

ENTRY INTO THE NEPA MARKET SPELLS GROWTH FOR MARSTEL-DAY

Marstel-Day, LLC (Fredericksburg, Va.; www.marstel-day.com) is a consulting firm specializing in environmental management and conservation issues, historically serving both the public and the private sector but establishing a particular reputation for supporting the Department of Defense's Base Realignment and Closure (BRAC) program. The firm employs 23 thinkers, planners and strategists with diverse academic backgrounds and experience. Marstel-Day's current portfolio includes the transfer of BRAC properties for conservation or recreational use, the buffering of active military bases (i.e., the extension of operational bounds by integrating proximate natural resource zones) and a variety of strategic initiatives to further the monitoring of the Earth and its oceans. Rebecca Rubin is the firm's founder, president and managing partner.

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

Rubin: Our revenues grew 25% in 2006 and 21% in 2005. Our primary deliverable is a study or analysis, so our key aim is to keep delivering quality products that please the customer by presenting novel approaches to complex and/or seemingly intractable issues.

EBJ: What effect on environmental industry market drivers did you perceive from the Bush administration?

Rubin: The Bush Administration initially put a damper on environmental issues, but the environmental forces responded in kind by becoming bigger and better. So overall the market improved.

EBJ: With traditional environmental market drivers like prescriptive regulation in decline, what drivers are you responding to and how are you positioning your company for the future?

Rubin: There are so many current and incipient environmental issues to deal with that "success" and "positioning for the future" come down to a question of focus. As a company, we try to identify the key areas where we can make a difference—and not get distracted by trying to solve everything all at once.

EBJ: How do you deal with the issue of sustainability or resource productivity? Are any customers buying services driven by the pursuit of sustainability?

Rubin: Both NOAA and the military departments, two major clients of ours, are driven by sustainability, albeit for different reasons. The military cares about sustainability because it may lead to oil independence

and because it may help sustain military installations' operational integrity. NOAA cares because it affects overall natural resource economics, which is a key part of the NOAA mission.

EBJ: What kinds of opportunities have arisen with the focus on domestic security?

Rubin: Every time we do an environmental assessment for a military installation, it is the ideal opportunity to identify security issues.

EBJ: How does your business break down by customer and by service type?

Rubin: We are about 80% government, of which most is military, and 20% private sector, of which most are developers seeking to integrate conservation with their overall development strategy—including, but not limited to, mitigation banking.

EBJ: Do you have any international business?

Rubin: About an eighth of our work is for NATO and the Partnership for Peace, driven by the need to coordinate NATO with its Warsaw initiative partners.

EBJ: Where do you see your best growth opportunities?

Rubin: Our best growth opportunities lie with the people we hire and their will to succeed. Wish us luck!

EBJ: What service areas are you considering as new business practices?

Rubin: We have recently broken into the NEPA market, performing environmental assessments at 12 sites nationwide. We hope to continue on that trajectory.

EBJ: What new large contracts of note has your company been involved in the past two years?

Rubin: In 2006 we broke into the NEPA business, hauling in a significant Army contract to provide NEPA services to BRAC bases countrywide. We were chosen from a very select set and it was an honor to be one of the very few small businesses given this accolade.

EBJ: What growth do you forecast over the next two to three years?

Rubin: For us it is not so much a question of growth. Our focus is on quality work first, then the institution can grow or shrink to best deliver those results.

EBJ: What growth do you forecast for your sector of the environmental industry?

Rubin: I believe that the sector as a whole will grow phenomenally. Now is the perfect time. There is a dawning recognition, albeit somewhat belatedly, of the need for environmental awareness to lead the way forward and to take precedence over many other traditional issues. This is not a political statement. It's simply time.

EBJ: What policy initiatives, economic instruments and/or government activities would you advocate to stimulate more market growth in the environmental industry?

Rubin: I think policymakers could develop the environmental market by paying more focused attention to the obvious connection between environment and both domestic security and national security. Squallor and strife here and abroad are fed by market economics (and political economics), but the results are environmental and, in many cases, catastrophic in terms of impact on the immediate human condition and, sadly, for generations to come.

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

Rubin: Dramatically. People would have to be half-dead not to factor this into their everyday thinking. Granted, there are still a few left querying how much of climate change is man-made versus how much is bound to occur naturally. I find this sort of comical, in part because the answer will never be definitively known; at this late stage, neither variable can be analyzed independently.

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

Rubin: I think a lot of firms are struggling with two key issues: 1) Many of their younger employees are *unimpressed* with health care as part of the "benefits package." This places those firms in a quandary—the management knows the importance of health care, but youth doesn't always get it and wants more immediate (salaried) incentives. 2) Companies decide to "go virtual" in order to cut costs, etc., and then only by living through the experience do they find out what they really means — including the potential for less control over employees and their work products. It was easier for us because we started out as virtual and had all the protocols in place. We added the infrastructure (bricks and mortar) later.

EBJ: Has the flow of bid opportunities and proposal activity trended throughout 2006?

Rubin: We are finding that as our staff grows, they get hungry and will go searching for interesting work to bid on, especially in the intersection between environment and land management.

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

Rubin: Mainly, a sense of whether in our own minds we are competitive. We try to be true to ourselves regardless of what a selection committee may think.

EBJ: How have bid/proposal win rates trended in 2006 vs. 2005?

Rubin: We have bid on more work as a *subcontractor* this year than in any of our four previous years, so overall we are involved on more teams and have gained more work that way. Being a sub is newer to us: previously we tended to prime most bids.

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

Rubin: I hate to refer to any of my clients as "old." About 75% are recurring clients. Some clients want "pat" answers that I suspect won't much help them. As a result, we tend to attract serious clients who mean serious business, who can't afford the hype, and whose job will depend on producing meaningful and realistic results.

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EBJ: What new methods are you using to generate leads? And what methods have been most effective?

Rubin: We find the best way to generate leads is to hire people who have excellent reputations. The market tends to follow them.

EBJ: Do you have a full-time business development department, or is the function interspersed with technical and/or billable people? Do you think small or large companies approach business development in fundamentally different ways?

Rubin: Yes, small companies approach things differently. In a small company, everyone has at least three jobs. Business development is *always* one of those jobs. We try to drill that in. The only function that is truly separate is the bookkeeping and accounting function.

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

Rubin: Kindness.

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

Rubin: It is a big differentiator. We work at IT every day. Our people are accustomed to being virtual; for them it is intuitive now. That makes a huge difference for us, saving us both time and grief.

EBJ: What will be the keys to success for consulting & engineering firms over the next few years?

Rubin: Not making too many mistakes.

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

Rubin: I would have to say that, if you define "environmental industry" to include non-profits, like the Trust for Public Land or any of the 1,200 local, land-acquiring non-profits nationwide, then our national progress has been enormous. I am referring here to land conservation more than to anything else, because that tends to be what inspires people. Once you get people out and about to a preserved natural area, they can see and feel the tangible results in a way that

is a little different from, say, fuel savings.

EBJ: What is the most pressing environmental issue today?

Rubin: Our collective environmental mindset—or lack thereof—is the most pressing issue. People will either acknowledge the environment as serious or at least routine, like driving a car, and thereby embrace it and accept its responsibilities as normal and expected; or they will choose to blow it off. Many, many people still live for convenience, making the environmental fallouts and liabilities somebody else's problem.

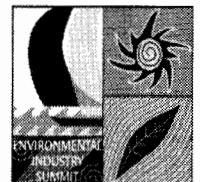
EBJ: What motivates you most in your work and how does that translate down to your employees and colleagues?

Rubin: Conservation of natural resources is what lights me up and keeps me going. We also instill a conservation ethic in our staff, and we try to be good conservation partners with the local communities at our three office locations (Fredericksburg and Alexandria, Va., and Oakland, Calif.).

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

Rubin: Much of our newer work is oriented toward what you might call traditional management consulting, and we find it an interesting process to help our clients understand the environmental issues embedded in that traditional consulting. ■

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