

MARSTEL-DAY'S MISSION: EXPAND CLIENTS UNDERSTANDING OF CLIMATE IMPACTS—AND RESPONSE OPTIONS

Describing itself as a progressive and socially responsible environmental enterprise, Marstel-Day (Fredericksburg, VA) is an environmental consultancy serving clients in the public and private sectors. The firm's staff of 125 full-time equivalent professionals provides services in the areas of land and water preservation, energy, climate, and green infrastructure. The company, a winner of multiple EBJ Business Achievement awards in recent years, has offices in Fredericksburg and Alexandria, Virginia; Baltimore, Maryland; Oakland and Oceanside, California; Dallas and San Antonio, Texas; and Colorado Springs, Colorado. Rebecca R. Rubin is Marstel-Day's president.

EBJ: What kind of year was 2013 for the company in terms of revenue growth and profitability for your firm? What were some of the highlights of the year (e.g., contracts won, partnerships formed, new markets entered, capital raised, etc.)

Rebecca Rubin: Calendar year 2013 proved to be a very successful year for Marstel-Day. Our revenues of approximately \$17 million were nearly a 40% increase over 2012, and we hired approximately 25% net new employees, finishing the year at about 125 employees. We won a large, \$22 million Navy NEPA (National Environmental Policy Act) and related environmental services contract vehicle and won a re-compete of an Air Force \$10 million encroachment management contract vehicle. In addition, we continued to win some of the "full and open" contract competitions that we entered, despite our small business status.

We also performed our first-ever international encroachment vulnerability assessments and continued to pioneer inclusion of climate change and ecosystem services as part of the encroachment assessments. Especially significant was our receipt of the first-ever-issued National Standards Foundation (NSF) international certification in the P391 sustainability criteria for a services company—and that at the highest level (platinum). We were also awarded, for the second year in a row, the

EcoLeadership award from the Association for Workplace Excellence, and landed for the fifth consecutive year on both *The Zweig Letter* Hot Firm 500 and Inc. 5000 lists of rapidly growing firms

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EBJ: What client sectors, regions, or service offerings provided the best opportunities in 2013, and what factors were driving those opportunities?

R.R.: The Defense Department (DOD) was a key client in 2013, particularly in its need for work relating to natural resource challenges and, connected to those challenges, its need to address climate change and adaptation. DOD's demand for energy and water is enormous, a factor that is in turn forcing it to look for new paradigms and technologies in everything from land and water usage to fuel consumption.

DOD is doing a better job of using its natural infrastructure. It is entering into creative partnerships with conservation-minded entities around land and water stewardship, it is becoming more realistic about evaluating the practicality of holding onto assets that are encroached upon by sea level rise or threatened by severe weather events, and it is generally focused on lightening its footprint on both the facility and mobility sides of the house.

EBJ: What factors are pushing your clients to pay more attention to their social and environmental impacts, and how rapidly, in your view, is the corporate world taking real steps to address these issues (as opposed to paying lip service to them)?

R.R.: Reality seems to be the big discriminator. Clients who have had a water shortage affect their production operations, for instance, or a major weather event wipe out an asset seem to be awakening to the need for a more precise understanding of the resources their operations consume.

Then too, clients are also starting to get more pushback from shareholders who are concerned about leaving a legacy of waste—whether it's the plastic used to package toys, or shampoo bottles that don't get recycled, or shipping or e-waste to China. Slowly, these factors make their way into the news and into people's minds and thus the public conscience, if you will, as a consideration when choosing products.

EBJ: As you know, finding and retaining talent is a top concern for executives in the environmental consulting and engineering industry. What programs and initiatives have you put into place to find and keep good people and sustain your company's growth?

R.R.: One of the struggles for Marstel-Day over time has been to recruit not just smart, pioneering individuals but also those who are committed to being envi-

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ronmentally responsible. It turns out that finding just the former is not nearly as difficult as finding individuals who combine both attributes.

Implementing a set of green hiring practices has helped us greatly in this regard, so that we now pay closer attention to the mindset that candidates bring to the table. This program helps us to understand who among them can hit the ground running and fully embrace and even add to the company's basic natural resource conservation philosophies and mindset, versus those who may need more coaching or training.

EBJ: Is the United States as a country educating enough people in the environment-related scientific and engineering disciplines? We hear many people say "no," but others saying that such talent is out there, but that companies are "crying wolf" in order to attract foreign professionals who will accept lower levels of compensation. What's your view?

R.R.: There is adequate emphasis on the science and engineering fields in the U.S.—sometimes to the detriment of other areas. While we and other countries rely on—and are competitive about—science, engineering, and technology innovations, we cannot afford to lose sight of an even broader plane of ideas from which innovations both stem and are communicated.

For this we also need philosophers, musicians, poets, film-makers, artists, writers, and so forth. These fields are fundamental

to our creative processes and to our understanding, portrayal and communication of issues, yet they seem increasingly undervalued with the passage of time.

EBJ: What growth are you forecasting for the company next year?

R.R.: For the year to come, we are focused more on diversification than on growth per se. Having worked since inception primarily as a federal contractor, we aim to take the initial steps towards working in the commercial sector.

Our goal here has less to do with a perceived need to avoid "all eggs in one basket" and more to do with our sense that the larger the field of play, the more potential exists to help shape and influence a dialogue around improved natural resource management, as well as a more informed understanding of climate and security issues. That said, our core work would remain focused on the areas we and our clients see as being critical for the mitigation of risks associated with degradation of natural resources (such as aquifer depletion or the broader risks of climate change).

EBJ: What and where are the key areas of opportunity that your company will be pursuing?

R.R.: One major factor we have been able to bring to the table and highlight for our clients is that facing, understanding, and being willing to deal with climate change also means mitigating business risk. In the years to come, we see a key

focus area in helping clients to ameliorate some of those risks so as to minimize business uncertainty for themselves and those in their ambit (their clients, shareholders, and communities).

EBJ: What are the biggest challenges your company faces in the year ahead?

R.R.: The overarching challenge for our company will be determining how to help our clients, ourselves, and the broader global community grapple with the greatest environmental uncertainty of our time: climate change. The human race is at an environmental bottleneck. With more than seven billion people now inhabiting the globe, we are stretching the limits of sustainability as dictated by current energy and resource use strategies and technologies.

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Furthermore, with the prognosis for the effects of climate change becoming more severe with the release of each Intergovernmental Panel on Climate Change report, there is unprecedented urgency to act. The fundamental questions are, then, how do we respond, and how to we create the global political will to maximize the possibility of a positive outcome.

Before answering those questions, it's important for those in search of solutions to recognize an inevitable truth: Mother Nature always wins, and it's a mistake for us to disrespect that reality. We can use technology and all sorts of creative strategies to try to counter the ill effects we're creating for ourselves and the other species with which we share the planet, but central to the problem is that we don't fully understand the enormity and complexities of nature.

Consequently, every remedy we propose ought to be implemented with the realization that we can't know with certainty the likely outcomes. There is always cause and

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effect, but we ought to pay close attention to minimizing additional impact on the natural environment, for that is what sustains us. As the five great die-offs throughout geological history have taught us, at the point that 40% of species become extinct, it becomes a near certainty that we'll see a cataclysmic shift in Earth's biological order, a change that will not portend well for the human race.

With all this in mind, our overarching challenge is how we respond to climate change, which appears to be advancing at a pace faster than at any time in history. The warming of the planet means changing weather patterns, rising seas, the extinction of some biota (while others thrive to the point that they become invasive and destroy ecosystems), and the alarming acidification of our oceans that scientists believe could mean an end to all coral reefs and whole marine food chains within 50 to 100 years.

A certain level of warming is already baked in, meaning that climate adaptation is necessary. But beyond that, reducing carbon dioxide and methane emissions must be a top priority if we are to avoid a cataclysmic future for upcoming generations.

EBJ: As we address the overall problem of climate change, what are some of the immediate problems and issues we will have to address?

R.R.: Our rapidly changing climate has many consequences, the most significant of which is a global disruption in the supply and distribution of clean and plentiful water. With some areas projected to receive heavier rains, while others experience severe drought conditions as a result of less precipitation and loss of snow pack and glaciers, we need to have in place strategies that allow us to more effectively store and manage water. This is particularly true of areas that rely on snow-pack melt, where cities and agriculture are already in contention over finite supplies.

Strategies to improve water storage include recharging aquifers when water is plentiful, while investing in both protecting and restoring natural infrastructure like freshwater and tidal marshes that serve

the dual purpose of storage and purification. Furthermore, wetlands and forests play a vital role in reducing the impacts of flooding which each year adds up to billions of dollars in property damage in the U.S. alone.

Beyond water storage and purification, protecting natural systems like forests, wetlands, coral reefs, and other habitats ought to be a top priority for policy-makers. Currently we're losing more than 35 million acres a year of native forests, we've lost half our wetlands, and we're witnessing the disappearance of an estimated three species an hour. Regrettably, though the human race depends on the health of these systems for its very survival, we have yet to assign a priority to the conservation of most of these resources.

EBJ: What is your company's strategy for growth over the next five years?

R.R.: Marstel-Day has never been particularly good about pursuing deliberate growth strategies per se. In some sense, we have felt that a focus on growth may have the effect of distracting us from pursuing initiatives that may have less revenue payoff but mean more when viewed from a perspective of environmental or societal impact.

While not blind to the realities of the need for business stability and development, we've generally felt that the best approach for us has been to invest our time and resources in work of interest where the environmental and societal impacts are greatest, and this has in turn tended to lead to modest but continued yearly growth, both in terms of personnel and dollar volume each year for the past 12 years. I would be surprised if that type of smooth and well-paced growth could continue indefinitely, and there may come a time when our strategy would need to change. ■

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