

The lighting game is changing before our eyes

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A secret lingers behind most lighting fixtures made since WWII. Don't tell anyone, but lighting manufacturers don't actually make 'lighting' equipment.

For years, fixtures have fallen into the same classifications. When it comes to fixture types, there's the 2X2, 2X4, troffer, downlight, strip, wrap, wallpack, Type 2, Type 5, spot, flood, can and so on. Lighting manufacturers have traditionally manufactured electro-mechanical devices that contain lighting elements and controls; which are sold and made by others. Lamp and ballast manufacturers are the ones that really manufacture the 'lighting' portion of the product.

But traditions are sometimes broken, or evolve because technology shows a better path to a more promising result. The game of lighting is changing right before our very eyes and it is primarily because of LED technology, which is transforming the entire lighting industry. LED doesn't just replace more archaic incandescent and fluorescent lighting sources, and it's more than just something integrated into a fixture manufacturers' product line, as is the case with other lamp product innovations. LED goes well beyond its predecessors because it is a pure electronic system with nuances requiring advanced design. Companies producing LED lighting solutions utilize differing manufacturing techniques to get to a desired end product. Before the advent of LED, lighting manufacturers did not deal with certain kind of lighting-specific warranty issues with contractors, instead passing along complaints about product failures to the lamp or ballast company. That was before LED came to the market. The rules are changing.

Design

Lighting is evolving in a very exciting way. Design is different, in large part because LED has no restraints of form factor. No longer does lighting need to be contained in a set fixture, such as 2X2, can or shoebox. Some legacy manufacturers and others new to LED still confine products into traditional packages, following traditional construction processes. These manufacturers may use outdated tools or struggle because of limited design creativity. However, tight constraints will soon be tossed

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to the wayside and outside-the-box usage of solid-state lighting will ultimately influence standards organizations such as UL that write regulations for size openings based on access to the ballast or J-box. LED lighting may become the first disposable lighting solution; where fixing a burned out light may simply be replacing it.

Sales processes

Aside from the design of lighting products, distribution channels continue to change. LED is currently optimal for end-user applications where the cost difference can be justified through energy reduction, rebates, utility incentives and tax implications. The owner and operator of a building can count on long-term savings when investing in solid-state lighting.

Direct sale of LED lighting to end-users is stirring the pot commercial lighting representatives have boiled for the last half-century. Companies selling LED are changing the sales landscape and, in many cases, diminishing the role of lighting reps at the commercial level. For the last 50 years, lighting reps have called on specifiers, knowing they can influence product definition for new construction projects. Reps then call on contractors and distributors to negotiate the order. When it comes to the construction market, lighting rep firms still hold an advantage over LED due to the fact that it is still challenging for construction projects to get financed; there's a premium paid for upgrading lighting to LED. But that could change soon as LED prices drop to match growing market demand.

For the most part, lighting rep firms have failed to plant the necessary seeds to succeed in an industry that is adapting to LED. Few rep firms have trained sales teams to adopt an end-user sales presentation for selling LED. The fact is selling LED lighting is different than selling traditional lighting. Since LED is sold on an ROI basis, an effective sales person needs to know the financial impact associated with cost of ownership. Teaching this has never been a core discipline for most lighting reps, and as a result, the market has exploded with LED manufacturers developing their own direct end-user sales organizations trained to focus on the installed base of 21+M buildings. They bypass the rep and often bypass the distributor too.

Lighting leading the way

Picture this: a residence with solar power (native DC) connected to LED lighting without its rectifiers, along with most home systems also powered by native DC: video, sound, TV, computers and even appliances running off-grid. With the exception of HVAC, most houses today can be designed to go off-grid in an economically and electrically safe manner. It's not a stretch to say lighting's future will include LED technology integrated into much broader electronic systems powered by native DC. Perhaps the bigger question is which trade organization would wire the home. Would it be an electrician, datacom cable specialist, security installer or some other expert? The answer will unfold as the use of native DC and LED continues to increase.

Lighting occupies about 15 percent of the electrical industry's total sales; it has historically been the second largest product for an electrical distributor only behind switchgear. When the lighting category is converted to electronic, it will be seen as

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an enabler of multiple electronic systems and solutions, moving well beyond the traditional norms of the lighting sphere. In fact, Lighting Science Group has the ability to now include chips in light bulbs that produce wi-fi in partnership with Google. That's impressive.

The future of lighting — pardon the pun — is very, very bright. And that is a direct result of solid-state lighting ushering in a new era.

Surely, Thomas Edison — and just about every other forward thinking person who has ever lived — would be proud.

Ted Konnerth is the founder, president and CEO of Egret Consulting Group — a retained search firm specializing exclusively in the electrical industry. Ted was the global V.P., Sales for Cooper Lighting prior to starting Egret and holds a Ph.D in psychology.

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