



## Anneke Seley Interviews Andrew “Birchy” Birch

### Sales 2.0 Meets Solar 2.0

*Anneke Seley, founder and CEO of Phone Works, is the coauthor of the best-selling book, Sales 2.0: Improve Business Results Using Innovative Sales Practices and Technology. Visit [www.sales20book.com](http://www.sales20book.com) for more information, including free chapter downloads, or to read and comment on her blog. The following interview will be part of her new book on sales and marketing alignment. Look for it later this year.*

Sungevity’s cofounders, **Andrew “Birchy” Birch** and Danny Kennedy, sign their e-mail messages with a cheerful and optimistic message: “Shine On!” These entrepreneurs are driven by a deep sense of purpose. Like many environmentalists, they are passionate about protecting the earth and its inhabitants. They are also business people, intent on making their home solar systems company successful. Their approach to business proves it is possible to work for social change while making a profit. Their unique sales and delivery strategies prove innovative business practices can provide significant competitive advantages in markets where products can be perceived as commodities.

Phone Works President Sally Duby and I met Birchy, who serves as Sungevity’s CEO, and Danny, its founder, when they were about to build their sales team. It was clear at the first meeting that their thinking was aligned to the core principles of Sales 2.0: They questioned the industry’s standard high-cost selling strategies, and they were focused on creating a hassle-free experience for their customers, while establishing a culture of measurement based on sales process metrics and technology.

To create a better experience for their customers, they start by making it really easy to initially engage with them. Prospects of other solar panel companies start their buying process by setting an appointment with a representative of the solar company who must travel to that prospect’s home, often during evenings or weekends, to inspect their roof. Weeks later, the customer may receive a quote.

Compare that process with Sungevity’s: Prospects go to [www.sungevity.com](http://www.sungevity.com) and enter their address to receive their “Free Solar iQuote.” Within hours, a quote shows up. How do they do that? Technology. Sungevity uses satellite images and aerial photography to determine the solar potential of a particular home. Their customers can make purchases without ever seeing a Sungevity representative: Sungevity’s inside sales team of solar consultants follows up and sells systems without having to go on-site. This Sales 2.0 process is more productive and less expensive for Sungevity — and better for their

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customers, whose benefits include cost savings, faster response and no inconvenient pre-sale inspections.

In an effort to further help customers remove all obstacles from their purchasing decisions, Sungevity launched a new lease option this year — \$0 down with payments over 10 or 20 years — giving buyers the opportunity to save, or even make, money on energy bills while doing something about the energy crisis, without having to lay out their hard-earned cash up front. Some 97% of Sungevity’s customers now opt for leasing rather than purchasing, and Sungevity has jumped to the No. 2 spot in home solar in California (at time of writing).

These and other measurable business results prove Sales 2.0 and Solar 2.0 work well in concert. In four months, Phone Works consultant Fran Kathriner (who has since joined Sungevity as vice president of sales) built and trained a team of 15 solar sales consultants who almost tripled their sales goal in their first month on quota. They have fine-tuned the sales process down to a two–three-week cycle. The team has out-performed its sales targets every month since. This is in spite of the fact that they are selling in an environment in which half of their opportunities are competitive. And the company’s focus on customer satisfaction is paying off, too: About one-third of sales come from customer referrals.

I spoke with Birchy about the growth and success of his business, his experiences with Sales 2.0 and where he is taking the company next.

### **Anneke: How did Sungevity — the idea *and* the company — start?**

Birch: I was working at BP Solar, one of the big manufacturers of solar technology, for three years and came to the opinion that the industry was focusing too much on technology and not enough on customers. I fortuitously met up with two other guys, Danny Kennedy and Alec Guettel, who were also coming to that same conclusion. The three of us founded Sungevity three years ago, with a mission to design a sales process around what customers needed, rather than designing a sales process around what infrastructure already existed with the installer companies at the time.

We came across a number of technologies that enabled an inside sales model and designed a sales process so customers can get a quote online, then sign up for a system through an inside sales model. The actual installation of the hardware itself is done by a third-party contractor who is quality-assured by us, and we complete the last mile of the project.

That model basically does two things. First, it makes it a lot easier for the customer, because they no longer need people clambering up on their roof to get a quote. And it doesn’t take two or three weeks; it just takes a few hours. Second, it decreases the cost of the system, because it meaningfully reduces the sales and marketing costs.

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**Anneke: I’ve heard you refer to this as “Solar 2.0,” which is a nice segue into Sales 2.0. How did Phone Works help Sungevity develop a really innovative approach to customers and the sales process?**

Birch: This is Solar 2.0 meets Sales 2.0. The idea we’d been thinking through for a long time was how to build the most efficient inside sales process, and we had no experience in that. Our experience was on the solar side of things, and a lot of the software side. We had a great time working with Phone Works on implementing best practice in the solar industry for inside selling.

People often make the mistake of trying to do things themselves. You’ve been doing inside sales for many other industries, and you’ve established best practice. It seemed smart for us to use what Phone Works knows rather than try and discover this ourselves.

**Anneke: There really wasn’t a Solar 2.0 model before; you guys are breaking new ground with how you’re selling. We’ve applied what we know works in other industries, and then modified that for Sungevity based on customer feedback, results, metrics and measuring.**

Birch: That’s a good point: It didn’t exist before we implemented it. Some 99.5% of all solar sold in California and across the states is sold by a very labor intensive, unscalable model. The customer goes to the Yellow Pages, online or however they find those installers; they then have to take valuable time to get someone out on the job a few days or weeks later. That experience is incredibly time-consuming, and it increases sales pressure, which makes the face-to-face sales process really intrusive on your life. You’ve got a guy or gal who’s just driven a truck at great expense, and they know they have to close that sale; they’ll push pretty hard.

The great thing about having much more of a pull strategy on the sales side is customers come to you and call the inside sales consultant to request information at their own pleasure and time frame, seven days a week from 8 am until 7 pm. They can get that service with no pressure, so it suddenly becomes a much nicer experience for the customer.

**Anneke: Solar 1.0 reps are trying to force a decision in one in-person call. Because solar is still early-adopter territory for most people, they can’t make a decision that quickly. Your approach is not economics-driven. You can avoid the pressured sales approach that is necessary to cover the cost of the face-to-face sales call. You call that visit a “truck roll,” right? How much does that cost?**

Birch: The cost of doing that truck roll generally adds up to about 10% of the end cost of the residential system. By removing that truck roll, you have a real economic advantage,

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which is basically passed on to the customer in the shape and form of a lower electricity bill with solar energy.

The process has made a meaningful impact on renewable energy, which is kind of unusual. If you think about it, most people wouldn't imagine Sales 2.0 and Solar 2.0 could affect solar uptake, but it's a really smart model.

**Anneke: We talk about the reduction of carbon by not flying and driving to see customers. I think more companies are recognizing this is something that's going to become increasingly important.**

Birch: The truck rolls that happen in our industry today, for people who still do it the old-fashioned way, are driving not just to the house of the customer who bought the system, but to 8–10 other houses that don't actually go solar. You're talking about a lot of carbon.

Another technology advantage we have is the RSD tool, our in-house Remote Solar Design software. You're actually reducing the number of times installers and sales people have to get on a roof. So it's not just the carbon savings; there's also a real health and safety benefit.

**Anneke: As the CEO, what do you look at in terms of metrics and measurement?**

Birch: I'm really interested in the measurement side of the business. We're not redesigning the wheel; this is basically out of the Dell playbook: Information drives the company. So we've set up a process and a model where we look at all the customers and all the losses at each point in the value chain ...

*[The sound of maracas filters in to the room. Birchy says: "Someone just sold a solar system. Every time we sell, we shake maracas."]*

... We look at how many customers come to the website, what starts them going through and actually requesting a quote, and then when we have those quotes, how many we can design using the tool. We can design the vast majority, so those customers then enter the inside sales model at that point. The work Fran has done, with Phone Works' support, has built up the measurement tools that allow us to look at metrics of how customers go through our process toward sale and those who don't — obviously, we want to know why not.

One of the interesting things is our lease product. We've seen a large increase in uptake with the inside sales model, now that we've taken away the up-front cost of the system, so that's a real game-changer for the industry. Customers used to have to pay \$30,000–\$40,000 for a system, and now they get it for zero dollars down, and they just pay a monthly bill, like an electricity service. We really think that has a lot of relevancy for inside sales specifically, because it's a service type customers are very familiar with, that



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they get from their utility today. In effect, changing your utility provider to Sungevity is something you might be very happy to do over the phone.

### **Anneke: Can you tell us about the virtual installation you are planning?**

Birch: We always remind ourselves that, despite the fact we’re a zero-down service, and we do it very effectively with the sales channel, we still have the project and implementation to perform for each of those customers. There’s a lot of bureaucracy in the industry: permitting, interconnection, a lot of rules and regulation and codes that we have to follow — and want to follow. That can mean long delays in customers getting systems, when they’ve signed up through this very efficient online digital signature.

We are toying with the idea of getting customers actually saving — both from financial and carbon perspectives — by a guaranteed date. If you were a customer, you’d see all the financial and environmental benefits, because we’d offset the carbon and the system from a certain date, even if you’ve not yet had it physically installed. This gives certainty to the customer that we can guarantee they get what they want, which is lower cost energy and zero carbon energy. You’ll see that soon.

### **Anneke: We’re in the Bay Area, and President Obama is here today. There’s a marketing campaign you’ve launched around the event. Tell us about it.**

Birch: We would love everyone to go to [www.solaronthewhitehouse.org](http://www.solaronthewhitehouse.org), and sign the petition Sungevity started on behalf of the industry to get a home solar system into the most important home in the country. We now have the support of all the key solar-industry associations backing the project. We would love the president and his wife to make a statement about what homes in America can do with this amazing technology.

So to get the ball rolling, we sent in an iQuote, which is an online, interactive quote, to Michelle and Barak, with the suggested installation size and savings. Danny Kennedy actually met with the president a few weeks ago and walked him through the iQuote at the White House. We’re hoping that builds up some steam, and we can persuade the first lady and the president.

### **Anneke: Another key theme in Sales 2.0 is sales and marketing alignment. Marketing programs really drive prospective customer interest in Sungevity’s options. How are marketing and sales working together?**

Birch: A lot of solar companies have fantastic experience in installation and technology, but the majority aren’t as professional as they could be in marketing and integrating that into sales. We’ve hired great people with really strong marketing skills, and with your help, we’ve implemented some of the best practices in the inside sales industry. It’s really about



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the people who do those jobs having that skill set; that hasn't really happened in the solar industry to date.

Step one is the people, and step two is the process and what you're actually doing. Our marketing campaigns tend to be more focused on the online segment, and we do a lot of PR just because this is such a fantastic story about positive change. We do high-impact things such as the White House campaign, and we emphasize that going green is now easy with a zero-cost solar system. We try to get that message out through non-conventional PR channels, as well.

That integrates to sales through our online design tool. Sales has to manage the volume going through the design phase and manage the quality, which is really key. Then sales obviously needs to have active communication on a daily and hourly basis, through the software, to see what's coming down the funnel and make sure each of the sales people has a good pipeline of candidates.

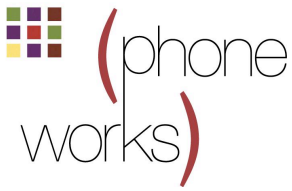
### **Anneke: What would you say to a CEO who's managing a more traditional business? Why even entertain Sales 2.0?**

Birch: It seems very logical that all CEOs would be, first and foremost, focused on the customer. My belief, having implemented inside sales in this industry, which hadn't really seen inside sales before, is that this is a fundamentally better customer experience, so it's definitely worthy of testing. Thereafter, assuming that is correct, the economics will take care of themselves.

### **Anneke: What experience is the customer having when they're actually on the phone? What is the approach the team is using on the phone, versus a face-to-face visit?**

Birch: The nice thing is, when the inside sales person is introduced to the customer, they already have the tools in place to educate and inform them. The design team has taken this request for a quote and turned it into a fully spec'd system, so each sales consultant can open up all the details from that and get really informed as to what the economics are, what the carbon savings are, how the design is placed on the roof, and call the customer to walk them through all those details.

Fundamentally, it's not so much sales as education. We need to make customers aware of the offer, because the frustration we all feel in the industry is that most people don't know solar is lower cost than utility energy. For more than half of the California market, solar is the lowest-cost supply of energy today. Simply making people aware is called marketing. Then sales is education, because once they're aware, you just have to inform them and educate them on the case and that it's not a dodgy offer.



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**Anneke: Your approach has yielded some really superior close rates. You also had some sales people who went to another company and came back to you guys, right?**

Birch: We’ve had a few folks who’ve taken a few bids and gone down the track with other companies, then come back. I think the key, the message we tell all the sales people to follow and to work by — and they all love — is that we’re a “facilitative company.” We want all solar companies to succeed. We never say anything bad about the competition. If a customer decides to go solar with someone else, the first thing we train sales people to say is, “Congratulations.” I think they all genuinely believe that, commission aside.

We have to get solar out there to save the planet. That’s a big driving force for people coming into the office in the morning and leaving with a smile on their face. That has encouraged a lot of customer support, just in Sungevity and what we’re trying to do.

**Anneke: Tell us about your Friends and Family program.**

Birch: We have a referral program; it’s not rocket science. Basically we can afford, by avoiding certain costs of marketing, to pay a fee to folks who introduce friends — to say thanks for going solar with Sungevity. That means right now you can get \$500 as a referrer and an additional \$500 as a referee. Hopefully, the customers have had a great experience with us, and we want them to introduce us to their friends.

It’s funny, if you go down the street and you see one solar system, you usually see another one. It’s all about awareness and acceptance. Watching our satellite imagery, you go from the sky down the street looking at roofs. It’s amazing how, if you see one, there’s always another two or three nearby, and then you don’t see another one for five miles. That’s the acceptance piece. Only .4% of Californians today have a solar electric system. Those clusters are the first movers, and now that it’s zero cost, it should begin to mainstream, hopefully.

**Anneke: You’re Scottish, and you met Danny while living in Australia. What are your plans for international expansion?**

Birch: The fact is we’re now serving 93% of Californians with this service, and we are going live in Arizona and Colorado in summer 2010. Six months ago, we were serving just the Bay Area. That in itself is a remarkable feat, and it’s not because we did anything special, it’s just that the inside sales model scales geographically, for obvious reasons. That was a real achievement.

We would love to take this service around the world. The US is one of the smaller markets in the world, believe it or not, for solar. Hopefully that will change. Fifty percent of the world’s solar is installed in Germany. Two-thirds of the world market is in Europe. There isn’t a Sungevity in Europe today. Hopefully that will change.