

C.M.: The flow of bid opportunities has increased. However, after the awards, project start dates have slid.

EBJ: What recent changes, if any, have you made in your procedures for making “bid/no bid” decisions, and what market factors influenced those changes?

C.M.: We are very conscious of how we move on our “bid/no bid” decision in the economy due to reduced margins and slow project start dates. We have had to bid a significantly higher volume to win the work we have.

EBJ: What is ratio of old clients to new clients, and what steps are you taking to ensure a high level of client retention?

C.M.: We have not lost many clients. Our philosophy is “stay in touch”!

EBJ: What do you think differentiates you most from your competitors, and what do you think will be the keys to success in your business sector over the next few years?

C.M.: The answer to both questions is the same—our focused attention to details.

EBJ: How have the environmental problems you’ve been asked to solve changed over the years (i.e., more complex, more geographically dispersed, more stakeholders, harder to identify the primary client)?

C.M.: The answer to all of those is “yes.” The projects are more complex, and they are more geographically dispersed. In addition, they tend to have more stakeholders, and it has become harder to identify the primary client.

EBJ: What motivates you most in your work and how does that translate down to your employees and colleagues?

C.M.: I receive the greatest satisfaction from providing focused value to our clients and receiving the resulting repeat requests for our services. ■

PHYLMAR PROVIDES SUSTAINABILITY SERVICES TO FORTUNE 1000 THROUGH AFFILIATE NETWORK

Established in 1997, the Phylmar Group (Los Angeles, CA; www.phylmar.com) is an environmental consulting firm that helps its Fortune 1000 clients integrate sustainable practices into their core business processes. Phylmar brings together a group of affiliate experts and professionals in the environmental, health, and safety (EHS) and social responsibility fields to represent a broad base of experience to an audience of corporate EHS and SR personnel. These affiliates, mostly small- to medium-sized firms with lower overhead than the large consulting firms, are part of a network currently numbering 500 affiliates in 44 countries while remaining completely separate legal entities. Mark Katchen is Phylmar’s managing principal, CEO, and founder. He has more than 30 years of experience in occupational and environmental exposure assessment, serving companies in the petrochemical, agriculture, mining, utilities, automotive, and other industries.

EBJ: How are you incorporating sustainability principles into your service lines? Is sustainability the focus of a core service area, such as helping corporations develop strategic programs, or is it more a framework for providing value in your other service areas?

Mark Katchen: We recognized our clients’ needs in coping with pressing environmental and sustainability issues, and our goal is to provide them with knowledge resources, share information on best practices, and benchmark with other companies. While our business has always been about developing strategic programs that incorporate sustainability into core business processes, we have enhanced our focus on this area in response to heightened demand for sustainability solutions.

In 2009, we began providing sustainability consulting through the Phylmar Regulatory Roundtable-Environmental and Sus-

tainability Forum (PRR-ES), which provides information, updates, seminars, and networking opportunities to environmental and sustainability industry professionals worldwide. This is a group of companies committed to developing sustainable practices. Modeled after our successful PRR-Occupational Safety and Health Forum, the PRR-ES Forum helps its members cost-effectively manage their environmental and sustainability responsibilities.

The Phylmar Group hosts the forums through the Phylmar Regulatory Roundtable, whose members include many Fortune 100 companies. Our staff monitor and analyze proposed environmental and sustainability regulations and legislation and provide updates to roundtable members on items of interest via bi-weekly emails and monthly newsletters. The roundtable also provides a forum for information exchange through meetings and conference calls.

EBJ: How do you define sustainability, and how rapidly is sustainability catching on? Are any specific categories of your clients (federal, state, local government, specific industries, etc.) that are standing out in the pursuit of sustainable operation?

M.K.: I define sustainability from an environmental, social, and economic perspective. Sustainability means meeting present needs without compromising the ability of future generations to meet their needs. We have several clients that have integrated sustainable practices into the core of their operation, from research and development to waste disposal and recycling. We see this primarily with our clients in the apparel/footwear and electronics industries.

Sustainability is definitely catching on. A study titled “The Business of Sustainability,” published in the MIT Sloan Management Review in 2009, showed that 92% of respondents said their company was addressing sustainability in some way. As companies evaluate all aspects of their supply chain and processes through the lens of sustainability and social responsibility, they are finding that being sustainable actually can improve the bottom line. Those that are acting aggressively experience positive, tangible bottom-line impacts.

Nike, for example, reduced its waste significantly through its *Considered* line of products, which contributed to greater profitability, while GE invested \$1.4 billion in its Ecomagination R&D initiative and received a return on its investment of \$17 billion.

EBJ: Do you have any international business? In which countries and for which client sectors is international business growth taking place, and what factors are driving that growth?

M.K.: We are quite active in the international business sector using our model of network affiliates to provide services. We now have more than 500 affiliates in 44 countries. Currently, our international work is focused on U.S.-based companies with either operations or supply chains in Asia and Latin America. This growth appears to be driven, in part, by local demand in these countries.

EBJ: Where do you see your best growth opportunities in the short term, in the long term, and by customer, service, or geographic region?

M.K.: We have worked in a collaborative manner with our affiliates for more than 10 years and are now exploring ways we can provide services to enhance their competitive position by increasing their market reach, both geographically and technically.

EBJ: How are you evolving into a more integrated service provider?

M.K.: A large portion of our revenues are derived from the regulatory/legislative/networking services we provide our clients using a subscription model. This helps Phylmar level out the revenue streams and gets us away from the "project-based" business. Our business model is based on outsourcing, which helps lessen the impact of demand swings.

EBJ: What do you think differentiates you most from your competitors?

M.K.: The Phylmar business model allows us to have the geographic and technical reach of large global firms at a fraction of the cost. We also can provide precisely the needed technical expertise given our

access to our worldwide affiliate network. This allows us to be very flexible in the markets we enter while minimizing our risk.

EBJ: What do you think will be the keys to success for consulting/engineering firms over the next few years?

M.K.: The ability to provide those services desired by the client base in a cost-effective and technically precise manner is a key to the successful consulting firm. The flexibility to provide a range of services and ramp up quickly is also an important determinant of success.

The lack of technically qualified personnel in developing nations is one of the key issues confronting us today.

EBJ: What do you feel are the most pressing environmental and social issues today in 2009 and in the longer term?

M.K.: I believe that the lack of technically qualified personnel in developing nations is one of the key issues confronting us today and going forward into the foreseeable future. Without well-educated, knowledgeable practitioners, we are severely limited in how quickly change can be effected. We need to develop strategies and provide resources to train personnel in these areas.

EBJ: How have the environmental problems you've been asked to solve changed over the years?

M.K.: We have been challenged to work in a variety of geographic locations and in an often dizzying array of technical assignments. This is at once exhilarating and challenging. With globalization comes the need to understand different cultures, languages, and regulations. The evolution of near-instantaneous communication via the internet and the use of this technology by a variety of stakeholders (e.g., clients, NGOs, governments, etc.) has increased the complexity of our work and reduced the margin for error. ■

HART & HICKMAN HOLDS ITS OWN AS LARGER FIRMS ENTER ITS TRADITIONAL MARKETS

Hart & Hickman, PC is a 40-person environmental consulting firm headquartered in Charlotte, North Carolina, with a branch office in Raleigh. The firm serves private, municipal, and state clients throughout the southeastern United States. Hart & Hickman describes itself as a niche consulting firm with the lion's share of services related to environmental assessment and remediation, across a broad range of regulatory programs. Bruce Hickman is one of the founders of the firm, along with Steve Hart.

EBJ: How has business been recently?

Bruce Hickman: By virtue of our diverse client base and network of word-of-mouth referrals, we have been able to grow and remain highly profitable through the current recession. We have also accomplished several key strategic objectives during this period to optimize our ability to capture and respond to new work when the economy recovers more substantially.

We have been fortunate that our work load has grown during the recession. While our development-related property transaction business has fallen off a cliff, work on our state contracts and several industrial clients has grown substantially. Competition from national firms has increased as they seek new sources of revenue in areas where we have previously held a large regional market share, while less-capable competing regional firms are becoming more strained to stay afloat.

EBJ: Have you seen any impact from the economic stimulus package?

B.H.: In an unexpected turn of events, the stimulus money appears to have actually hurt us. By virtue of the national firms struggling to keep their revenues up, they have been chasing stimulus money into areas where they previously did not make a substantial commitment to win. In addition, they are bringing very low pricing to these areas and making a commodity out