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The way founder Ron Badley and new investors Eric Swanson and John Gutteter see it, all the bad news about energy prices driving heating costs up between 40 percent and 70 percent this winter has been good for business.

The company expects sales to quadruple this year to approximately \$400,000, largely because of the groundswell of interest in ways to save money on winter heating bills.

"What's limiting us now is, basically, we probably just need more help," said Badley.

That kind of rapid growth is exactly what Swanson, who divides his time between Minnesota and Nevada, says the owners want. "Rapid growth and expansion is the plan."

To execute on that plan, Window Inserts has focused on marketing its products at home shows and the like this fall and on Internet sales. The approach seems to be working. Keeping up with orders for the custom-fit inserts has been a struggle all fall.

The pitch is straightforward: The windows save money, are easy to install (tools and hardware are not required) and cost less than replacement windows. The company sends measuring instructions to people who call, then manufactures the windows to fit and ships them.

While Window Inserts sells products that compete with the likes of Stillwater-based Andersen Windows or Warroad-based Marvin Windows and Doors, the company isn't competing head to head with those giants. After all, those companies sell windows, while Window Inserts sells a way to insulate windows. The principals are relying more on their own networks of friends and family, as well as marketing at home shows and through online advertising rather than big-ticket media campaigns.

Even so, Window Inserts recognizes that homeowners and landlords are likely to consider replacement windows as well as inserts. They're ready with a quick sales pitch that relies heavily on price: Inserts cost roughly one-tenth the price of new, high-end windows. The company also devoted a full page on its Internet

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CLICK HERE to enter and win! site to side-by-side comparisons of the advantages and disadvantages of window insulation kits, storm windows and replacement windows.

Though savings vary from home to home, Swanson says EnergySavrs live up to their name by cutting heating bills between 10 percent and 40 percent. The windows also work to keep cool air in during the summer.

The typical double-pane window provides a scant amount of insulation — "It's basically still a hole in your house," Badley said — but the EnergySavr bolsters insulation without having to replace a window, which is especially nice for older homes. "It's a custom fit that holds it in place and creases a sealed air pocket," Swanson said. "You're sealing a leaking window and frame."

Generally speaking, windows aren't a tremendous source of drafts or heat loss, according to Phil Smith, an energy specialist with the Minnesota Department of Commerce. Thus, replacing windows tends to be a poor investment as far as saving energy is concerned unless the windows have structural problems. "If there's nothing wrong from a structural perspective," Smith said, "there doesn't seem to be a compelling economic reason to replace them."

On the other hand, adding a layer of glass or plastic increases a window's insulating ability. For instance, a typical 1960s vintage window might have an R value of 2, but by adding a heat-shrink plastic sheet, that could be increased to R-3. "That would be, in performance, equal to let's say a window meeting the Energy Star standards today," Smith said.

Energy Star is a government-backed program that sets standards for energy efficiency. Smith calls the notion of creating an additional layer "a very reasonable kind of investment" compared with replacing a window. "It could be a very good alternative."

A couple of additional selling points attracted Swanson and Gutteter to the windows and then the business: ease of installation and cost. Inserts for a 1,000-square-foot home cost between \$700 and \$1,000, while the price for larger homes ranges from about \$1,200 to \$1,900. Swanson estimates that's about one-tenth the price of top-of-the-line replacement windows, though comparable to low-end models.

Installation, meanwhile, is a snap. The windows are made of lightweight aluminum frames, clear polyvinyl and foam insulation. They are designed to fit inside the home, creating an airtight seal. Traditional wooden storm windows that are attached outside keep weather out, but falter when it comes to keeping in the warmth, the owners say. The EnergySavr windows also are far lighter and easier to handle than wood storm windows. Moreover, the windows don't require hardware.

That's a big advantage over competing products that require magnets or tape and a hair dryer. "The simplicity is amazing," Gutteter said.

Badley was looking for simplicity when he started the business five years ago in Reno. A heating and air conditioning technician by trade, Badley wanted a window that fit tightly, but was quick to install and manufacture. When it was just Badley, he kept things small.

But with the addition of Swanson and Gutteter, the company is achieving growth, though the owners are wrestling with just how to go about reaching that goal. Do they continue selling solely through home shows? Or do they open stores? What about franchises? They're testing various approaches to find out what works, what doesn't and why, Gutteter said.

"The product works. There's a market for it," Gutteter said. "What's the best way to get the concept to the consumer?"

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Company specs

Name: Window Inserts

Business: Sells custom-fit EnergySavr window inserts

Based: 3581 Hoffman Road, White Bear Lake, and Reno, Nev., 800-983-1232

Web site: www.windowinserts.com

Founded: 2000

Owners: Ron Badley, Eric Swanson and John Gutteter

Employees: Three full-time; two to three part time.

Revenue: \$400,000

Competition: Traditional storm windows, inserts requiring hardware, tape-on 3M window insulation kits, new windows.

Challenge ahead: Determine the best marketing strategy to continue rapid expansion.



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