



Mike Grella of M Grella Plumbing & Heating installed two Navien NPE tankless water heaters and two Navien NHB boilers in a Massachusetts home. Navien will train more than 25,000 this year on the advantages of its condensing high-efficiency technology.

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 Photos courtesy of Navien

# GREEN-BUILDING EDUCATION

## Navien sees momentum growing for high-efficiency technology.

**S**upply House Times interviewed Navien CEO **Scott Lee** July 13 in his office in Irvine, Calif., to discuss trends in water-heating technology and the plumbing industry. Before he was appointed to his current position in January 2015, Lee spent four years with KD Navien in Korea as overseas team leader. He previously worked in the electronics industry for 16 years, including nine years at Daewoo Electronics where he was chief operations officer.

**Supply House Times:** What did you learn in the electronics industry that you've applied at Navien?

**SL:** I learned that technology is not as important as how we treat our customers. That lesson can be the same in this business as it is in other industries. I learned a philosophy that if I love my customer, business will come automatically. I also learned I should keep an open mind. So, if I share the business and the profit with my customers, my customers will very soon recognize that we can make a long-term business relationship.

**Supply House Times:** Why did Navien introduce the NaviLink app?

**SL:** You can understand NaviLink more easily if I first explain our company

name Navien means “navigator in environment and energy.” Our vision is to be a worldwide, first-class e-squared solution company where e-squared means energy and environment.

We want to be the comfort solution and we think NaviLink is a very innovative product to give consumers the kind of information they need for a comfortable environment. The future of household appliances is moving toward information technology and connected homes. NaviLink can give users unprecedented comfort, control and peace of mind when it comes to hot water delivery.

**Supply House Times:** What innovation in water-heating technology excites you the most?

**SL:** To me innovation means the change of quality. For example, I saw a paradigm change in the electronics business from black-and-white to color TV. Sony caught that paradigm change and enjoyed success in that industry for a long time. After this time, color TV started to go to flat-screen TV, then PLP, PDP, and right now LCD and OLED TV. Samsung caught the change to become successful.

We think Navien has a chance to bring these types of innovations to our



Navien CEO Scott Lee

industry. Our condensing tankless water heaters have almost 40% market share here because we focus on high-efficiency technology. Our combi-boiler market share is almost 50%. It can supply hot water and space heating all together in one high-efficiency product. We want to focus on high-efficiency products where we will bring innovation.

**Supply House Times:** Do you expect to see more consumers paying attention to lifecycle cost instead of first cost when considering their water-heating needs?

**SL:** When people decide to buy a water heater, yes, price is a very good point they should consider. But people also should consider the benefits of going green. It gives them a good feeling to save energy and water. More people today are seeing these benefits, which is why our company thinks we're always going to be top of mind for many consumers.

We offer resources to help consumers understand the costs associated with selecting a Navien product. We have a very robust rebate finder on our website ([www.navien.com](http://www.navien.com)) to inform consumers of local government and utility rebates available to them when choosing a Navien water heater or boiler.

With the water-heating efficiency standard NAECA implemented last year, the price of tank water heaters has come up. They are now much more comparable in price to tankless water

heaters. We think we will see some momentum in the market going to high-efficiency products.

**Supply House Times:** How can plumbing contractors, engineers and wholesalers position themselves as green building experts?

**SL:** Education is the most important factor in understanding green technology and green buildings. This is why we operate Navien training academies here in Irvine with other facilities in New Jersey and Canada. Once plumbing contractors, engineers and wholesalers are educated about the benefits of high-efficiency green products, they can better understand the value these products will offer to their customers.

**Supply House Times:** How would you describe Navien's most distinguishing feature?

**SL:** Navien is the global leader in condensing technology in boilers and water heaters. We sell more condensing water heaters and boilers than any other company in the world. Navien has a commitment to not only leading the industry in a given segment, but also to being able to innovate it. We look at markets with existing product and then ask what we can do to make this market segment better.

Our structure makes us a vertical engineered company. This means we have our own R&D department and make all primary parts for our water heaters, boilers and controls in our sister company. We keep our engineering in our company. This is why we can make more progressive and innovative products.

**Supply House Times:** In what new ways is Navien connecting with contractors, engineers and wholesalers?

**SL:** Our marketing department added a new position this year to engage more activity in social media, such as Facebook, LinkedIn, Twitter, YouTube and Instagram. We find increasingly that social media is the way some of our installers and specifiers want to communicate with us.

Not new, but very important to Navien is our commitment to education in field training and our training academies. We've invested significant resources in better communications via our call centers in Irvine and New Jersey that provide almost 20 hours of phone support every weekday with additional hours on Saturday and Sunday.

We also have a good sales network. In each region of the country our sales manager communicates with wholesalers, contractors and engineers. We work with 32 manufacturers

rep agencies that introduce our products to wholesalers, contractors and engineers. Navien maintains a robust trade-show schedule. We will attend more than 20 trade shows and industry events this year in the United States and Canada.

**Supply House Times:** How important is Navien's relationship with the wholesale distribution channel?

**SL:** We think of the wholesaler as our business partner, not just someone who buys and sells our products. Navien's relationship with our wholesaler partners is extremely important. We both are linked to our mutual customer, the installing contractor.

The only way a consumer can purchase a Navien product is through an installing contractor. We are committed to wholesale distribution only, and we do not sell to retailers, big-box stores or through the Internet. We even have gone so far as printing on all our cartons the message that if the product was purchased online, the warranty will be voided. On the homepage of our website we make it very clear that acquiring our product through the Internet or any other non-approved manner will void the warranty. It is not our intent to limit the warranty to people. We are happy to give the warranty, but we want a good relationship with our wholesalers because that's only good business. This also protects contractors and consumers.

We want to make sure our product is professionally installed. Homeowners don't always realize what they're getting into if they install it themselves. Doing so can put them at risk as well as reflect badly on our brand.

**Supply House Times:** If you had only one piece of business advice to give to contractors, engineers and wholesalers what would it be?

**SL:** First is education. Let us educate you on high-efficiency technology. In order to join the overwhelming trend toward condensing high-efficiency technology, you need to be trained. As a leader in condensing technology, we will train more than 25,000 individuals this year on the advantages of installing our condensing product. This is knowledge we are happy to share.

Second is to go green. When you go green, you are acting in good faith to planet Earth and you will get good business as a result.

Our goal as a company is not just to sell product. We want to give consumers comfort in their surroundings and we want to change the lifestyle of some consumers for the better. 🏡