

PHYLMAR NETWORK FILLS THE GAP BETWEEN GLOBAL EXPANSE AND LOCAL EXPERTISE

For over two decades, The Phylmar Group has assisted Environmental Health and Safety Professionals in creating and maintaining safe and healthy workplaces. By integrating industry information and analysis with focused regulatory advocacy and a peer networking forum combined with access to an ensemble of consultants located throughout the world, Phylmar provides EHS professionals with knowledge, solutions and a voice with regulators that leads to solid corporate business strategy.

The Phylmar Group facilitates three business consortial/peer networking groups: Phylmar Regulatory Roundtable of Fortune 500 companies monitoring regulatory changes and exchanging information on compliance and best practices; Apparel and Footwear International RSL Management (AFIRM), a forum to advance the global management of restricted substances in apparel and footwear across the supply chain; and the BioPharma EHS Forum that allows EHS professionals in biopharmaceutical companies to exchange ideas, share best practices, network and benchmark. Phylmar's members are typically Fortune 1,000 companies in a wide variety of industries including apparel and footwear, biopharma, oil & gas, utilities, aerospace and technology. Guided by a Client Advisors, members gain access to an international network of 500 consultants in 50 countries who provide a suite of consulting solutions in Occupational Health & Safety, Laboratory Services, and Sustainability Management. Mark Katchen, the Managing Principal and company founder, has practiced environmental health and safety for more than 35 years.

EBJ: How has the development of your network of small environmental service companies evolved over the past decade?

Katchen: Our network of over 500 consultants in 50 countries continues to evolve based on the need of our EHS consortia members. Over the past decade we have continually added affiliates on every continent, except Antarctica, with expertise in a variety of areas including traditional EHS specialties and more recently sustainability. Our practice has also grown into new niche markets most recently adding EHS for the entertainment (production) industry.

We created this consulting structure based on the requirements of our Fortune 1,000 clients who seek access to well-qualified people in all locations. This reduces their time and cost to source, validate and contract with individuals in remote locations. Working with our network ensures the quality of the work and reduces our clients' business risk.

Additionally, our network allows Phylmar to craft a specific, customized solution for clients versus a boilerplate approach. And, our structure mandates that senior affiliates do the work. All of this reduces the Project Manager's burden.

We regularly seek the feedback of our repeat clients to improve the process and find solutions that work for today's EHS professionals.

EBJ: Provide some instances of where collaboration across your platform or your Partnerships in smaller companies have enabled them to get larger International projects or work for larger Global clients.

Katchen: The Phylmar Group was recently contacted by a large, energy provider working on the decommissioning of a nuclear reactor. The assignment scope included reviewing 1,500 pages of contractor health and safety policy documents with a two-week turn around.

By using our affiliate network we were

able to source the right size team with the specific expertise and complete the project on time and budget. Our client noted that many of the independent professionals on our team would never have been on their radar.

EBJ: What do you feel about the scope of remote project management or remote monitoring assessment and analysis where the technical team can perform a proportion of a projects front end off site and what is the range of the work that can be done remotely in a typical project?

Katchen: We have 20 years of experience managing in this environment and have put in place a system to ensure quality and client satisfaction. Each client is assigned a Client Advisor who works with him or her to understand his or her corporate needs and helps develop the scope of work for each assignment. The Client Advisor then selects the right affiliate from Phylmar's database based on the affiliate's geography and expertise and makes sure they understand the scope of work so an accurate cost estimate can be developed. The client advisor continues to coordinate between client and affiliate throughout the course of the project until completion to ensure client satisfaction and fair treatment of the affiliate.

EBJ: How does the company divide itself into business units now: by region, by service or by client and how important is each to your planning process?

Katchen: Phylmar operates three EHS business consortia; The Phylmar Regulatory Roundtable (PRR)—Occupational Health and Safety Forum, BioPharma EHS Forum, and The Apparel and Footwear International Restricted Substances List Management (AFIRM) Group. A Phylmar Director facilitates each group and members have a number of benefits including regulatory analysis and advocacy, access to the affiliate network, and continuing education courses through the Phylmar Academy.

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Members in each group report set the agenda. This allows them to be better informed on key issues impacting their businesses. Large companies appreciate this structure as it is cost effective, helps them distill complicated material, prevents possible non-compliance and they easily share ideas and best practices.

The consortia's goals are to help these professionals do their job better and with more confidence. This model seems to work as our retention rate is above 90%.

EBJ: Which geographic regions are you concentrating marketing environmental services on, and which regions do you believe are most promising for 2017-2020?

Katchen: Our marketing efforts are not geographically focused. Rather, we tend to focus more on industry segments, as that is how our consortia are organized. However, with respect to PRR, most of the firms in that consortium have some interest in the California regulatory environment and most of our regulatory analysis and advocacy is focused on California issues.

EBJ: Which regions do you believe are becoming discouraging?

Katchen: Again, we don't really track by region, so I can't really comment.

EBJ: Are general economic conditions the strongest influence on business potential, or is the market for your services groups more insulated from economic cycles due to other drivers?

Katchen: It depends on the group and issue. If the influencer is a regulatory or legal mandate, then economic considerations are less important because failure to comply may have negative business consequences.

EBJ: Are your markets in developing economies driven more by regulation or by economics... or are you generally active where your global client base is active?

Katchen: We go where the client has the need. For instance, in developing countries, NGOs can have considerable influence and may be important drivers for our clients to take action. That is why our group of International affiliates has worked so well.

EBJ: How much work are you doing related to climate adaptation planning or resiliency; and what clients have provided the most demand for services in this area?

Katchen: Our groups are primarily focused on traditional EHS issues and product stewardship. We have done projects focused on climate adaptation planning or resiliency; it just is not our core focus.

EBJ: Presumably much of your corporate work and higher level consulting work adheres to a global corporate standard set by the client company. Is this correct and is that standard usually based mostly on the regulatory environment of the client's home market or set more independently based on liability protection or sustainability objectives?

Katchen: Most of our clients have corporate policies related to EHS and product stewardship. They will adapt these corporate policies to address local regulations or NGO requirements.

EBJ: What sort of time frame do you consider for foreign investment decisions to be judged?

Katchen: Because our business development efforts are focused on member recruitment, retention, consulting services, and continuing education, we tend not to allocate our marketing efforts along geographic lines.

EBJ: How do you generally go about market entry in a new geographic area?

Katchen: It is all driven by client requests typically in the form of consulting. These requests may require us to recruit a new affiliate to perform the work in a new region. Our current network allows us to respond to new requests quickly and nimbly.

EBJ: What is the history of your business in the Middle East?

Katchen: We have done environmental auditing of facilities in Israel.

EBJ: How has The Phylmar Group gone about doing business in China?

Katchen: Projects in China are client driven versus a blanket expansion strategy. When we are requested to perform work we either call upon existing affiliates or network to locate new ones.

EBJ: How has The Phylmar Group gone about doing business in India?

Katchen: Projects in India are client driven versus a blanket expansion strategy. When we are requested to perform work we either call upon existing affiliates or network to locate new ones.

EBJ: Any other developing economies where you made significant inroads?

Katchen: We have done work in Vietnam.

EBJ: What specific strategies have you implemented to grow the business in a relatively new country/region? Which of those strategies have had a good outcome?

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Which ones have not worked so well?

Katchen: We are not geographically focused, but more industry focused on our marketing and BD efforts. As an example, the AFIRM group is comprised of many international companies, but our efforts to reach out to prospective members is focused on whether the prospect has the level of technical expertise to be an active contributor to the group, rather than location. Our groups are most effective when everyone contributes. We work hard to create an open, trusting environment where our company members work together to solve complex issues.

EBJ: How important is it to establish localized subsidiaries or joint ventures, or partnerships?

Katchen: It is critical to our business model to ensure we have qualified affiliates in those geographies where we are required to provide consulting services. We have refined our sourcing, vetting and project management process over the last 20 years that contributes significantly to our success.

EBJ: How important is it to have local management or can you rely on centralized regional management around the globe?

Katchen: Our client advisors have been very effective managing the affiliates used on the project. Their location is less important than their project management skills and ability to communicate with the affiliate. All projects done by our affiliates are put through a rigorous QA/QC process by Client Advisors to ensure client satisfaction.

EBJ: How much efficiency improvements on project delivery have you made due to communications technology, data sharing, shared services or other improvements?

Katchen: Over the last year, we have made a concerted effort to use technology to improve communication. The records of our BD efforts and affiliate profiles are contained in our customer relationship management (CRM) database. We are in the process of re-configuring our web site to take advantage of the analytical tools

available and evaluating the responses we get from our communications to align the material with member, prospect and affiliate interests. We also use a cloud-based project management tool to ensure project scope is correctly captured and deadlines are met.

EBJ: How effectively can engineers/designers/planner work on projects in North America or Europe as an example, and limit the need to physically move people?

Katchen: This is our bread and butter. By using available talent in the geographies needed by our clients, our team of client advisors have been very successful in providing services on a cost effective and customized basis.

EBJ: Where are pockets of technical talent that US and European companies can draw on to fulfill environmental project management needs in the next couple decades?

Katchen: They exist in many places, but are not necessarily easily found. We spend a considerable amount of effort sourcing and vetting our affiliates. We try to identify the affiliate closest to the point of service as possible, but sometimes that might be regional instead of country specific if the requested talent is not available in a given locale.

EBJ: What is the approximate difference in rates, and is it conceivably an effective option to consider remote technical talent communicating in-bound on projects in developed economy markets?

Katchen: Rates vary widely depending on expertise and geography. That is why we will only provide quotes on a project specific basis.

EBJ: Do currency fluctuations affect your ability to conduct business overseas?

Katchen: We do all of our business in U.S. dollars to avoid these currency fluctuations. □

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