

LEDs and Controls: Impact on Lighting Professionals

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Impact on Lighting Professionals

We spent a lot of time waiting for LEDs to emerge and then watched as they become standard in our industry, much faster than we expected. Now controls are the next logical step—although they are still a somewhat undefined opportunity.

But for all the thinking about how technologies like LEDs and controls have or will impact our customers, it's an interesting exercise to pause and reflect inward: **What has been or will be the impact they've had on us as lighting professionals? How have our businesses and customers changed? What's staying the same? And how do we prepare for the future?**

My role as senior project manager with Energy Management Collaborative (EMC) and my work with NALMCO have definitely shaped my perspective and answers to these questions.

But how similar was my thinking to my fellow NALMCO members, who make a point of understanding our rapidly evolving industry? The following is a compilation of member perspectives.

How Have the Projects and Services You Provide Shifted Since LED Lighting and Controls Have Become More Predominant?

"Looking back, I knew there would be a place for LED lighting, but I thought it would be more limited and specialized," reflected Randy Breske, CMLC, CLCP, and ex-officio member of the NALMCO Board.

He was stunned by the speed in which the technology established itself. "The advancements have been spectacular—far beyond what I ever thought would happen."

Kim Cagle, CALT, director of business development for A&K Energy Conservation in Dade City, Fla., agreed. "Everything is LED centric at this point." He pointed out that manufacturers have also changed. "Today we don't just have four or five manufacturers like we did with fluorescents. We have hundreds of them."

In my work with EMC, it's clear that while LED technology has many great energy and maintenance cost savings benefits, it also adds a layer of complexity. For instance, installations can be more challenging as we shift from commodity to specialized items. Even the products in a manufacturer's catalog are largely made-to-order. Several week lead times have become the standard.

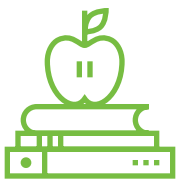
Erik Ennen, CLMC, CLCP, facilities service manager for the Center for Energy and the Environment and vice president on the NALMCO Board, agreed. "There's no real standardization yet," he explained. "Do I want to replace a fixture or put a retrofit kit in? There are lots of options and it's more complex."

Christina Calaway, renovation sales manager for LSI Industries and NALMCO Board member, experiences these challenges from the

lighting manufacturer standpoint. “These are exciting and scary times. Time—and lead times—are of the essence,” she said.

Calaway further explained that LED retrofit projects have much quicker sales cycles and competition has created a climate where people need pricing right now as they try to close on legacy lighting opportunities. Further complicating this just-in-time environment are greater efficiencies in manufacturing changes, which means pricing is constantly fluctuating.

How Have Your Customers Changed as a Result of this Shift?



Educated Clients

When it came to customers, this group of NALMCO members shared a variety of opinions, but some very common themes quickly emerged.

More Sophisticated Customers

They all agreed that their clients were becoming more educated.

“It’s not the head maintenance guy that I’m dealing with anymore,” said Breske, who is currently consulting with two lighting services start-ups.

“They are becoming energy managers or sustainability managers. They are a more educated clientele who have been tasked with saving energy and maintenance costs,” he explained.

Calaway, whose customers largely are NALMCO members, also identified an increase in sophistication that comes from their experience installing new products from a broad variety of manufacturers.

Almost all of us talked about the efforts our clients were making to stay educated.

Ennen, whose nonprofit organization creates the programs utilities use for their rebate and incentive offerings, is used to being viewed as a knowledge source. “More and more we are looked to for guidance since we’re not advocating installing one type of product. We don’t sell, so they appreciate knowing their options.”

Over-reliance on Google

While there is general agreement that customers are more educated than they used to be, they can overestimate themselves and be a little too reliant on Google. This proves challenging because it’s often a dangerous combination of correct and incorrect information.



Internet Reliance

Poorly educated customers don’t know the right questions to ask about costs or understand a DLC listing and how it impacts incentives. They aren’t familiar with how to apply for rebates or incentives and how to facilitate warranties. All these factors can contribute to bad

decisions. The time we spend educating our customers is increasing and sales professionals have to work harder than ever before. At my company, EMC, taking a consultative approach and being able to provide expert advice is something our customers see as crucial.

If they don't get their answers from us, they turn to the internet.

"They will believe everything they read online and often what they read they don't understand. Or, they'll read something and say, 'I want that,' but it's only been around for two years and it's not a proven technology," lamented Breske.

"There is a lot of noise out there and it's important to stay one step ahead of the internet and Google. Half is real, half is fake and it's all marketed the same," explained Calaway.

Calaway had just returned from a trade show where an attendee came up to her booth while chewing on a ham sandwich. "He points to my LED wall pack and says, 'I just bought one of those on Amazon!' I was like, 'Keep eating and move along!'" she joked.

What Have You Started Doing, Stopped Doing or Kept Doing in the Business or Services You Provide as a Result of this Shift?



These NALMCO members were careful to adjust their businesses' offerings to best meet clients LED lighting and controls needs in a variety of ways.

Warranty Education

After working together for more than 25 years, it wasn't a surprise that Randy Breske and I both thought of warranty education when it comes to something we now do more frequently. With many five-year up to 10-year warranty options out there, customers are not always thinking about the best value for the intended life of their installation.

"They're not always understanding the technology and whether the warranty can be backed up," explained Breske.

One thing I tend to ask customers is, "What is the cost of that second five years of that 10-year warranty?" Knowing that if LED fixtures are going to fail it will generally happen early in the rated life gives them some perspective. Based upon current Lifecycle data, the biggest issue they should face at the end of the warranty period is lumen degradation.

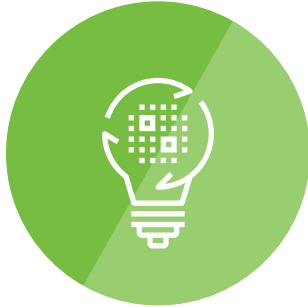
It can make more sense for customers to spend their money on a proven product having a reduced cost with a lesser warranty. They can bank the savings and be well positioned to retrofit again with next wave technology in that second five years.



Service

Despite 10-year warranties and talk of less service associated with LEDs, Cagle still sees maintenance as a core component of his business.

“We’ve shifted our business from a 60 percent maintenance/40 percent product focus to a 70 percent maintenance/30 percent product focus,” he said. “Manufacturers want to make maintenance a thing of the past, but it’s not. It’s just going to be different.”



Cagle also mentioned that he is experiencing an uptick in reactive maintenance business. “I’m not sure if it’s a time/money saver for the customer, but we are seeing them move in that direction,” he said.

An End to Legacy Technology

With the prevalence and low price of LED products, Breske said he has all but stopped doing any legacy product offerings or proposals.

“It doesn’t even cost justify including a linear fluorescent for a parking lot,” he stated. “Advancements for LEDs have been so significant that it’s almost leveraged legacy technology sources out of the market.”



Strategic Partnerships

At EMC we’ve always prided ourselves on having strong partnerships with many lighting manufacturers so that we can provide an optimized solution at the best price. From her perspective as a lighting manufacturer, Calaway indicated that this relationship goes both ways.

What Do You Think We Need to do to Be Prepared for the Future?

“We’ve started to pick our partnerships a little more strategically,” she said. “There is a threshold to the level of cheapness that I can achieve. We want to provide products and services that are made well. We are just wasting our time chasing down the energy company who bases their success solely on being the cheapest.”

Not to oversimplify, but for the last 30 years, our job was about swapping out fluorescent and incandescent lamps for more efficient models. As I look to the future, I can see that the complexity of the technology is already requiring a shift in what the labor market looks like for our industry.

The skillset of the average lighting tech will include electrical, IT and Bluetooth knowledge, administrative skills and more to successfully install, commission and monitor lighting and controls technologies with retrocommissioning opportunities along with way.

Cagle sees a continued need for efficacy and energy savings. “The cost of energy won’t come down,” he stated. “We can only squeeze so many more watts out of a fixture, so controls are really our focus for the future.”

Ennen saw a future of continuous change. “We need to stay abreast of what products are out there. NALMCO has a number of certifications and ongoing education. It’s a great network to gather two or three times a year to see what happens and identify best practices.”

Breske agreed with Ennen. “We need to prepare ourselves to be ready to do more than bend pipe and pull wire.”

Despite all of the change LED and controls have ushered in, Calaway identified something that stays the same: the need to foster strong relationships.

“People still buy from people they like, who make it easy to do business—people they understand and trust,” she said.

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