

FOR MARSTEL-DAY, CONSERVATION AND ENVIRONMENTAL PROTECTION ARE CORE VALUES, NOT JUST COMPLIANCE IMPERATIVES

Marstel-Day, LLC (www.marstel-day.com) is a small, woman-owned and HUBzone (Historically Underutilized Business Zone) business that specializes in independent, objective environmental studies and analyses, primarily with a conservation orientation and primarily for the senior levels of governance. The company employs 12 staff member, including six consultants, and it generated revenues totaling approximately \$2 million this year. Rebecca Rubin is the president, founder, and managing partner of the company.

EBJ: How has business been in general the past couple of years?

Rubin: Very positive and still growing.

EBJ: What has been the principle aim of your strategy over the past couple years?

Rubin: Diversification beyond the Department of Defense.

EBJ: What effect on market drivers have you seen from the Bush administration?

Rubin: There have been no discernible effects. When working for the Pentagon, there rarely are noticeable shifts between administrations in this field of business.

EBJ: With environmental market drivers in decline, what drivers are you responding to?

Rubin: We have never been compliance-driven. For us, environment is really all about conservation values, and those are here for the long haul.

EBJ: Are any customers buying services driven by the pursuit of sustainability?

Rubin: We perform studies and analyses, and the U.S. Army is one of our best customers in terms of its need for sustainability analyses (for things like environmental carrying capacity of Army installations).

EBJ: What is your business profile?

Rubin: Our employees have doubled from 6 to 12, and our revenues have grown from about \$1 million last year to \$2 million this year. We do about 80% of our work for the Department of Defense and the balance for private industry, all of it in the area of studies and analyses. We have no international business as yet but we were just selected as part of a winning team on a \$2-billion USAID indefinite-quantity contract, so things may change.

EBJ: Where do you see your best growth opportunities?

Rubin: That is unpredictable for us, and we are constantly being surprised.

EBJ: What areas are you looking at for developing new business practices?

Rubin: Oceans and coastal zones.

EBJ: What new contracts have you been involved in over the past two years?

Rubin: We have been on several very large winning bids for DOD and AID. We did some groundbreaking work for NOAA in the field of global environmental observation systems, one of the most important areas for monitoring changes to the earth.

EBJ: What growth do you forecast?

Rubin: Too hard to tell. We just hope we can keep sight of our core values, which involve bringing the most creative problem-solvers that we can to bear on complex, tricky or stalemated issues. Much of the time, those issues involve complex conservation problems represented by diverse points of view that manifest themselves in gridlock. Our objective is not to become an institutional contractor but to actually solve the problem.

EBJ: What major trends do you see for the environmental industry?

Rubin: The peaking of world oil production will hit us all hard—so buckle up. For what it's worth, I think a lot of ecologically minded people are intrigued by alternative energy sources without really understanding what that means to us as a society. I am not sure that people understand that this is way more than just a conversion from source A to source B. It is instead a dramatic change such as we can hardly imagine in at least three vectors.

The first is this: The entire energy infrastructure that has been set up around oil would need to be converted for any alternative energy system, or series of systems, to work. Our entire world, from the energy grid to the highways we drive on, to the heavy diesel trucks that deliver supply, is built around oil. Few people understand the massive scale on which conversion of the infrastructure would need to occur.

The second vector is cost. Use of alternative energy will one day become cheaper the more it is used—but that day is a long, long, long way off. Between now and that distant day, people are going to have to make a hard choice about whether they are really willing to pay for alternative sources of energy on a grand scale. These are the same people who do not now want to pay two dollars a gallon for gas. They have no idea how bad things are going to get. The point here is that people are enamored of alternatives on an emotional level, but they tend to become disenchanted quickly when you talk about cost—particularly start-up cost for first-generation systems on a massive scale. This will be a cold reality for most.

The third vector is a cultural adjustment. I am thinking of how many people in their massive SUVs will willingly make the conversion to something like a Toyota Prius. And just changing cars is the easy part. From all of these shifts and more not mentioned here, a new wave of private firms and individuals will be needed to think hard and creatively about what systems will actually work, and on what scale; and about how all these mind-bending adjustments can be made at individual, corporate and governance levels.

EBJ: What policy initiatives would you advocate to stimulate more market growth?

Rubin: Environmental education should be a part of America's curriculum K-12. The lack of environmental awareness is probably the major factor holding back the industry and the planet today.

EBJ: How do you see climate change issues affecting your business?

Rubin: They already have, in terms of work we are doing for NOAA in assessing strategic priorities for that agency's systems and programs.

EBJ: What do you think are the key issues facing CEOs today?

Rubin: Internal management issues are key, absolutely. I would add the need to come up with interesting challenges in terms of work assignments, so that team members stay intrigued and feel they are contributing something of value to the company and its clients. People want to feel useful and needed.

EBJ: How is the flow of bid opportunities?

Rubin: Bid and proposal opportunities have increased for us, mainly because our awareness has increased.

EBJ: How do you choose whether or not to pursue work or make your “bid/no bid” decisions?

Rubin: We are generally energized by good teaming partners.

EBJ: How are you securing new clients? What is ratio of old clients to new clients?

Rubin: In our case, new clients greatly outnumber old, but that is because we are so new that we are constantly gaining new clients to outnumber the very few old clients we had at the outset.

EBJ: Do you have full-time business development department, or is the function interspersed with technical and/or billable people?

Rubin: The function is interspersed between the two.

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

Rubin: Our values, our decency, our work ethic and our intelligence.

EBJ: Is information technology a differentiator for you, or is it merely necessary to keep up to date in service delivery?

Rubin: It has been a differentiator for us. We are cutting edge because as a semi-virtual company, we have to be. By “semi-virtual,” I mean that, although we have fixed office locations on the East and West coasts, we encourage our employees to work from home as much as possible—and about 80% of them do so. In addition to the obvious environmental benefits of fewer people driving to and from work, there are huge benefits to us as a company. For example, we feel that people tend to be more productive

when they can get up in the morning and go right to work at home instantly—in their pajamas if they wish. They don’t waste the first hour or two commuting.

We have also loaded up on technologies that keep us in constant contact—cell phone cards for our computers, which enable us to access the Internet and our e-mail instantly from any location in the country without access to a local area network; and the use of handheld devices, like blackberries, that travel with us easily and allow us to handle issues in real time. I don’t worry about whether a technology costs extra; it is a small price to pay for a high degree of communication and greatly increased effectiveness.

In addition, by using technology for communications, we don’t need as much infrastructure (office buildings), so our overhead rates are fairly low.... Home-based solutions are feasible for us because we produce studies and analyses that require collective thinking but not co-location.

EBJ: What will be key to success in the 21st Century in the environmental industry?

Rubin: To answer this question meaningfully, I would have to construe the “environmental industry” broadly so as to include both conservation of natural resources and development of realistic pathways for alternative energy sources—and not just traditional environmental work, like cleanup, pollution prevention and so forth. If so construed, then this “environmental industry” is pretty much by definition at the leading edge of thinking and action in this century, because it is our environment itself, the resources it contains, and how we use them, that are at stake.

It will be the job of this industry to figure out how to preserve what is left of our open spaces and tackle the biggest challenge we may ever face: the question of oil production peaking. Even now, many people are lulled into thinking that the price per barrel of oil will drop again just as it has after many other oil shocks. They are missing the point—that even if the price of oil drops, we will never again be in a position to think reserves are vast. We, the environmental industry, will need to deal not only with the technical issues of alternative energy sources but also the repercussions of the cost of alternative energy sources, the culture shock associated with their use, and the potential for severe international strife as world oil peaks.

EBJ: How do you feel about the progress (or lack thereof) we have made on environmental issues in the past 40 years?

Rubin: I remain stupefied by the perception most people share that the planet is a business base, as opposed to a natural resource to be protected. It will take a huge crisis to wake folks up.

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

Rubin: Conservation of land and alternative energy sources—beyond solar and wind. Replacement of infrastructure needed for nuclear to work.

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

Rubin: The challenges and the need for solutions have become more personal. The need for companies who do more than just business has become greater.

EBJ: Do you consider yourself a “socially conscious” consumer?

Rubin: Largely, yes.

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

Rubin: That there are no opportunities for great change—only small changes made with great care. I think we are at a point on the world stage where there simply are no great environmental changes that can be made. We have gone too far in one direction—that of overusing our resources—and coming back to the center and finding balance will not, in my view, be achieved by leaps and bounds. It will take a huge amount of patience and creativity, and those who are only motivated by the potential for great change may be sadly disappointed.

Trying to get to the center—that is, a better balance between people and the planet—will be a painfully slow process. The only thing “huge” about it will be the events that trigger the change, such as world oil peaking. After that, the solutions will seem tiny and incomplete compared to the problem. This is why I say we need to be prepared to be patient and to take small steps with great care. There will be no miracles here. ■