

# Consulting

'It was the best of times, it was the worst of times...'

by Richard MacLean

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Charles Dickens penned that famous line in *A Tale of Two Cities* to describe the range of social impacts brought on by the turmoil of the French revolution. The global economic revolution is in a similar state of turmoil: widespread economic recession contrasted with niche shelters of growth and economic opportunity. Home Depot, Caterpillar, and Pfizer may be laying off thousands of workers, but McDonald's is planning to spend US\$2.1 billion to open 1000 new stores. Where might comparable safe havens exist in the environmental consulting world? And what is the overall mood right now among consultants?

## Consulting Safe Havens

In an economic downturn, businesses follow a very predictable pattern. Management invariably curtails all forms of discretionary spending, right after freezing staff levels and imposing travel and living expense restrictions. Nice-to-do projects become forget-about-it projects. Projects and programs must be either essential (e.g., preexisting commitments, regulatory requirements, mandates by top executives) or they must directly support activities that have significant short-term payback or other business characteristics deemed vital (e.g., providing major liability and risk reduction, supporting the introduction of profitable green products and services, resolving a crisis du jour).

Outside consulting support and contract labor invariably is cut before internal staff is cut. For example, a colleague recently disclosed to me that within the natural resources and mining industry there is a current movement to fire all external environmental consultants and replace them with in-house geologists, mining and petroleum engineers, and other "limited and critical staff resources" just so they can hold on to them until the turnaround comes. While the logic is clear, what this says about

the specialized skills of environmental professionals is unsettling.

Without question, environmental consulting firms are feeling the pain. Obviously, consultants who support projects driven by economic growth are being hardest hit. If they don't build it, they will not come. Consultants supporting green programs and projects that were justified based on philanthropic motives, public relations, or brand building are similarly under pressure.

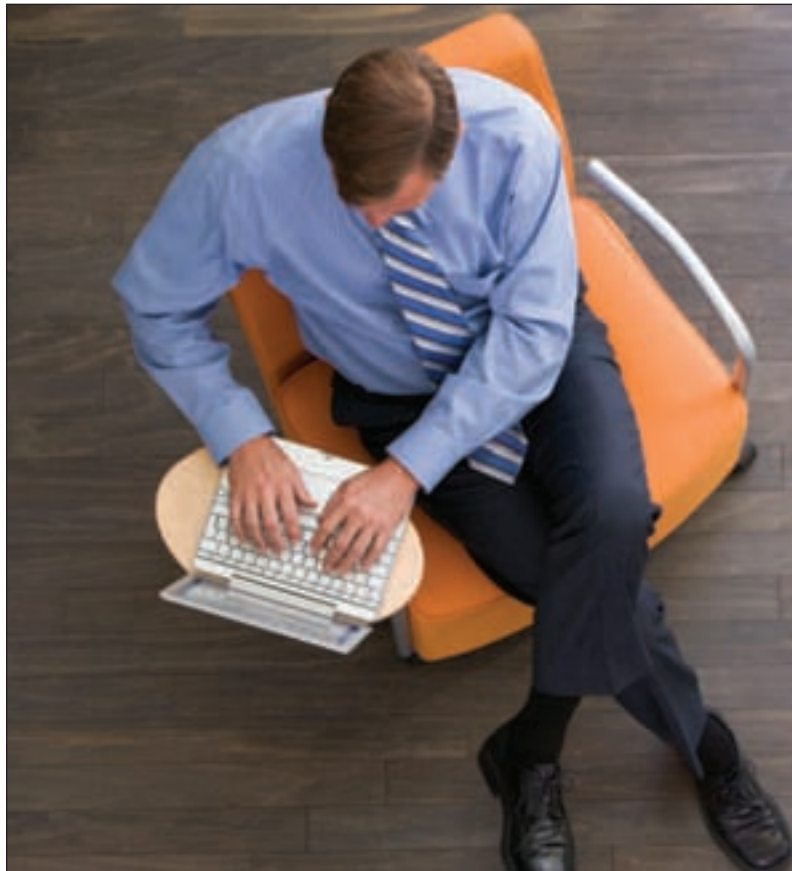
In the short term, there will be painful disconnects as consultants seek out areas that offer opportunity in today's harsh economic reality. Consultants who can quickly identify niche areas that fall into the examples of the essential services previously listed will do well even in these tough times. Speaking for myself and on behalf of some of my colleagues, business has never been busier, so this statement is not just idle speculation.

## The Future Looks Bright

The rather grim picture just outlined does not reflect the long-term prospects for environmental consulting. For example, in the United States, the

# in Tough Economic Times





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In an economic downturn, nice-to-do projects become forget-about-it projects.

change in administration will have a definite impact. This effect will not, however, be immediate, since the pipeline of new laws, regulatory enforcement, and environmental-related spending will take about a year before the full effect is realized.

In addition, there is a significant loss of institutional knowledge within both industry and regulatory agencies as experienced professionals either retire or find other work outside the environmental field. The growing, and largely ignored, gap between the ramping up of attention to the environment and the loss of talent needed to address the issues has major implications for the consulting industry.

Environmental consulting is unquestionably a growth industry. Simply (and sadly) stated, global environmental conditions are in serious decline placing our profession on the front lines to (hopefully) reverse current trends. The effort needed to address issues such as pollution, declining fresh water supplies, loss of topsoil, and loss of biodiversity is massive.

For example, consulting on issues related to just climate change is projected to rival the growth of the environmental consulting business in the wake of the formation of federal regulatory agencies such as the U.S. Environmental Protection Agency (EPA). In the United States, that market went from approximately US\$600 million in 1976 to \$27 billion in 2008. The global market on climate change consulting is expected to double over the next five years (*Source: Climate Change Business Journal*, December 2008, p. 1.)

While developed countries have stabilized much of the visible decline in the environment, the challenges that lie ahead for developing countries, such as China and India, are staggering. Air pollution during the 2008 Olympics in Beijing received international media attention, but even more significant pollution issues have received very little attention. For example, cities the size of Chicago with names that few would recognize outside of China are discharging sewage without even primary treatment.



Companies will want sharp and super-informed environmental consultants to guide them through this maze of issues that will impact them and their suppliers and customers. Environmental consulting in its broadest sense is going to be in high demand, as certain as the planet will continue to experience environmental degradation. For those who can tough it out over the next year or so of transition, your future looks bright.

### The Mood Today—A Reality Check

A person's mood is no doubt heavily shaped by current employment status and the indicators he or she monitors to gauge long-term job security. Pundits explain the global pain level using impersonal statistics, but there are better ways to describe the misery. My favorite: You know an economic downturn has begun when strangers are being laid off en masse. A recession is underway when your neighbors are laid off. A global depression begins when you are out of work.

Joking aside on this rather somber subject, what is the current mood of environmental consultants? My opinion is that if you take the long view and believe that you can make it through the current transition, the outlook is extremely positive. But what do others believe?

There is a wealth of data currently being analyzed to, among other things, gauge the mood of environment, health, and safety (EH&S) professionals. From September through November 2008—at the ramp-up of the financial meltdown—the Center for Environmental Innovation, in conjunction with Tulane University and the Wharton School, conducted a survey to check the “pulse” of EH&S professionals. Over 3300 professionals participated—one of the largest comprehensive surveys ever. This is the first public release of just a tiny fraction of the timely results.

Jim Leemann, Pulse Program Director with Tulane University's Center for Applied Environmental Public Health, states, “Of the 334 consultants responding to the survey, 61% indicated their career is as rewarding today as it was five years ago. The vast majority (89%) believe their chosen career field was a wise decision and 73% also characterized the long-term prospects in their career field as favorable.”

But Dr. Leemann reports that consultants are under intense pressure. “A majority of the consultants (58%) revealed that they are somewhat to not sure about how secure their jobs are when compared to the past three years. This anxiety level is significantly higher than that of the overall survey population (39%). Similarly, over the past three years, 37% indicated that available job openings or opportunities have decreased as compared to 21% of the total EH&S population. Even so, 67% would still encourage young people to enter their chosen profession.”

Indeed, consulting professionals are feeling the stress of our current economic times, more so than most—probably because they are the easiest to terminate. But as a whole, the majority remains optimistic about the future. The results of this study will be published in the upcoming months in various journals. Contact Jim Leemann at [leeman@tulane.edu](mailto:leeman@tulane.edu) for more information. **em**

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