

## Power to the People: The Standby Generator Opportunity

Offering standby generators to your homeowner customers enhances your relationship—not to mention your profits.

### OVERVIEW

Each of your customers is an investment. You spend time and manpower pulling wires and installing TVs, security components, and lighting panels. You know the home and have developed a relationship with its owners. So why enable another integrator to step in and secure the home's power?

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## Generating Interest in Standby Generators

**The homeowners were extremely distressed.** After spending thousands of dollars on networking, security, and a home theater setup, a storm knocked out their power for five days. So not only were they without the use of their computers and other electronics to keep current on the emergency, but they were vulnerable to thieves and needed to scramble to save their food supply. For these homeowners, a standby generator would have alleviated these very real issues. And for the integration company that wired their home and installed their components, that same generator, had they installed it, would have deepened their relationship with a valued customer—not to mention their profits.

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The standby generator market is an opportunity approaching \$1 billion a year, and it's growing by double digits annually. An electrician can easily add a standby generator to your customer's home automation installation—a service *your* company should be offering. Such services open the door to additional revenue, new clients, and valuable partnerships.

### What is a Standby Generator?

Unlike the portable gasoline-powered generators used at campgrounds, in RVs, and on construction sites, a standby generator is a self-contained enclosure installed outside of the home much like a central air conditioning unit. It is wired to the home's electrical system and is powered by propane or natural gas. When the grid goes down, the standby generator energizes the home, providing power for the security system, heating and air conditioning units, home network, appliances, and other electrical systems.

Standby generators work well in both new construction and retrofit applications, and for projects large and small. Add-on services for your company might include an in-home survey to determine the right generator product and its placement to backup the entire home or select which critical systems, electronics, or appliances need to be protected.

### The Market

Businesses, manufacturers, and call centers have been standby power customers for years. Today, however, the typical standby generator customer is *already* your customer. According to the Electric Power Research Institute, about 3.5 million people in the U.S. lose power each week. Another one in three consumers is worried that severe weather will affect their community within the next year. And for these and other reasons, automatic standby generators are becoming a common upgrade, much like central air conditioning was in the 1980s.

"Virtually everyone is interested in installing [a standby generator] in their home," says Tom Oliver, Sr., president and owner of Security Electronics, a Pass Christian, Miss., company that has been in the business since 1990. And despite the fact that price is a concern for many homeowners, says Oliver, standby generators still account for 50 percent of his company's annual business.

And with good reason: Prices have come down and there are more choices than ever. Over the past three years, for example, the cost of a standby generator has dropped 13 percent, making it an attractive, affordable option for homeowners anxious to protect the investments they have made in their homes. So a standby generator shouldn't be considered an add-on; it's a value proposition.

In 2005, Hurricane Katrina brought the concept of whole-house protection to a national level. Homeowners want

to be prepared for unexpected weather, unstable power grids, or even terrorist threats. The average homeowner has also become more dependent on multiple TVs and computers, larger refrigerators, and sophisticated whole-house systems. But it's not just creature comforts at stake; it's also home-based businesses, valuable electronic data, and digital assets that can't be replaced.

### Become an Installer

You are already providing a range of products and services to your customers and likely uninterruptible power supplies (UPS) as a measure of protection. Here's the next logical step: Providing products and services to protect their entire homes. A standby generator shouldn't be considered a luxury item for the homeowner, but an investment. It's also an affordable part of your product offerings. However, there are some important steps to take before adding generators to your product mix:

- Find a reliable supplier of standby generators
- Develop a good working relationship with a licensed electrician
- Learn to pitch standby power to your customers

Homeowners are especially interested in the convenience and trust that develops by working with a single company that provides a full line of home products and services. But they are largely unaware of standby generators. In fact, in a recent survey by the Propane Education & Research Council (PERC), 53 percent of respondents admitted that they know little or nothing about them. Education on these products is just one of the services you can begin to offer. Maintenance programs are another, which provide recurring revenues for your company.

"Generators require maintenance," says Oliver. "We provide service contracts where we go in and check the system out thoroughly at least once a year—sometimes bi-annually."

All consumers want to get the most from their investments—be they for lighting and security systems or media centers or whole-house networks. Building awareness of affordable standby generators and their benefits will build up your business with both new and existing clients. •

## SELLING POINTS

Here are some points to consider when educating your customers about standby generators:

- Food spoilage
- Loss of air conditioning or heating systems
- Loss of computers and phones
- Mold growth
- Inability to use at-home medical devices
- Security system failure
- Damage to photos or other media
- Sitting out the power outage in the dark



## Contact Generac

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