.'

He concedes that the SEAI is under-resourced but suggests that regionalisation of the body, together with quarterly workshops for contractors who are interested in perusing/practicing their trade properly, would help bridge the communication gap.

*'If somebody were to ask me what exactly is the difference between SERVE and SEAI?
The answer is communication, it's the only one; it's the big one!'*