



BUSINESS MODEL CATEGORY	One Stop Shop Model – ICT tool based
TARGET BUILDINGS RENOVATION	Private Single Family Houses built between 1950- and 1990 (mainly deep renovation projects, with investments of about 70000 euros and energy savings of approximately 30-70%).
DESCRIPTION	<p>BetterHome is an innovative business model, developed by four Danish manufacturers of building products and solutions, Danfoss, Grundfos, the ROCKWOOL and VELUX Groups, increasing the renovation rate by developing a better renovation service for the home-owner. The business model is restructuring supply-side services to optimise the owners' experiences and help them overcome their concerns about embarking on a renovation project. BetterHome is an industry-driven one-stop-shop model, which has proven successful in boosting demand for holistic energy renovations in Denmark, since the model was launched in 2014. It was profitable after just three years, with 200 projects in 2016 and is expected to continue its growth. Understanding that renovating a building is a big commitment, this model creates a burden-free experience for the building owner and offers a service that goes beyond replacing building components. BetterHome is partnering with key players in the construction value chain, financial institutions providing mortgages, utility companies with energy saving obligations, local governments, real-estate agencies as well as building professionals and installers, in order to deliver a comprehensive one-stop-shop solution. In this service-oriented model, the home-owner is offered tailor-made solutions based on his/her specific preferences, covering energy improvements on the building envelope and heating, cooling, ventilation and hot water systems inside the building. The process is holistically-planned, optimising the value chain by minimising efficiency losses, miscommunication issues and avoiding lock-in effects through digital instruments (namely a platform). In short, the digital solution creates a leaner process for the installer, enabling a better renovation service for the owner.</p>
SERVICE PROVIDER	Installers (a cutting-edge one-stop-shop solution launched by supply-side actors: Danfoss, Grundfos, the ROCKWOOL and VELUX Groups) enabling a burden-free renovation process, enabled by training and digital tools for the installers.
KEY PARTNERS IN THE SUPPLY CHAIN	Installers (In Denmark it was created a network of 3500 installers, from 105 organisations), five banks and mortgage providers and four utilities.
COST AND REVENUES	The financial model of BetterHome is very simple: there are no payments between BetterHome and the installers or the building owners. BetterHome receives its whole budget from Danfoss, Grundfos, the ROCKWOOL and VELUX Groups, who, in return, retrieve indirect sale revenues. While BetterHome and its owners have an incentive to increase the sale revenues of their products, the installers are not obliged to exclusively sell these brands. In the end, the renovation contract is only between the building owner and the installer. The banks play an important role in making the renovation project a reality. The home-owner discusses the intention to renovate their house with their usual bank. The bank screens together with them their financial capabilities and refers them to BetterHome, since they trust the quality and process of the model. The bank continues to follow the journey of the clients to assist them with additional financial guidance and support.



Unlike most one-stop-shops, the first inspection of the building, by an installer, is free of charge even if the project does not materialize. This enables a better first meeting, where the discussion can move beyond the focus on costs.

CONTACTS

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SWOT Analysis

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| <p>S</p> <ul style="list-style-type: none"> • The success of this BM relies on the fact that it is a home-owner-centric business model where the installers have an advanced service-oriented role. BetterHome trains and guides the installers on how to approach the home-owner, from the first contact to the finalisation of the process. • Creation of supportive and innovative digital tools, enabling and simplifying the renovation process for the installer and for the home-owners. An online application helps minimise the extra work for the installer. Every step is clearly outlined, from the first contact with the home-owner to the finalization of the project. The installer fills in simple checklists on the state of the building, information fed into the online application to calculate energy savings and indoor air improvement depending on different packages of measures. Furthermore, the installer can easily extract a renovation proposal for the building owner based on the information gathered. From a product-centred approach to a service-oriented approach, where digital solutions are central. • BetterHome's key communication does not focus on energy renovation, but on comfort renovation, since energy efficiency in most cases will bring more comfort. | <p>W</p> <ul style="list-style-type: none"> • The energy audit report is not very detailed and comprehensive. • Often tax deduction is used for non-energy related measures such as improving kitchen, bathrooms, painting, a new or improved balcony, or house cleaning. The level of subsidy or tax deduction could increase with increased level of energy efficiency renovation. |
| <p>O</p> <ul style="list-style-type: none"> • In Denmark the policy that the buildings will be fossil fuel free by 2035, including electricity supply to be based on renewable resources, led the Danish Construction Association to recommend one-stop-shop service to its members to offer full service holistic energy efficiency renovation of single family houses (Dansk byggeri, 2012). • Energy audit report or energy performance certificate* is mandatory in Denmark when a house is sold and is done by certified energy auditors. • There are tax deductions for labour cost for home renovation and other household work. • In Denmark, quality assurance is heavily regulated, including guarantees for the building owners. In Denmark, the four companies behind BetterHome are highly respected and associated with quality. Through the cooperation in BetterHome, the companies have worked together to also raise the reputation of the installers. | <p>T</p> <ul style="list-style-type: none"> • The available financial subsidy scheme for energy renovations in Denmark is modest and rarely decisive for the building owners' decision to invest. In countries with substantial public support schemes for energy renovations, this can be incorporated into the business model. |

