

# This presentation premiered at WaterSmart Innovations

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**Water Smart Innovations - 2013**  
**Landscape Water Budgeting**  
From Market Research to Pilot Phase

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# Background - CLCA Water Management Certification Program

The WMCP came into being in response to a call to action in AB 2717

*“The IA should work with the CLCA and CUWCC to create a statewide certification program, including a continuing education component, for landscape irrigation managers to include landscape water management, water budgets, and irrigation system maintenance by 2008.”*

# Background - CLCA Water Management Certification Program Cont'd

- CLCA Certified Water Managers
  - Take class and must pass a written test to become certified
  - Complete an irrigation audit
  - Demonstrate proficiency at required levels for one year on actual landscape sites
  - Manage at least one property for one year at or below the landscape water budget established by the CLCA Water Management Performance Program
- Individuals who have passed the written test 1500+
- Certified Water Managers 180+
- Companies enrolled in Performance Program 120
- Properties enrolled 700+

On average, sites irrigating at .65 ETo

# Objectives

The overall objectives are to:

- Increase the ***number*** of active water managers managing landscape sites to a water budget
- Increase the number of landscape sites managed to a budget
- Engage water purveyors' active support to help meet quantifiable goals
- Grow the program to where it is self-sustaining and has a stable funding source

# Research Methodologies: In-depth Interviews and Stakeholder Forums

- IDIs
  - Decision makers & policy makers
    - Water purveyors
    - Landscape contractors
      - Residential and commercial
      - Small, medium and large firms
      - Maintenance and design/build
      - Active and inactive water managers
    - Account managers

# Objectives - Stakeholder Forums

Forums: Northern California (4/24/12) and Southern California (5/1/12)

- Commercial Landscape Maintenance Contractors - 39
  - Water Purveyors - 42
  - 22 from CLCA, CUWCC, DWR, US Bureau of Reclamation, Ewing, Hunter, Toro & Rain Bird
1. Better understand the needs and challenges of the California landscape contractor in successfully delivering water management services to their commercial customers
  2. Communicate the challenges and expectations of water purveyors that drive the need for water management/water budgeting for commercial applications
  3. Stimulate development of a formal framework for the CLCA, its sponsors, water purveyors, CUWCC, and landscape contractors to create cooperative, actionable, mutually beneficial strategies and platforms to facilitate the implementation of water management services

# Mindset of the Customer

- When it comes to their water usage, your customers don't have a clue
  - Most customers are either completely unaware of the amount of water they use, or severely underestimate the amount of water they use.
- Yet they are absolutely convinced they are using the right amount for landscape
- Money talks – require perceived ROI
- They want to do the right thing
- They have two most trusted advisors
  - Landscape contractor (account manager)
  - Retail water purveyor (landscape rep)
- Water budgeting is not top of mind for property managers or owners
  - (LC) "As far as telling clients 'here is the CLCA program and it is \$X a month and pay us', that hasn't happened at all."*
  - (WP) "If they [customers] think their water bill is reasonable or they don't look at it and just pay it, their landscape looks good and they (PM) have other issues to worry about; it is out of sight, out of mind."*

**Bottom line: No demand from the customer currently exists**





# Mindset of the Landscape Contractor

- Demand lies with the end user
- Water Management and Water Budgeting is Top of Mind
  - (LC) "It [water budgeting] is very relevant. If you are a company and you are not on top of that or implementing water management programs for your customers, you are going to get left behind."*
  - (LC) "We started preaching to our people that we are not so much a landscape management company anymore. We are a water management company first. That's how important water management is."*
- But haven't quite figured out how to make it all work
  - (LC) "I do understand that the CLCA tool helps us manage water budgets, but to be honest, we first need to get our arms around who should be doing what [account managers v. irrigation technicians], how to get the data and [how to] manage the reporting."*
- Account managers are key and overworked
  - (LC) "It [water budgeting] is a big labor burden on us and to this point it hasn't been a revenue generator for us let alone cover costs."*

# Mindset of the Landscape Contractor – cont'd

- Looking for active support from the purveyor
  - Audits, partnering with contractors to sell the board, validate savings, rebates and ROI
    - (LC) "We had an HOA that called the water purveyor out to do an audit because of a leak. We had made irrigation upgrade recommendations but were having no luck. But the water purveyor left behind their report and with it we got the HOA to budget for the improvements over a number of months."*
    - (LC) "Absolutely it would help. It would add legitimacy."*
  - Recognize firm, not just water manager
    - Set the bar high
      - (LC) "If there was a ranking based on the number of sites managed to a budget, I would venture that it would get a lot more active contractors because I can guarantee you if my competitor has three sites, I will want to have four."*
      - (LC) "Definitely, I like it. I would turn it over to our sales team and say here you go guys. There are only 10 of us in California and this is an advantage for us. I think it would be a **great** idea. I'd like the standards to be high, requiring a minimum number of sites being managed and a minimum number of certified experts on your staff."*

# Mindset of the Water Purveyor

- Water Management and Water Budgeting is top of mind  
*(WP) "It is the road map to the future of my program."*
- CLCA is not top of mind for water purveyors – out of sight, out of mind
  - CLCA WMCP is important to them  
*(WP) "I really appreciate what you are trying to do. If the industry would step up, we would do everything in our power to support it."*
- Acknowledge **essential** role of contractor in a market transformation
- Fully understands and appreciates challenges landscapers face in selling water efficiency
- Frustrated by lack of success in gaining tangible landscape contractor support
- Finding time to gain share mind is challenging for either the water purveyor or the contractor

*(WP) "We have an incredible need to work together."*

# Research Summary

- Contractors and water purveyors have a strong need to work together
  - Share common customers
  - Share common objectives
  - But do not have a vehicle or process to ensure regular ongoing communication
    - both regularly operate in respective silos
- By working together, everyone benefits: It's a "win-win-win" situation
- Water purveyors have tools to make the contractor's efforts easier and more successful
  - Marketing support to soften market
  - Certification and recognition programs for customers and contractors
  - ROI calculator
  - Site mapping
  - Water audits

# The Foundation of the Plan

- Stimulate an **active** working relation with the commercial landscape maintenance contractor (branch manager and account manager) and the retail water purveyor (conservation manager and landscape rep)
- To accomplish this:
  - Help retail water purveyors be more proactive to realize the value landscape contractors represent in their ability to influence the customer to do the right thing
  - Help contractors be more proactive and successful by sufficiently leveraging the value the water purveyor's ability to influence their customer to do the right thing

All to achieve deeper, ongoing working relationships that include deliverables and expectations

# Marketing Plan and Implementation

- Objectives

- Successfully re-launch the CLCA WMCP
- Increase the **number** of water managers actively managing landscape sites to a water budget
- Increase the number of landscape sites managed to a budget
- Engage water purveyors' active support to help meet quantifiable goals
- Grow the program to where it is self-sustaining and has a stable funding source

- Key Strategies

- FY2013 target mid to large commercial landscape maintenance firms
- Provide the framework to assist in creating demand
- Arm and train contractors and water purveyors for success
- Leverage water purveyor programs to achieve ROI
- Create and promote visible success stories reinforcing “win-win-win” value proposition

# Pilots

- 4 pilot markets EBMUD, Santa Barbara, Western Municipal Water District and SDCWA
  - Recruited 16 firms and 64 account managers, branch managers, VP Operations, presidents
  - 19 purveyor landscape reps, water conservation managers and specialists
  - Goals
    - Secure 5-8 large, high-value properties per contractor per service area
    - Ensure system efficiency and implement real water management
    - Contractor provides regular meter readings as a basic service

## **Help move the customer to:**

- Prioritize effective water management
- Fund improvements if necessary
- Support the value of tracking water use to a budget and change the conversation from watering to a plant's needs to watering management

In order to implement a voluntary water budgeting program not mandated by the water purveyors yet fully supported by them

# Why this Approach Works

- Creates a culture where water purveyors and contractors actively work together
- Trains them to be solutions providers to leverage their position as trusted advisors
- Ongoing support for the contractor from the water purveyor
- Marketing support
- Strategic and **highly targeted** outreach





# Sales Process

- Train account manager and purveyor landscape reps together
- Purveyor sends letter to customer and copies contractor
- Contractor discusses implications with customer and secures written permission to access current and historic water usage data
- Schedules free purveyor audit/system check-up
- Purveyor presents audit findings and account manager is present
- Support approval process
- Implement recommendations
- Add site data to CLCA WMCP program
- Read meters monthly



**Thank you!**

# Targets

WMCP Marketing Program Sales Objectives	Pilot Markets (service areas)	Landscape Firms (per test market)	Total Firms	Active Managers (per firm/service area)	Total Active Managers	Sites/Firm	Total new sites
FY 2013	4	4	16	2	32	5-8	80-96
FY 2014							
New Pilots	20	4	80	2	160	5-8	400-640
FY 2013 Yr 2	4	12	48	2	96	5-8	240-384
FY 2014 TTL	24		128		256		720-1120

Total sites = pilot markets x Landscape Firms x sites per firm

Projections only include firms and sites recruited through our program.

**Assumptions:**

Participating will have two active water managers per service area but actual numbers will vary by firm

Year two participating firms in FY2013 pilot markets will increase by a factor of 2