SIPA STRATEGY REFRESH
STRATEGIC PLANNING & NEAR TERM PRIORITIES

SIPA Annual Meeting
Phoenix, AZ
March 4-7, 2019
CURRENT STATE

• Nearly 30 years as a trade association advocating high performing building envelopes

• Increasingly stringent energy codes and quantifiable performance standards bode well for SIPs

• Those who understand our value proposition become committed advocates

• And yet...
  ❖ We are challenged to grow at an acceptable rate
  ❖ Awareness is limited within certain influencer groups
  ❖ Resistance to change remains
WHY DOESN’T THE DIAL MOVE?

• Passionate individuals & companies focusing on their market

• Limited collaboration focused on the overarching, common challenges we face

• Lack of a common, consistent, “objective” voice to provide guidance w/in the industry regarding recommended practices when designing and building with SIPS.

• Manufacturers address common issues and challenges one-by-one.

• Conflicting practices (details, specifications, tech bulletins) create confusion for stakeholders.
THE GOOD NEWS…

• The level of collaboration that is taking place within the membership is strong when it comes to addressing common challenges

• There is opportunity to tackle common challenges much more efficiently through our Association than as individual members

• During 2018 planning sessions, we laid out a clear path regarding how to best target our collaborative efforts

• Tremendous opportunity to align all working groups (committees) towards common goals – insuring all understand our “burning platform”
SEPT 17/18 STRATEGY SESSIONS

• BOD Meetings in Ohio intended to direct SIPA staff and members on a common path.

• Members assembled showed clear desire to work together to collaborate on key Near Term Priorities (NTPs) for the good of the industry.

• Rigorous, disciplined 2-day session focusing on problem identification, determining root causes and creating countermeasures:
  ✓ Do we all see it the same?
  ✓ Can we agree on causes?
  ✓ Can we develop a plan we can all support and commit to tackling?

All about alignment!
Problem identified:

- **SIP Industry growing slower than the market**
  - Root Causes:
    - Lack of awareness
    - Resistance to Change
    - Negative Perceptions
  - Targeted those who will most influence growth:
    - Residential segment – Builders
    - Commercial segment - Architects
Fishbone “Root Cause” Diagram

Architect/Specifiers are not aware of features/benefits to ‘compel’ them to specify SIPs
- Lack of SIP education (#1)
- More outreach needed: Not enough SIP sales, education, ad messages delivered (#2)
- Qualify receptive architects to target SIP solution benefits; i.e. Type 5 construction focus (#3)
- Too many comfortable existing options / risk averse
- Unaware of downstream benefits
- Negative cost perception; cycle of acceptance is low

General Contractors not aware of SIPs but take lead from the specification
- This can be looked at in 3 – 5 years to avoid negative perceptions since they follow when SIPs are specified.

Installer networks are not developed (follows the lead of the G/C)
- This can be looked at in 3 – 5 years if spec at arch level increases significantly.

Owners often get ‘unsold’ or face resistance from the builder
- General awareness can be looked at in future. Need to prevent ‘unselling’ from builders first.

Builders most likely to change not well identified/targeted and specifically message to
- Walk through SIP building process with builder (#1)
- No clear incentives to build with SIPs (#2)
- Don’t qualify the right builders (#3)

Installers follow the lead of the builder
- This can be looked at in 3-5 years as next step

Problem:
SIP industry is not growing with the market!

Root Causes:
Lack of Awareness (LoA)
Negative Perceptions (NP)
Resistance to Change (R2C)
OVERVIEW – STRATEGIC FINDINGS

Commercial segment – Architects

- Not aware of features/benefits to ‘compel’ them to specify SIPs
- Why?
  - Lack of SIP education (#1)
  - More messaging, resources (#2)
  - Targeted messaging for receptive/qualified projects (#3)
  - Too many existing/comfortable options (risk averse)
  - Unaware of downstream benefits
  - Negative cost perception; cycle of acceptance is low
OVERVIEW – STRATEGIC FINDINGS

Residential segment – Builders

• Those most likely to change are not well identified, targeted and developed to reap the benefits of a system designed for performance, comfort and savings

• Why?
  • Don’t understand entire building process with SIPs (#1)
  • No clear incentives to build with SIPs (#2)
  • Not qualifying the right builders for the SIP message (#3)
## Near Term Priorities - High Level Solutions

Priorities to *compel* architects & builders to select SIPS

<table>
<thead>
<tr>
<th>Vote Ranking</th>
<th>Concept Category</th>
<th>Initiative</th>
<th>Initiative Description</th>
<th>Impact/Difficulty</th>
</tr>
</thead>
<tbody>
<tr>
<td>#1</td>
<td>Online</td>
<td>Arch &amp; Bldr</td>
<td>Create best practice YouTube videos; SIPA website more training oriented vs marketing; Increase technical data and improve ease of access to website</td>
<td>Hi / Med</td>
</tr>
<tr>
<td>#2</td>
<td>Value Prop.</td>
<td>Builder</td>
<td>Improve value proposition of labor, speed &amp; cost for qualified contacts; Case studies stressing benefits “all in one” study (i.e. total costs, energy) and how it affects the bottom line</td>
<td>Hi / Med</td>
</tr>
<tr>
<td>#3</td>
<td>Training</td>
<td>Arch &amp; Bldr</td>
<td>Develop comprehensive, practical in person architect training; Develop AIA &amp; USGBC scopes of work with f/u best practice courses; Develop builder training outlining process from start to end &amp; design of other parts of project; emphasize why &amp; why nots and simple process</td>
<td>Hi / Low</td>
</tr>
<tr>
<td>#4</td>
<td>Qualifying</td>
<td>Arch &amp; Bldr</td>
<td>Develop qualifying SIPA messaging outreach process/questionnaire &amp; provide incentives to return; message them</td>
<td>Med / Low</td>
</tr>
</tbody>
</table>
STRAEGIC INITIATIVES – POST OHIO MEETINGS

Agreement on initiatives, but with differing practices, where do we start as a common voice?

• Establish base for ‘Messaging’, a harmonized SIPA minimum requirements specification is required to avoid confusion and build trust for SIPs as a ‘mature’ building system

• Set “acceptable” requirements all manufacturers will abide by, similar to expectations we have regarding a listing report

• These will reside with SIPA, as our members’ minimum requirements for manufacturing, designing and building w/SIPs

• SIPA Manufacturers must develop this
  • It requires ‘buy in’ and consensus to follow (IBS manufacturers mtg)
  • Adoption by Mfrs. over a ‘phase-in’ time frame
  • Establish a “compliance committee/group” to insure minimums are maintained
ONCE A MINIMUM SPECIFICATION IS IN PLACE...

There are common challenges new SIP designers & builders face. These need immediate attention.

The objective is to target practices which will help reduce sub-par designing, fabrication and installation of SIPs.

The Manufacturer’s Committee will be tasked to:

- Create a “need to know when designing with SIPs” Top 10 list to address the nuances of SIPs for architects who are beginning to design with SIPs.
- Adopt best practices with intent of providing detailed instruction for both architects and builders.

These are the building blocks for our initiatives.
# NEAR TERM PRIORITIES - HIGH LEVEL SOLUTIONS

Add - necessity of a baseline

<table>
<thead>
<tr>
<th>Vote Ranking</th>
<th>Initiative</th>
<th>Initiative Description</th>
<th>Impact/Difficulty</th>
</tr>
</thead>
<tbody>
<tr>
<td>#1</td>
<td>Arch &amp; Bldr</td>
<td>Establish baseline specification “Need to know&quot; content for architects when designing w/SIPs “Best practices” when designing/constructing w/ SIPS</td>
<td>Hi / Med</td>
</tr>
<tr>
<td>#2</td>
<td>Builder</td>
<td>Create best practice YouTube videos; SIPA website more training oriented vs marketing; Increase technical data and improve ease of access to website</td>
<td>Hi / Med</td>
</tr>
<tr>
<td>#3</td>
<td>Arch &amp; Bldr</td>
<td>Develop comprehensive, practical in person architect training; Develop AIA &amp; USGBC scopes of work with f/u best practice courses; Develop builder training outlining process from start to end &amp; design of other parts of project; emphasize why &amp; why nots and simple process</td>
<td>Hi / Low</td>
</tr>
<tr>
<td>#4</td>
<td>Arch &amp; Bldr</td>
<td>Develop qualifying SIPA messaging outreach process/questionnaire &amp; provide incentives to return; message them</td>
<td>Med / Low</td>
</tr>
</tbody>
</table>
EXECUTING NEAR-TERM PRIORITIES

• Manufacturer’s committee will maintain oversight of initiatives

• Develop detail to support Near Term Priorities (NTPs)

• Manufacturer’s committee to review current committee initiatives for alignment with strategic plan

• Manufacturer’s committee to set schedule and delegate actions listed in “Near Term Priorities Work Plan” to subcommittees, task groups and SIPA staff
### Achieve SIP Growth Faster than the Market

**Commercial Market**
- Focus messaging resources only to qualified architects (combustible, wood construction).
- Improve training & best practice courses, videos, delivery options.

**Residential Market**
- Better value proposition.
- Detailed ‘all in one’ case studies (highlight cost & speed advantages).
- Focus messaging only to qualified builders who are adapting zero energy and high performance construction.
- Beginning-to-end training and design through install; whys/why-nots.

---

**SIPs Industry Commitment**

- Establish baseline specification
- “Need to know" content for architects when designing w/SIPs
- “Best practices” when designing/constructing w/ SIPs
ANNUAL MEETING OBJECTIVES

• Gain better understanding of influencer group needs and how to message these two groups regarding content developed through NTPs

• Define committee support and alignment with these initiatives

• BOD to review plan and approve

• Depending on committee’s activities, BOD will review monthly or quarterly, committees’ progress towards near term priorities