How to become a smart home installer

The tide is changing. The term 'smart home' can be heard more and more frequently and this is not just by people working within the electrotechnical industry. This shift is the result of consumers being confronted with products to turn their home into a smart home from all angles. There is a whole host of smart gadgets available for the house – smart thermostats, smart lights, smart TVs, smart kettles… the list goes on. We invited Philipp Schuster, MD of Loxone UK, to explain the route to becoming a smart home installer.

In the last five years the visibility and awareness of smart technology has increased dramatically but, unfortunately, the vast amount of information that is now flooding the Internet has not necessarily lead to a better understanding of what a smart home actually is. There are still many misconceptions, doubts, and even fears, about the benefits of smart technology. In this article, I aim to provide some clarity and explain how electricians and electrical contractors are perfectly placed to step into this emerging market to grow their business by offering smart home services.

What is a smart home?

Before we get stuck into why you should look at becoming a smart home installer, what customers want and what steps you ought to take, it's best to create a common understanding about what a smart home actually is and what all these devices that carry the word 'smart' actually do.

The Oxford dictionary defines a smart home as a *"home equipped with lighting, heating, and electronic devices that can be controlled remotely by smartphone or computer."*

It's no wonder that such a loose definition leads to confusion and doubt about whether a smart home is really of benefit. For the purpose of this article I prefer to define a smart home as a *home where tasks that a homeowner usually carries out manually are taken care of automatically through the intelligent use of technology.* Think of autopilot mode in an airplane: it assists the pilot by taking care of many menial tasks automatically. We believe that a smart home should be the same, improving the quality of life for the homeowner without much interaction required.

Hype and hot air, or a real opportunity?

There's clearly a lot of hype around the term 'smart home'. Apparently the UK smart home market is worth just under £1 billion per year and there are only 1,250 integrators in the UK. Doing the maths, we can see that this is equivalent to £800,000 per integrator. Well, sign me up! Or, maybe not… it seems that no one can agree on the actual value of the smart home market, or on how the overall market valuations can be broken down to the potential earnings for a smart home installer.

Smart Home market value forecasts

£13-billion[1]
£48-billion[2]
£120-billion[3]

2020

Depending on which report you read, the global market is forecast to be worth anywhere between £13 billion[1], £48 billion[2] or £120-billion[3] by 2020, but this doesn't really matter. Whilst the likes of Ernst & Young and Frost & Sullivan also come up with different results and predictions, one thing is clear: the smart home market is still in its infancy and is growing rapidly. If you're an electrical contractor and want to grow your business then this is your best chance.

An all important question remains: "how do I get started?" To answer this, let's leave the financial forecasts and obscenely large sums of money behind and have a look at what consumer surveys reveal.

What do homeowners want?

To set yourself up as a smart home installer and to be successful you don't just need the technical skills, but also to know what your customers actually want. It's no good specialising in installing smart fridges that order the milk if nobody wants them, and believe us, they don't![4]

Sacrifice a feature
for smart home automation

71%

17%   33%   43%
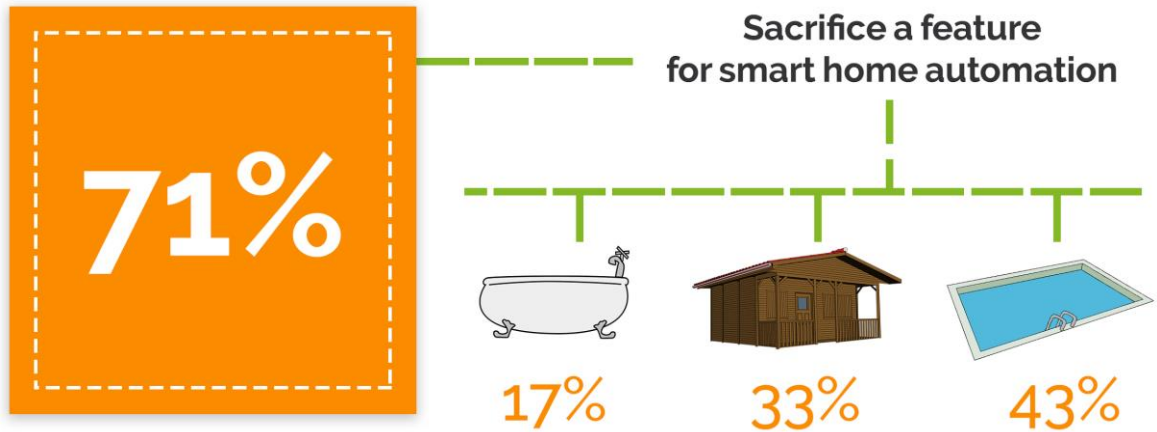
Loxone UK Consumer Research

Recent consumer research conducted by Loxone revealed that 71 % of homeowners would sacrifice another feature in their home - such as a second bathroom or summer house - for smart home automation[5]. The Barclays Digital Homes Report determined that heating, lighting and security are the top three key growth areas for the so-called digital homes market.

Key Areas For Growth
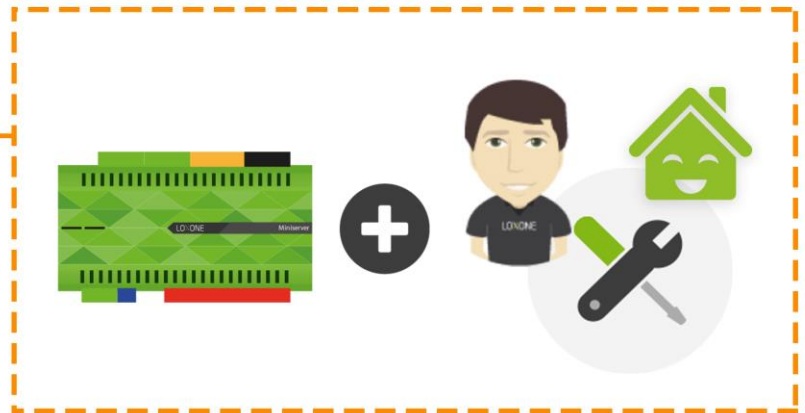

Lighting   Heating   Security

Barclays Digital Homes Report

A surprising result – given all the smart home gadgets that are targeted directly at the consumer and the DIY market – is that the report also revealed that 66 % of homeowners are looking for a professionally installed system. So, it's time to get started!

Barclays Digital Homes Report

How can I get involved?

Now that you know why you should become a smart home installer and what the British public desires to have in their homes, let's take a look at how you can set your business on course to ride the wave.

Build on your existing skills

Firstly, don't be scared of something new or of not knowing all the answers. Smart homes are still new to most people and there are very few companies that already have all the skills required to jump straight into this market. Creating a smart home requires various skills and as you can see from the following pie chart, there are many elements that contribute equally to a feature-rich, holistic smart home.

Elements of a holistic smart home
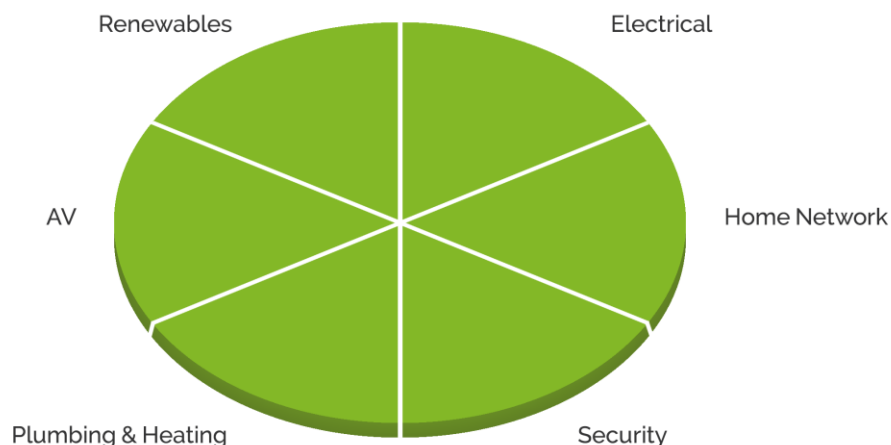
Most companies that are becoming smart home installers come from one of these areas and are now branching out of their original area of expertise to offer smart home solutions that incorporate several of the above elements. This doesn't mean that a company that used to install burglar alarms will now, as part of their smart home offering, start to install the plumbing for a heating system. You have to imagine the smart home solution to be more like a layer that sits on top of all the different areas. You can let the plumber do the pipework and commission the heating system, and only take control over the system once the plumbing is done.

As an electrician or electrical contractor, you are in the perfect position to do so, since you already have a sound understanding of the electrics in many of the areas shown on the pie chart. You can build on this foundation to learn new skills and expand those aspects of a smart home you offer as you go along. You don't need to know everything at once and you don't need to be an expert at everything. Which leads us to the second point …

Start small – finish big

Don't bite off more than you can chew. Over-promising and then not being able to deliver is never good for business. If you're newly getting into smart homes then start with what you know. If you are familiar with small electrics, then maybe start out by offering smart lighting systems, but initially refrain from offering full AV streaming and multi-room audio, since these require advanced networking skills. Setting clear expectations with a customer and being able to meet or exceed these will set you on the right path. Since this is still a very small industry it is important to make a good name for yourself and instil confidence in your clients. This will lead to more business and larger installations with more smart home features. At the same time, your own skills and confidence will continue to grow.

Educate yourself and pick your tools

As mentioned right at the start of this article, this industry is growing – and so is the amount of information and products out there. When starting out, this can be very overwhelming since every solution promises to be 'THE' best thing ever. You cannot possibly know how to install every single system and it is thus important to pick which one(s) you want to work with and become an expert in them. To help you sift through the options, first decide which area of smart home automation you want to get started with. Is it lighting, heating or security, etc.?

Next decide if this is all you ever want to do, or if – rather than looking at a dedicated solution for one aspect of smart homes – you prefer a solution that will grow with you and covers multiple aspects of a smart home. This should narrow down your list of possible manufacturers and products. Then consider contacting the manufacturer to find out about their support for installers and the training that they offer. If a manufacturer does not offer the chance for you to see their products, or doesn't provide technical support, a clear installers' program or training, then we would advise to stay well clear of them since you will be left on your own when installing their products.

Keep up to date with the industry – advise your client

There are many off-the-shelf or DIY smart home products out there and it's these products that are fuelling the industry. Companies like Google and Amazon and even British Gas are investing huge sums in advertising to make sure that homeowners hear about their brands. It is their products (Hive, Nest, Echo, etc.) that have probably sparked your client's interest and they'll likely look to you for answers. It is therefore important that, even if you do not install these products, you ensure that you are well informed about them, so that you can advise your clients appropriately.

Urging your clients to keep an open mind about these trendy products and explaining the limited functionality or lack of integration in contrast with a professional system will put you in good stead, likely resulting in larger jobs for your company.

Following this information and pieces of advice will help you make a successful start as a smart home installer and make the most of the opportunities in a growing market.

Sources:

[1] www.channelbiz.co.uk/2016/10/04/smart-home-products-market-worth-16-2bn/
[2] www.ironpaper.com/webintel/articles/smart-home-market-size-trends-projections/
[3] www.pwc.co.uk/industries/power-utilities/insights/energy2020/connected-home.html
[4] The Barclays *Digital Homes Report* smart fridges is the technology homeowners would least likely be tempted by to spend extra money on a property (at 4% of those surveyed).
[5] Loxone Consumer Research May 2016 - www.loxone.com/enen/71-percentage-of-brits-would-make-sacrifices-for-a-smart-home/
[6] Barclays Digital Homes Report - www.barclays.co.uk/journal/digital-homes/

About the author

Philipp is the founding MD of Loxone UK. He holds a first class degree in MEng Electronic Engineering and Cybernetics and has proven his talents for project management, embedded systems and control engineering. He is a member of CEDIA, the Institute of Electrical and Electronics Engineers (IEEE) and the Institution of Engineering & Technology (IET).

If you would like to find out more about the Loxone Smart Home solution, as well as the Partner Program, in-house training and UK-based technical support offered by Loxone then please contact 01183 130 140 or visit loxone.com/become-partner

Loxone is a leading manufacturer of a holistic smart home solution for lighting, heating, security and more. The company is changing the way people live in their homes for the better through an international network of installation partners.

Do you work with smart applications?

The IET is considering undertaking work in this area and we would be interested to hear from you.