



SYSTEMS RESEARCH
CORPORATION

Focus Group Summary:

Industrial Facility Managers



RESEARCH • ANALYSIS • STRATEGY

Prepared for:
SMACNA/SMWIA
March, 2004





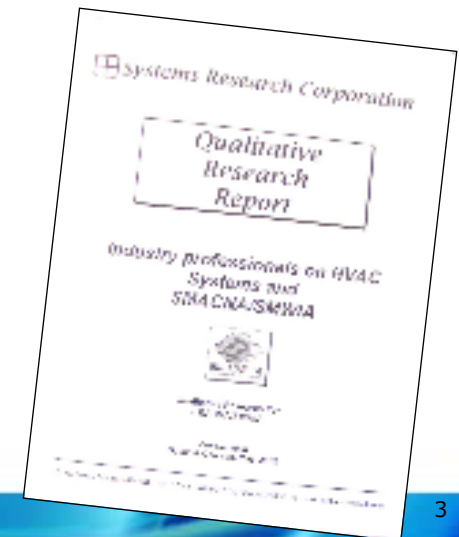
Objectives

1. To **understand** the dynamics by industrial organizations, of working with and selecting contractors for the building trades and HVAC. To understand how they view Sheet Metal contractors & workers, specifically.
2. To **understand the perceptions** of industrial organizations, regarding Union workers, specifically for the sheet metal trade.
3. To **determine their awareness** of SMACNA, the SMACNA standards and perceptions of the organization.
4. To understand what's important in ***What is the value of SMACNA to them?*** selecting contractors, and to prioritize their criteria.
5. To understand **what is important to them**, in what SMACNA offers, and what to publicize out of this.
6. To understand how to reach these decision makers in the media, and what doesn't work in marketing.
7. Understand how to expand Sheet Metal work in Industrial locations.

Research Methodology



- Two Focus Groups held during the week of 3/1/04 in St. Louis, MO and Houston, TX. in focus group facilities with one-way mirrors. Each lasted approximately two hours and were video and audio-taped.
- A total of 18 industrial facility decision makers participated. Mostly project managers or senior plant personnel from various sized companies. Participants recruited by the local facilities.
- SMACNA/SMWIA's names were not revealed until the end of the sessions.
- Moderated by Dan Sklaire of Systems Research Corporation of Rochelle Park, N.J. (Also the author of this summary.)
- A full report was issued to SMACNA/SMWIA.



Key Findings



1. There was a difference in participants in the sessions, either due to the economy in Houston vs. St. Louis, or the way decisions are made. St. Louis participation was more active, engaged and interested in HVAC standards.
2. **Awareness of SMACNA and SMWIA is very low in this sector.**
3. **Awareness of the SMACNA standards is moderate to low.** In Houston, only *one* manager knew these existed. ASME/NEC are far better know.
4. However, **when they found out what SMACNA offered in terms of published standards, they became very interested, and wanted to use these in their next bid. Most did not know that the standards or SMACNA manuals existed.**
5. There was no negative feedback about sheet metal workers. However, they feel that fitters and electricians are prima donna's and are hard to work with. In both cities, there was at least one trade that they disliked.
6. Sheet Metal contractors are typically sub-contracted. They appear to be confused about whether they are hiring a mechanical contractor or a Sheet Metal contractor, in many cases.

Key Findings (cont'd)

7. Many believed that sheet metal work is done by mechanical contractors, or that mechanical contractors sub-contract to sheet metal contractors.
8. Reaching these people will not be easy, through regular media. In St. Louis, few were aware of a radio campaign which had been running on the air. They had no idea of the sponsors.
9. Criteria for selecting a contractor which were most important varied by city. Here are the top 3 by City:

St. Louis

- Experience
- Cost/Scheduling
- References/Financial

Houston

- Cost
- Past Performance/Experience
- Safety & Quality

10. In St. Louis, participants felt that ventilation was the most important focus in their plants. In petro-concentrated Houston, it was not.

Key Findings (cont'd)

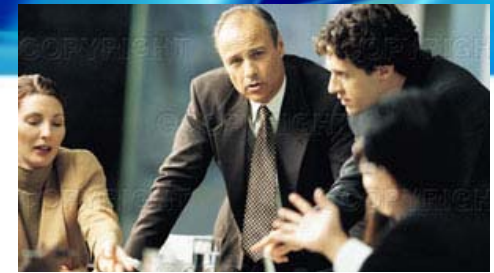
11. Participants were neutral about Union contractors and workers; if there was negative feedback about union workers, this was not present about the sheet metal trade.
12. In Houston, negative feedback about unions centered around lack of **flexibility**, in doing cross-jurisdictional work.
13. Some presumed that union trained workers were better qualified, but this didn't make a significant difference to them if it were true.
- 14. Many companies in St. Louis were using SMACNA contractors, but were not aware of this. SMACNA contractors are not publicizing their membership, and are not gaining the benefit of this association.** Are they using the SMACNA logo and standards information on quotes?
15. In Houston, there was almost no presence of SMACNA or SMWIA. In St. Louis, more participants knew about these and the standards.

Key Findings (cont'd)

16. **In house maintenance has increased considerably**, at the expense of outside contractors, who are getting less and less work and dollars.
17. As noted by Tom Kelly, **SMWIA must cause a shift in the attitudes of its workers, when on the job**. If union labor does not have a positive, helpful attitude toward contractors and owners, why should they use union workers? Why not mechanical workers?
18. It was perceived that Unions may promote safety better than non-union contractors.
19. There was evidence of significant use of electronic information gathering (websites, emails) in the Houston session, where this came up. Some participants asked that they be sent informational emails about news in the industry. **Email is pervasive; participants want to receive email!**
20. In Houston, it was evident that in larger companies, decision about sub-contractors may be split between purchasing, engineering, etc.

Key Findings (cont'd)

21. There was discussion of EPA violations. These may be an area of leverage for SMACNA/SMWIA if contractors can get these lists as leads.



Analysis

1. When asked about evaluation criteria, participants in both cities told us that **Experience and Cost** were important to them in choosing a contractor. In addition, they also cited references/financial (SL) and safety/quality (HS), but both groups agreed on the first two factors.
2. When we discussed the SMACNA **standards**, the existence of these standards appeared to be the factor which would most influence them. This discussion came after the criteria review.
3. We believe that the existence of SMACNA standards **embodies the concept** of **experience and expertise, because it took experience and expertise for SMACNA members to be able to formulate the standards**. We further believe that any organization which embraces and promotes the SMACNA standards can thereby generate greater credibility for itself and for its customers.
4. *Therefore, we believe that by stating that a contractor does work which he guarantees is consistent with SMACNA standards, that he is demonstrating **expertise and experience**, thus potentially saving \$\$\$. The question is, however, can non-SMACNA members say this too?*



Recommendations

- 1) SMACNA should emphasize the existence of its standards, both to members as well as potential construction decision makers. The existence of and adherence to these standards indicate to potential buyers that the contractor has **expertise and experience** as well as a higher authority which he is responsible to, which can generate confidence in selecting them.
- 2) SMACNA should consider some way to differentiate its members from non-members who also simply follow the SMACNA guidelines, so that no one simply uses them. Certification?
- 3) **Increase awareness of SMACNA and SMWIA.** It appears that SMACNA awareness will bring along SMWIA membership. Increase PR and efforts to the **target** market; test market an increased ad spending test in a small city.
- 4) **SMACNA and SMWIA must embrace e-marketing over the Internet in a significant way.** A separate website must be created for end users, which will provide the standards papers, as well as solicit their names prior to providing these. Targeted e-mails should be sent to specific industries using publication opt-in lists.

Recommendations (cont'd)

- 5) **SMACNA must provide a website for potential decision makers to visit, with easy reference to get to technical materials.** A link to the SMWIA website should go to a page which tells about benefits for owners.
- 6) **The SMACNA name, logo and website address must appear at the bottom of every quote by the contractors, so that they can see its value.** There should be text which describes the value of SMACNA and SMWIA.
- 7) SMACNA members are not doing themselves and the organization justice if they fail to identify themselves as members. They are failing to gain the advantage which SMACNA offers. The association with SMACNA does offer benefits, if they understand them.
- 8) An initiative and educational program will be needed within the SMWIA to have members understand why its important to have positive attitudes. Mechanical workers can easily take these jobs if sheet metal worker attitudes are not helpful.

Recommendations (cont'd)

- 9) **The joint organizations should determine whether a list is available of EPA violations which can serve as leads;** these should be distributed to SMACNA members.
- 10) There should be a study of best practices from these sessions.
- 11) Consider targeted trade show attendance/displays to emphasize the SMACNA standards, with appropriately trained staff members.

The End.

