



Sales and Project Development Guide

BAS R'newal™



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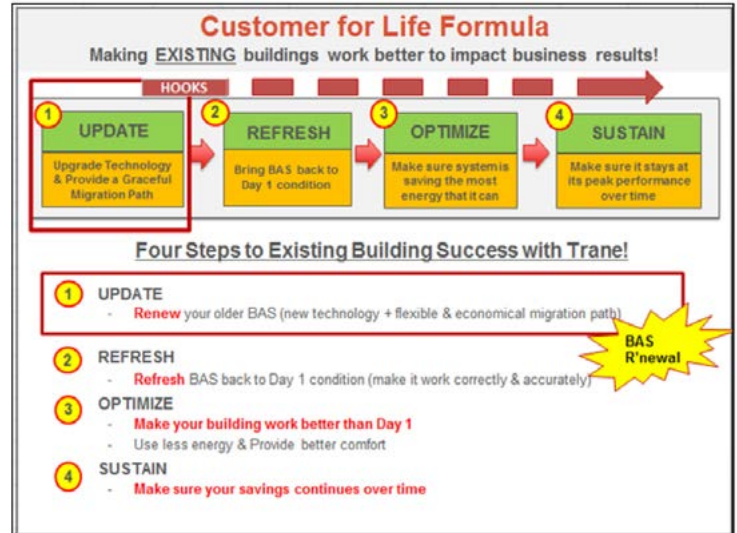
BAS R'newal™ and Customers for Life

The Customer for Life Formula is an internal process & map that is being used with our Distribution to help them think about & grow their Existing Building business. BAS R'newal has been developed to provide a high value offer that is service-based and provides an easy message for our direct & controls account managers to approach customers and demonstrate the value that Trane can bring to customers with an aging BAS system and gets them started on the Customer for Life journey with their customer.

We want to “start small” and focus on the “brain” of the building (BAS), demonstrate & prove our value, and grow our status as a trusted advisor to own the customer for life!

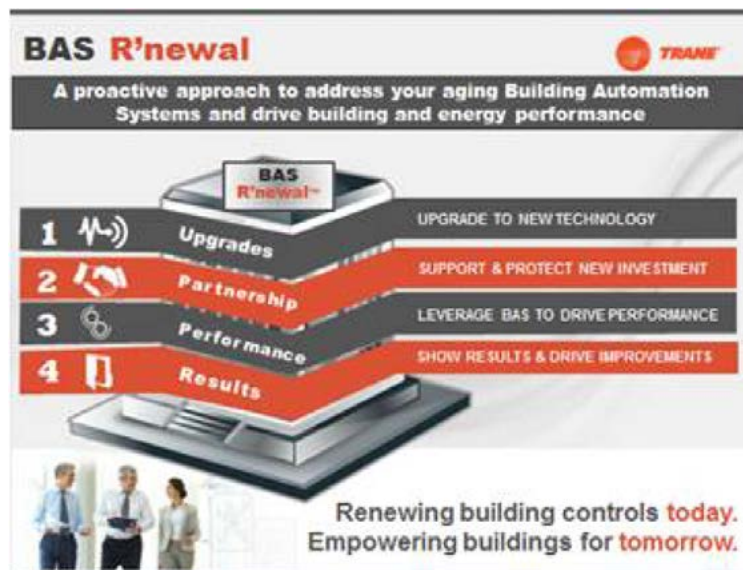
The BAS R'newal offer will provide an easy way for our Distribution to do just that. BAS R'newal is comprehensive service-based offering that leads with the controls upgrade value and leverages our new products' automatic link to our Intelligent Services platform to build a value-based service link that will help our offices move to the right in the Customer for Life formula.

BAS R'newal provides the initial value to begin the conversation with the customer, provides a “small step” initial project with benefits that allows us to easily “prove our value” and also provides the “hooks” necessary to begin the journey to the right to make sure our customer's BAS is working correctly & accurately (REFRESH) and starts to move us into the full building opportunity by helping to start discussions around building performance & energy services (OPTIMIZE & SUSTAIN).



BAS R'newal Value

The BAS Offer from a customer perspective should be sold using the four value areas as shown below:



Upgrades - It all starts with a system upgrade that leverages our Tracer Communication Bridges to keep your customer's existing unit controllers in place while still allowing them to upgrade to the latest and greatest system control and user interface technology.

This is a refreshing alternative that can be up to 4X less expensive than a "rip & replace" solution that may have been offered by Trane or a competitor in the past.

The upgrade will provide your customer's staff with new BAS technology (Tracer SC) that encompasses a web interface that enables mobility and ease of use like intuitive dashboards that focus attention on specific operating or energy related performance and a free mobile app allows you to operate building systems from virtually anywhere with a tablet or smart phone; open platforms offer flexibility now and into the future; automatic connectivity to Trane's Intelligent Services platform and wireless communication technology that is built-in and provides the flexibility and cost effective solution for the rest of your aging unit controllers.

With Trane's Tracer controls, you get our 100 years of HVAC and 35 years of controls experience embedded into our applications so that you can be assured that your systems are meet your operating specifications in an optimized approach.

Partnership - Trane will be your on-site partner to make sure your staff is successful & productive with your new product's features & functionality.

We offer a 2-year extended warranty on the Tracer SC hardware and provide ON-SITE user training with our skilled BAS Technicians as well as on-going COACHING sessions to keep everyone confident in their use of all-powerful capabilities of the new Tracer system.

We also provide two years of software maintenance on your new Tracer controls system to make sure that it is working its best and your staff has access to the latest and greatest features and capabilities.

Finally, we want to help you be prepared and proactive about how to deal with your remaining older unit controllers throughout your building or buildings. To do this we provide a BAS Migration Plan, which is a detailed audit of your existing controllers and recommendations for what to do if one should fail during this program as well as the best way to proactively budget and replace the unit controllers in the building.

Performance - Trane will help you utilize your new investment to drive improved performance!

BAS R'newal not only provides the upgrade to the new technology and the protection and support of your new investment, we also help you leverage your new system to get the most out of it and drive improved performance both in operations & comfort, but also in energy use & savings.

During our two year* partnership, Trane will analyze how your control system and HVAC systems are operating and fix the problems that are core to your control system as well as identify additional opportunities to improve even further. We will do this by reviewing the configuration and programming and operation of your BAS as well as using our Intelligent Services connection to do a seasonal (2x/year) review of the data we were able to continuously monitor and apply our advance building analytics against.

Also, we will start to address your buildings energy use and provide a comparison of how your building is doing against other similar types of buildings in your area. Additionally, if you have 15 min interval meter data available, we can provide an even deeper level of energy analysis that will help us identify many more energy savings opportunities. (We can also add a sub-meter to help do this if you are interested).

Partnering with Trane and using the BAS R'newal program will provide an easy to use BAS, comfortable occupants, sustained performance over time and make your building, a true STRATEGIC ASSET to your business.

Results - As a trusted advisor, Trane delivers the BAS R'newal Performance Report to proactively partner and communicate results!

Finally, BAS R'newal provides you with the results you can see and communicate within your department or across your organization. Trane will provide a BAS R'newal.

Performance Report at least once a year to demonstrate and document the benefits you have received from the BAS R'newal program. The report will also include additional opportunities that were identified that can provide additional benefits and savings. Our account managers will work with you as their trusted advisor to proactively partner and help you make the most of your new control system!

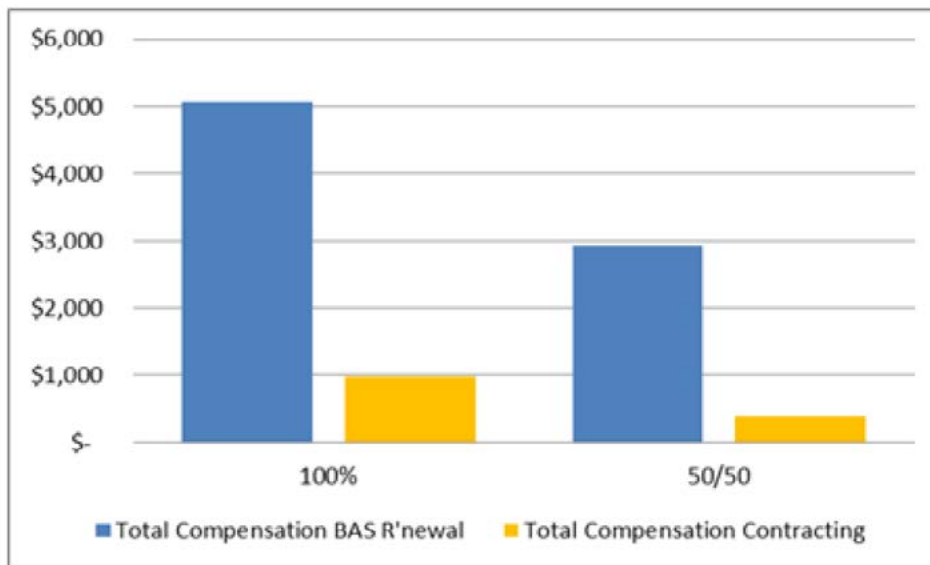
What is the Customer Buying from Me?

BAS R'newal –is a multi-year partnership with Trane that provides a proactive approach to upgrade, support and drive performance of their Building Automation System. Purchasing a BAS R'newal from Trane means that your customer will get an upgraded system that is easy to use, open, protected & refreshed to provide them with peace of mind they are getting the absolute most from their new investment. Additionally, we truly want to be their trusted advisor, and as such, we will also continuously analyze their building during our partnership and provide annual written recommendations for how to take advantage of additional opportunities to save energy and costs.

Advantages of Selling a BAS R'newal

We understand that selling a BAS R'newal is more complex than a basic Controls Upgrade contracting project, however, the rewards for selling a BAS R'newal will yield (depending on your commission structure) 3X to 13X more compensation over a Controls Contracting only project.

Controls Upgrade Project ONLY	BAS R'newal
Booked in Contracting	Booked in Service
Commission paid on: • Controls Contracting Project	Commission paid on: • Controls Upgrade Project (Quoted Job) • BAS Scheduled Service Agreement (2 year)
	Sales SPIFF (\$1500)
	C4L Pull-Thru (\$1 for every \$1 Service)

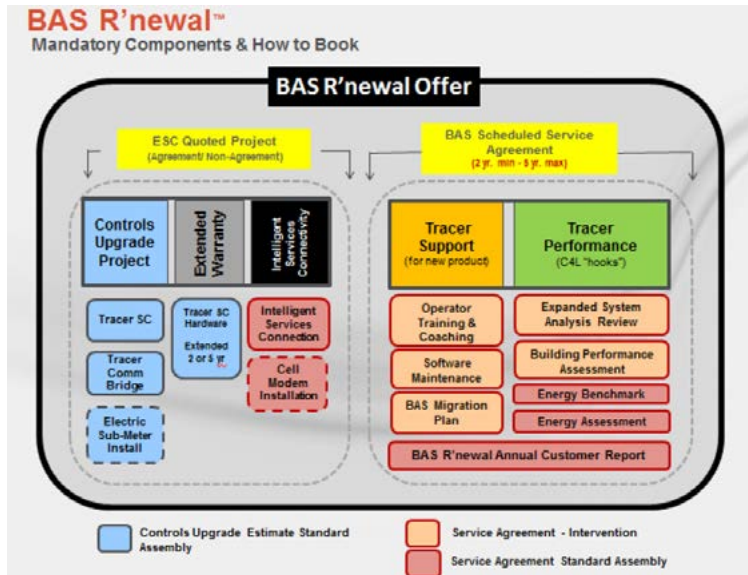


NOTE: In order to get the new Sales Incentive & Customer Discounts, you will need to sell the full BAS R'newal will all scope, interventions & standard assemblies as explained in the previous BAS R'newal Offer Definition section.

BAS R'newal Offer Definition

The BAS R'newal is a comprehensive offer that must be sold with TWO parts:

- A. Controls Upgrade project; and
- B. BAS Scheduled Service Agreement with the mandatory Interventions & Standard Assemblies. (This is a minimum 2 YR Service Agreement)



The items that need to be included in your BAS R'newal proposal to your customer:

- a. Tracer SC upgrade
- b. Tracer SC Hardware Extended Warranty
- c. TIS connection and BAS R'newal setup (Note: use Cell Modem (“for warranty purposes”, if there are customer IT barriers)
- d. On-site new product training & coaching sessions
- e. Tracer SC software upgrade – performed annual
- f. Migration Planning
- g. Tracer SC Extended System Analysis & Review
- h. HVAC & BAS Assessment – performed seasonally (2x/year)
- i. Energy Benchmark (Trane Energy Analyzer report - \$/SF & Energy Use/SF vs. peer building – provide baseline, annual updates)
- j. Energy Assessment (optional, if data is available, using Trane Energy Optics- provide baseline, annual updates)
- k. BAS R'newal Customer Report – performed annually

Items a) – c) is sold as ESC Quoted Job in Service

Items d) – j) are included in annual scope in a 2 year (min) BAS Scheduled Service Agreement.

BAS R'newal Program Schedule

This is how your BAS R'newal work should be estimated and scheduled for the BAS Scheduled Service Agreement component of the BAS R'newal offer.

(* denotes Agreement Quarter)

	Installation Period	Q1*	Q2*	Q3*	Q4*
YEAR 1	<ul style="list-style-type: none"> Install new Trane Tracer SC building controller and components Connect to Trane intelligent services continuous monitoring & analytics platform 	<ul style="list-style-type: none"> On-Site End User Training on new Tracer SC Tracer Ops Review & Correction Initial Energy Check 	<ul style="list-style-type: none"> Building Performance Assessment Migration Plan & Review 	<ul style="list-style-type: none"> On-Site User Coaching session 	<ul style="list-style-type: none"> Building Performance Assessment Annual Energy Check BAS R'newal Performance Report & Review
YEAR 2		<ul style="list-style-type: none"> On-Site End User Training on new Tracer SC. Tracer Ops Review & Correction Tracer SC SW Update 	<ul style="list-style-type: none"> Building Performance Assessment 	<ul style="list-style-type: none"> On-Site User Coaching session 	<ul style="list-style-type: none"> Building Performance Assessment Annual Energy Check BAS R'newal Performance Report & Customer Review

ESC Quoted Work

BAS Scheduled Service Agreement

Estimating a BAS R'newal

You will create two estimates as part of your BAS R'newal proposal; both are created on the SERVICE side of Estimator. The first one will contain the scope of work for the Controls Upgrade project and the second one will contain the scope of work for the Service Agreement.

BAS R'newal = Controls Upgrade Project + BAS Scheduled Service Agreement

Estimate 1: Controls Upgrade Project

Includes the work associated with upgrading the Comm3/4 or JCI N2 or LON unit controllers systems to the new Tracer SC building controller. There are Standard Assemblies created to support this work. Please refer to the DOT Method Sheet for BAS R'newal Estimating for a step-by-step process for estimating the Controls Upgrade portion of the BAS R'newal.

In addition to the upgrade scope, this estimate should also include the Standard Assembly for connecting the Tracer SC to the Intelligent Services platform. Connecting your customer's new Tracer SC is valuable for three reasons: (1) it provides a connection in which to remotely service the Tracer SC; (2) it is required to support the Building Performance analytics that will be used identify additional opportunities to bring to your customer to drive system and building performance; and (3) it positions you to sell additional performance-based intelligent services to your customer (customer 4 life).

Estimate 2: BAS Scheduled Service Agreement

The BAS Scheduled Service Agreement is value-based and meant to achieve two benefits: (1) support the customer's new investment in Tracer SC and (2) leverage the new system to identify new opportunities and drive additional business with an existing customer already under contract with Trane (Customer 4 Life). (INSPECTION vs. PERFORMANCE & MINING).

The BAS Scheduled Service agreement must include the following MANDATORY service interventions in support of a BAS R'newal proposal:

INTERVENTION	DESCRIPTION	HRS (Minimum)	FREQUENCY
BAS_1201_OT	Tracer SC Introductory On-Site Training	4 hrs.	Annual (usually following update)
BAS_1201_OC	On-site Operator Coaching sessions	2 hrs.	Annual
BAS_1201_SU	Tracer SC Software Upgrade	2 hrs.	Annual
BAS_1311_MP	New – BAS Migration Planning Support	3 hrs. (Small <60 devices) 4 hrs. (Med 61-120 devices) 5 hrs. (Large >120 devices)	1st year only
BAS_1011_ESAR	New – Extended SAR to support BAS R'newal	6 hrs. (Small <60 devices) 8 hrs. (Med 61-120 devices) 10 hrs. (Large >120 devices)	Annual
BAS_1551_TIS	New – BP Assessment for BAS R'newal	4 hrs. (Small <60 devices) 6 hrs. (Med 61-120 devices) 8 hrs. (Large >120 devices)	2X/year (seasonal)
Std. Labor	New - Energy Benchmarking (TEA)	2 hrs. (baseline) - 1 hr. (annual update)	1x –establish baseline Annual for updates
Std. Assembly	New – Energy Assessment (TEO) – optional	2 hrs. (baseline) - 2 hrs. (annual update)	1x –establish baseline Annual for updates

Example Pricing for BAS R'newal

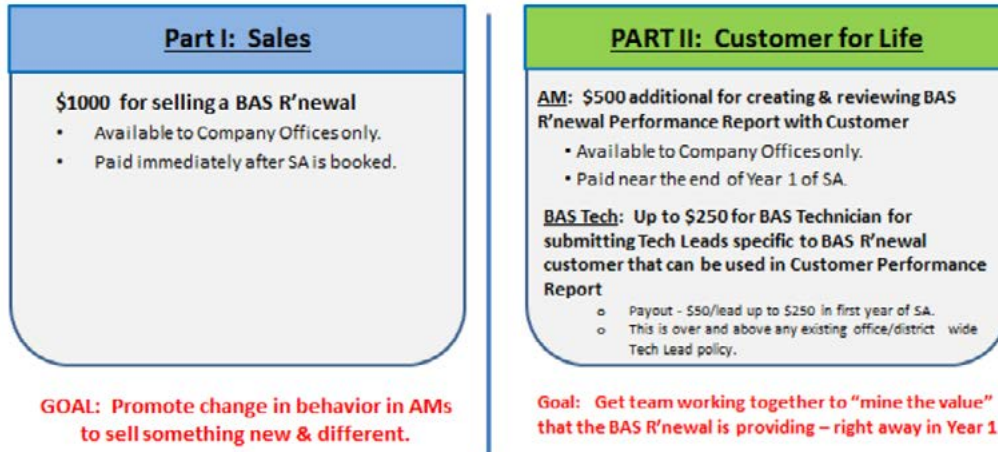
Assumptions:

- Medium Sized Building (61-120 devices)
- 2-4 RTUs + 100 VAVs
- Labor Rate = \$100/hr (BAS Tech + Energy Engineer)
- Energy Assessment – not included

	Mat'l Cost	Labor Hours	Labor Cost (\$100/hr)	Total Cost	
Controls Upgrade Project (2-4 RTU&100 VAVs)	\$ 7,500	16	\$ 1,600	\$ 9,100	One-Time Charge
IS Connection		2	\$ 200	\$ 200	
Extended Warranty (HW)	\$100	2	\$ 200	\$ 300	
Sub-Total	\$ 7,600	20	\$ 2,000	\$ 9,600	
Project Price Margin (45%) or 1.82 MU	\$ 7,600	20	\$ 2,000	\$17,500	
Tracer Support		12	\$ 1,200	\$ 1,200	Annual Charge
Tracer Performance	\$ 900	18	\$ 1,800	\$ 2,700	
Sub-Total	\$ 900	30	\$ 3,000	\$ 3,900	
SA Price (Year 1) Margin (45%) or 1.82 MU	\$ 900	30		\$ 7,000	Annual Charge
SA Price (Year 2) Margin (45%) or 1.82 MU	\$ 900	30		\$ 7,000	Annual Charge
BAS R'newal PRICE (2-yr program)				\$31,500	

Sales Incentive:

The BAS R'newal Sales Incentive Program has two parts: one to encourage Account Managers to sell BAS R'newal over a basic Controls Upgrade Project and the second to reward Account Manager and Tech for using the Service Agreement to drive results with the customer and promote future business opportunities.



How to Receive Sales Incentives:

Account Manager must fill out BAR R'newal SPIFF FORM - Part I & Part II and send it to Shawn Dunsmoor for approval & HR Payroll processing.

SPIFF Form requirements:

- BAS R'newal Proposal – signed by customer (must have all mandatory service components)
- BAS R'newal Sales Incentive & Customer Discount Form

SPIFF payments will be processed with HR Payroll each month. Please allow 30-60 days for processing. The SPIFF payment will appear on your Paycheck

Customer Discounts:

To get the Customer Discount, you must sell BAS R'newal with the above components included. \$1000 for project with SC & Comm3-4 bridge and \$500 for project with SC and JCI N2 Bridge, SC with LON or rip/replace.

How to Receive Customer Discounts:

Included on the same form as the SPIFF, please provide the following additional information to receive a Customer Discount in the form of a Controls Product SPA.

- Sales Order #
- Controls BOM with Part Numbers and Quantities identified.

Once we have received the following information, Controls Pricing Administrator will issue an SPA.

Why Will Customers Buy From Trane?

There are three main drivers that will motivate customers to listen to your BAS R'newal offer:

New Technology/Capabilities

It all starts with a system upgrade that leverages our Tracer Communication Bridges to keep your existing unit controllers in place while still allowing you to upgrade to the latest and greatest system control and user interface technology. Your customer's staff will enjoy using a web interface that enables mobility and ease of use. With Trane's Tracer controls, their will get our 100 years of HVAC and 35 years of controls experience embedded into our applications so that you can be assured that your systems are meet your operating specifications in an optimized approach. Finally Tracer controls have been developed to connect to our Intelligent Services platform to provide added value and continuous monitoring & analysis, when needed.

Intuitive Dashboards are used in our systems to focus attention on specific operating or energy related performance. Open platforms offer flexibility now and into the future. Wireless communication technology is built in and provides the flexibility and cost effective solution for the rest of your unit controllers Migration Plan. A free mobile app allows you to operate building systems from virtually anywhere with a tablet or smart phone.

Risk Management

Customers are afraid of their old stuff failing and it having a negative impact on their occupants and also costing a lot of \$\$\$. Most of the components of your older systems are obsolete and if is very hard to find replacement parts and if we do, they will be very expensive.

Replacement parts no longer produced for many older panel types		
Panel Type	Production Phase-out Date	Replacement Parts No Longer Produced
Tracer 100/L/I	March 21, 2000	April 1, 2007
BMTS BCU	March 31, 2000	April 1, 2007
PCM	December 31, 2004	January 1, 2012
UPCM	December 31, 2006	January 1, 2014
BMTW BCU	April 17, 2008	May 2, 2015

Achieve Energy Savings

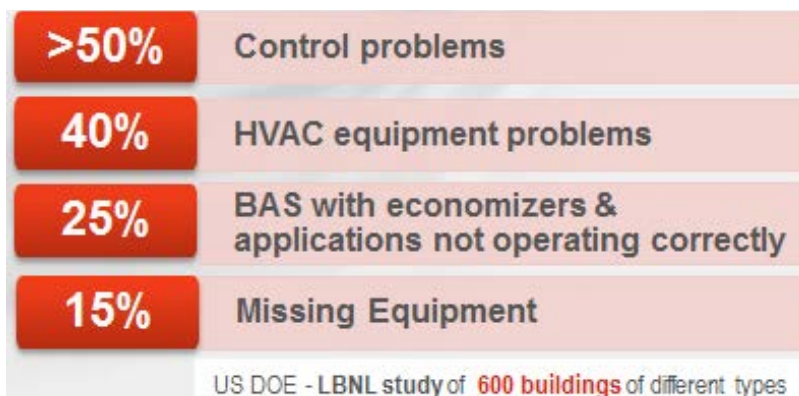
Customer worry about the cost of operating their building, especially around energy – lowering energy costs via fixing your old/broken control system.



Looking at a building efficiency continuum - when your building was new, it was commissioned and hopefully running it's best. Then over time, things happen in your building, operators make permanent changes that may not always result in efficient operations.

 Changes in use of Facility	 Sensor recalibration NOT performed	 Alarms NOT set up to support staff
 Schedule Overrides that don't get Reset	 Deferred maintenance	 Set-points that get permanently changed

The US Dept. of Energy conducted a study of over 600 existing buildings to see how much their buildings had problems and loss of efficiency. As you can see, the majority of the issues they found related directly to the how the HVAC and Control systems are operating & being operated.



Targeting and Qualification

Customers that are good targets for the BAS R'newal

1. Have the Right Type of System:

a. Tracer 100

- Tracer 100 single boards, sold from 1987 to 2000 (over 10,000 shipped)
- Tracer L (EMTF)
- Tracer 100i (EMTI)
- Tracer Chiller Plant Manager (EMTH)
- Tracer Monitor (EMTG)
- Tracer 100 – Card Cage (EMTB)

b. Legacy Tracker system & software

c. Legacy Tracer Summit hardware

- Model BMTS Building Control Unit (BCU) sold from 1992 – 2000 (over 10,000 shipped)
- Model BMTW BCU sold from 2000 – present (over 20,000 shipped)
- Model BMTX sold form September 2004 – present (30,000 shipped)

d. Legacy Johnson Controls hardware qualifying for this program:

- Metasys® N2 devices (late 1980's to current)–N2 Open, System-91, VMA, Facility Explorer and third-party Metasys-compatible devices

2. Are Good Customers:

- a. Existing Trane Service Customers (up for Renewal or Past Due is best)
- b. Existing relationship with Trane (equipment or contracting)

3. Have pain:

- a. Have looked into how to deal with their old system and have only found a “rip & replace” solution that often times can cost 3-4X more than our Trane Communication Bridge based solution.
- b. Have had a recent system or device failure due to aging system that resulted in downtime and/or occupant dissatisfaction.
- c. Have a strong desire to lower energy costs and look at how their BAS can help achieve that savings.

Why Trane?

Trane's solution involves our recent new product the Tracer Communications Bridge, which allows customers to leave their older unit controllers in place until they have additional budget to replace, while still getting the benefits that new BAS web-based technology brings using the Trane Tracer SC. Trane Tracer Communication Bridges (Comm3-4 and JCI N2) contain our

"Trane Advantage" in that the Tracer SC doesn't see a "bag of points" like they would with a Niagara-based system, but rather our Comm Bridges provide real HVAC units to the Tracer SC (for example: VAV box, AHU, RTU, etc.). This saves time and provides a more robust controls solution for the customer.

Most of our competitors either propose a "rip & replace" solution or they utilize a Niagara-based controller to tie to the legacy controllers. A Niagara-based controller will only see the "bag of points" from a legacy unit controller which means that the Technician will need to do lots of programming to "make it look like a RTU". Depending on how skilled the Technician is, this can result in poor control of the equipment and system and be very different from building to building.

Preparing For Your Sales Call

1. Use Heritage System to find legacy customers

2. Sanitize the customer data with any current information

- Recently upgraded controls, or lost to competition, etc.
- Service agreements in place (use SA up for Renewal and Past Due reports in Tableau)
- Recent Tech Leads submitted ("customer's old controls are close to failing or not working well...")

3. Work with District Marketing Leader to utilize email blast to create awareness with Target customers.

4. Prepare for Sales Call

- Knowledge Kit
- In the Box

5. Schedule 1st call meetings with each qualified customers.

- Use Customer Presentation, Video, Brochure, Infographic

6. Schedule 2nd meeting to go over results and how the BAS R'Newal program can help.

- Use Controls Upgrade presentation & product demos

7. Put project scope & estimate together

- Utilize controls estimator or controls sales specialist to support

8. Finalize proposal strategy

- Phasing, agreement length, financial structure, incentives

9. Propose/Close

- Use Lynx Document Generator Template

Going back to a Customer We've Lost Contact With

1. Use email template and follow up to get first call.
2. Provide some upfront value to get the customer's attention and provide credibility:
 - a. Migration Planning "audit" – what do they have and what is the risk/benefit to upgrading.
 - b. Use Trane Energy Analyzer – review customer's energy use and cost per square foot and compare it against a peer building to show that there is room for improvement and create motivation to talk more about how BAS R'newal can help with that improvement.
 - c. Use Trane Energy Optics run – if there is 15 min interval data available – are there obvious issues that an upgraded & tuned up BAS can help with?

Sales Message to Customer

So, the sales message/approach would sound something like this...

1. Your BAS technology is old and not supporting your business objectives.
 - A. New BAS technology will make your staff more productive & effective.
 - B. New BAS will relieve your risk from failure and obsolete parts and business downtime, uncomfortable customers.
 - C. New BAS will help you manage energy costs & comfort.
2. HVAC is a major contributor to your operations budget.
3. BAS helps you to manage your HVAC costs & comfort.
4. Over time your BAS loses its original effectiveness.
5. Trane can help you bring your BAS back to its original form.
6. To do this, Trane offers **BAS R'newal**.
7. **BAS R'newal** provides value because it:
 - A. Brings you new technology and tools to make your staff more productive.
 - B. Provides a graceful migration path to move from an older BAS to a new and refreshed BAS.
 - C. Keeps your new BAS up to date and your staff prepared to use it effectively. (This is the service part that needs to be included at the beginning.)
 - D. Helps you take advantage of your new investment to drive even more performance.
8. BAS R'newal is part of our **Trane Building Advantage** program for making EXISTING buildings work better to impact business results!
9. **Trane Building Advantage** Program is three step program that:
 - A. First addresses your current BAS and makes sure that it is working its best.
 - B. Secondly, identifies opportunities to make it even better!
 - C. Lastly, provides continuous monitoring and analysis to make sure it stays at its new state over time.

Learn more at trane.com



Trane – by Trane Technologies (NYSE: TT), a global climate innovator – creates comfortable, energy efficient indoor environments through a broad portfolio of heating, ventilating and air conditioning systems and controls, services, parts and supply. For more information, please visit trane.com or tranetechnologies.com.

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