## FROM THE PUBLISHER



## Raindrops

An odd thing happened during our country's subprime boom days—U.S. domination and the lack of global competition caused the American spirit of entrepreneurship and innovation to falter. The fatter we got on borrowed assets and unsecured loans, the more we allowed our systems like education and health care to deteriorate. Our lack of innovation meant that we were no longer producing real wealth and value. We depended on foreign money and energy to preserve our standard of living.

When the bottom fell out at the onset of the Great Recession, we realized that we had lost too much of our fundamental economic value to do a quick turnaround like we did when the Internet bubble burst. In one swift shift of the market, we were confronted with the devastating fact that our greatest industries, namely automotive and finance, had become lazy at best and insatiably greedy at worst. We had lost our edge.

The building industry was not impervious to the lackadaisical abandonment of innovation. Some builders and developers fell prey to the siren song of lowest up-front price, at a tremendous cost to improvement, entrepreneurship, and the environment. And many product manufacturers lacked true incentive to innovate since their products were selling as fast as they could

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be produced. Now that our industry can't compete on price alone, builders have to prove that they can help buyers save money on a monthly basis, and manufacturers must provide value beyond the features of their products.

The majority of large manufacturers are just now beginning to comprehend the vast distance they must travel to regain their competitive edge. To remain relevant in the next decade, many of these manufacturers will have to reinvent themselves, developing new products and practices that appropriately address 21st century problems.

But the delicate balance between innovation and profitability can be tricky, especially when most large corporations are driven by Wall Street. Innovation means investment in education and training for employees—a line item that doesn't directly translate into positive cash flow. Fortunately, the recession has reset some investors' expectations, trumping the importance of quarterly earnings with longer-term measurements of value, thereby enabling manufacturers to place more emphasis on innovation today than they did even a year ago.

There is a slow trickle of private sector and government stimulus funding that is being allocated to the game-changers that will make the building sector competitive again: smart grid technology, renewable energy systems, resource monitoring systems, batteries and storage devices, waste management systems, air and water filtration systems, and bioremediation technology.

But restoring our national competitiveness and spurring our innovation is not the sole purview of manufacturers and builders. Consumers must take ownership as well.

New value to homeowners can partly

be derived from products and systems that take the guesswork out of operating of a home. For example, self-monitoring devices, controls, and sensors can optimize building performance. Household devices with embedded displays can provide essential information to homeowners about their energy and water use, as well as the most cost-effective times to use these resources.

It is imperative that we engage home buyers in discussions about behavioral modification to facilitate continued adoption of innovative, sustainable products and practices. Encouraging our clients, family, and friends to take lifestyle inventories will not only help them reassess their living habits, but it will also lead to increased demand for the green products and systems that will enable us to get our edge back.

Lao-Tzu said that "the journey of a thousand miles begins with a single step." In my part of the world, the great Pacific Northwest, we say that every raindrop fills the bucket. A little awareness can drive demand for corporate innovation, inspire building professionals to develop environmentally appropriate solutions, and resurrect our country's pioneering spirit. We welcome your thoughts about ways that we can work together to drive innovation in green building solutions. Share your ideas with me at sara@greenbuilermag.com or join me on Twitter at SaraGBM. GB

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