



SYSTEMS RESEARCH
CORPORATION

Research Strategy Summary:

HVAC Expertise



RESEARCH • ANALYSIS • STRATEGY

Prepared for:
SMACNA/SMWIA
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Topics Today



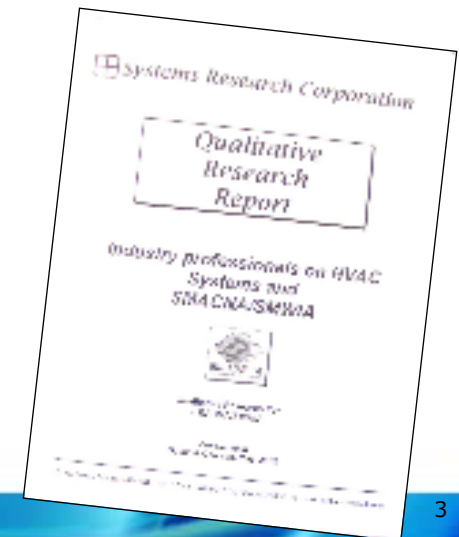
1. **Research Findings:** What do/don't key construction decision makers know about SMACNA & SMWIA?
2. How did we arrive at the concept of "HVAC Expertise?"
3. Why will it be effective in marketing SMACNA member & SMWIA services?
4. Introducing the HVAC Expertise website, www.hvacexpertise.com
5. The HVAC Expertise logo - *Why* should SMACNA members use it? How to use for the greatest impact/benefit?
6. Selling the benefits of **HVAC Expertise**



Research Methodology



- **Two Focus Groups** held in Dallas, TX. (4/17/02) and Chicago (5/14/02.) Approximately 9 participants attended each session (18 total) using a pre-planned agenda of questions.
- Participants came from engineering/architectural firms, building owners, general contractors and mechanical/HVAC contractors.
- The sessions were video and audiotaped, and a complete verbatim report was provided.
- SMACNA/SMWIA's names were not revealed until the end of the sessions.





Research Objectives

1. Get a general overview of perceptions within the industry.
2. Determine awareness of SMACNA/SMWIA.
3. Understand which issues are important to participants at this time. Determine if SMACNA/SMWIA are a solution to any of those issues.
- 4. Understand what's important to participants when hiring contractors for HVAC/sheet metal projects.**
5. Understand attendee perceptions regarding the hiring of union vs. non-union workers.
6. Understand potentials to improve market share for what the two organizations do, and open new markets for its workers.
- 7. Find ways where SMACNA/SMWIA can promote their organizations to contractors, architects, building managers and mechanical engineers from the results of this study.**

Key Findings

1. Owners are becoming **more demanding than ever before**, requiring far faster timing to project completion, with more documentation and at lower costs. And, there's less trust and more lawyers!
2. Finding qualified labor was a major concern, and its becoming more expensive. **In Chicago, they believed that Union labor has greater skills.** Dallas and Houston participants were not as warm to union labor.
3. Sometimes, a **low bid** is all that seems to count. Its more competitive than ever before.
4. **The Sheet Metal trade is a sub-set of the HVAC business.** It is not an industry unto itself. In their eyes, you are in HVAC.
5. Less than **half the participants knew about the SMACNA standards.** However, in recent St. Louis and Houston groups, very few knew *what the SMACNA standards stood for!* **But, the standards were credible.**
6. **Lack of Awareness for SMACNA/SMWIA** - No one knew what SMWIA was, and very few knew that SMACNA is the *organization* behind the standards. Perceptions were neutral, not negative.

Key Findings (cont'd)

7. **Beyond cost, there were five key attributes which were most important in selecting an HVAC contractor:**
 - a. Expertise
 - b. Quality of Workmanship
 - c. Productivity & efficiency
 - d. Training
 - e. Vast pool of talented labor, quickly available.
8. However, participants believed that **Expertise** encompasses experience, quality of workmanship, performance, productivity and training. *Expertise is more than experience. Its skilled knowledge.*
9. When participants found out what SMACNA offered in terms of **published standards**, they became extremely interested, and wanted to use these in their next project. **There was clear benefit in these standards** – it was the yardstick by which to measure **expertise**.

Key Findings (cont'd)

10. **Having published standards to gauge quality and performance was very important.** It was a way that they could differentiate between bids and ensure that the job was done right. It's the reason for expertise.
11. The **SMACNA standards** are a **key reason** why SMACNA member contractors and SMWIA members **have expertise!**
12. But, anyone can get and follow the standards – that SMACNA members hold themselves accountable for adhering to them is important.
13. They don't know who the SMACNA members are, who aren't, because SMACNA members don't identify themselves as such. (*So, how can you tell who the good guys are?*)
14. The Internet is becoming a medium for research and communication.



Conclusions/Recommendations

1. **SMACNA and SMWIA contractors and workers are in the HVAC industry, according to participants.**
2. **Expertise is most important to Owners, Architects and GCs in selecting an HVAC contractor.** It should be emphasized in marketing and selling Sheet Metal and HVAC services.
3. **When they hire contractors in this field, they are looking for HVAC Expertise.**
4. **If they wanted a cheap job, they'd go elsewhere. They hire you for HVAC expertise. So, we must emphasize HVAC expertise.**
5. **The SMACNA standards** – and membership in SMACNA - is the key **reason why you have expertise.** SMACNA standards give the customer *substantiation of quality* contracting. (The 2004 research confirmed this.) SMWIA gives them skilled, quality labor.
6. **It took experience and expertise for SMACNA members to be able to formulate the standards.** This should be emphasized.

Conclusions/Recommendations

- 8. Awareness for SMACNA and the SMACNA standards is not sufficient to make an impact.** Members must let prospective customers know that there is a reason for hiring them. And, it's...



- 9. Further, this logo and concept should be displayed on a dedicated Website, as well as on all SMACNA contractor estimates, invoices and stationery.**



Presenting the HVAC Expertise Website...



www.hvacexpertise.com

Final Recommended Actions

8. **Use the HVAC Expertise logo on your estimates, invoices and stationery. Tell prospects what it means, and how its backed up by the SMACNA standards. *It will be effective in selling your services, because this is what prospects are looking for!***
9. **When selling, emphasize the benefits of HVAC expertise. This phrase means experience, quality of workmanship, productivity, training and skilled labor. Tell customers what they want to hear!**
10. **When selling, emphasize your membership in SMACNA/SMWIA. This is a reason why your company and people have HVAC expertise! Tell them that as a member, you hold yourself accountable for adherence to these standards!**
11. **Refer prospective customers to the www.hvacexpertise.com to help you sell.**

Action Steps!

- 1. Promote HVAC Expertise in your local efforts!**
- 2. Use the HVAC Expertise Logo on your estimates, invoices, business cards, truck side panels and in ads!**
- 3. Talk about the SMACNA standards – they are a reason why you have HVAC Expertise. Tell customers that you belong to an organization which holds you accountable for adhering to them.**