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Ask the Experts

by Steve Rice & Richard MacLean
June 2003

POINT 2 POINT: Your Greatest Professional Fears and Hopes

Also this month:

- [Tips for increasing a company's business value](#)
- [EH&S job market forecast](#)
- [Steve and Richard's proudest professional successes \(Part II\)](#)
- [How to start an environmental consulting services business](#)
- [Key steps in building an EMS](#)
- [Postscripts: Publicly Available Market Research](#)
- [Got a question? Let us know.](#)

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Special Quarterly Feature: POINT 2 POINT -- Your Greatest Professional Fears and Hopes

Four times a year we present a special feature, Point 2 Point, in which we discuss a relevant topic from two different points of view. Our intention is to provide you with thoughtful yet contrasting insights so that you can decide what is right for your unique situation and organization. We stress that neither view is necessarily "right" nor "wrong" -- just different. This quarter we asked for your thoughts and opinions on what your greatest fears, and hopes,

are for our profession. We received responses from dozens of people from a variety of companies, government agencies, and non-governmental organizations. Most people's comments are best summed up by this one person's response:

Responder (name withheld by request): My greatest fear is the continued erosion of the EH&S professionals' technical expertise -- that we will continue to over-dilute and misdirect our EH&S resources by the way we are asked to be many things other than EH&S people -- resulting in less attention to EH&S and less technical competence -- things which will eventually lead to less sound decision-making and missed problem identification / resolution.

My greatest hope is that the quality of EH&S leadership improves (actually, returns) to the point where EH&S departments' leaders are people with real values and character who see their primary mission as protecting communities, employees and the environment, not achieving their next career title or creating a good appearance to management above them.

Steve: As usual, like the old Lay's potato chip commercial, I bet I can't eat (or state) just one. I have two fears and two hopes.

My greatest fear is that in light of the persistent weak job market, EH&S professionals will continue to be fearful of being bold and innovative. The last few years the profession seems to have lost its edge; few people are really pushing the envelope, choosing instead to be 'safe.' Carl Frankel recently also addressed the fear of being bold, within a framework of corporate courage, in his *Frankel-ly Speaking* column in the March/April 2003 issue of [Green@Work Magazine](#).

My other fear is a continuation of the trend to effect cost savings simply through quick and easy staff reductions, without a more strategic approach of:

- deciding on the desired strategy and scope of services needed,
- inventorying current activities,
- conducting gap analyses,
- determining resource levels and skills required to provide the needed services,
- developing a draft plan,
- obtaining input from customers (internal and/or external) receiving services, then
- adjusting the organization, staffing, processes and programs accordingly.

Based on several interviews I recently conducted with senior EH&S executives, Six Sigma appears to be helping to provide a more strategic approach to achieving EH&S cost savings.

My greatest hope is that more EH&S professionals will recognize that today's business environment requires them to be more business-savvy and have a value focus -- ironically in contrast with the fear the responder expressed above. EH&S professionals need to branch out and become more than mere technocrats; they need a wider view of their roles and place in the fabric of their broader organizational structures. There will always be a need for EH&S technical expertise, but unless the department or site is large enough to warrant the amount of effort to maintain that expertise, it may need to be provided by someone outside of the

organization.

My other hope is that training budgets will be restored to increase the likelihood of EH&S professionals developing more business savvy and becoming more value focused, as it will occur naturally in very few people.

[Back to Top](#)

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How can I find out ways for adding business value to my company and understand its markets and competitors?

Steve: I presume that you have read your company's employee newspaper and annual report. While informative, though, they typically don't get very deep because they're prepared much more for corporate public promotion than for competitive education.

Thus, you will need to look both inward and outward:

- Inward: Invite business unit people to lunch; they may be shocked, but indicate that you would like to know more about their business, strategies, competitors, obstacles and market dynamics. Find out if they are seeking greater market share or higher margins. Be sure to meet with a mix of people, positions and levels as different people will have different perspectives and knowledge. Also, ask them what business or industry journals they read, then either get subscriptions or ask to be put on their subscription distribution list. Request and read their product brochures. Finally, if your company is publicly traded, read its SEC reports, including the annual 10K, the quarterly 10Q and other special filings, posted [online](#). Once you become more familiar with each business unit, look for trends or events in your EH&S field that have relevance to their business, products or markets and pass the news along to your new contacts. Eventually, once you've built up trust and a positive reputation, ask to be a non-participatory observer at their staff and sales/marketing meetings. Be sure they see you in their hallways, reading their bulletin boards and display cases.
- Outward: Go to your company or public library and read business management books, magazines like *Business Week* and journals like *Harvard Business Review*. While there are way too many good books to suggest, you might want to start with Michael Porter's 1980 (republished in 1998) tome, "Competitive Strategy -- Techniques for Analyzing Industries and Competitors." Read chapters 1 - The Structural Analysis of Industries, 8 - Industry Evolution, and 12 - Competitive Strategy in Declining Industries for insight that is as relevant today as it was 23 years ago -- and maybe even more so! Chapter 1 also presents his now-classic Five Forces diagram. If you can arrange the time and place, attend one of the industry's primary conferences or trade shows -- even if it involves taking a vacation day or two!

The key success factors are being able to a) identify, b) create and c) communicate value in ways that businesses both understand and appreciate value. Next month I'll review these system elements, along with some specific examples.

[Back to Top](#)

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When do you expect to see the traditional EH&S job market recover?

Richard: It will never recover, at least not in any “traditional sense.” The dynamics have fundamentally shifted and EH&S professionals are much better off understanding these shifts and adapting to and thriving in the new realities. There is not enough space here to describe all these forces at work. I suggest you read the three-part series I am writing for Environmental Protection Magazine called “Sustainable Careers. Part one appeared in January/February issue, Part two in April, and Part three in July/August, 2003. These can be downloaded from [my website](#).

[Back to Top](#)

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What have been YOUR best personal career decisions and proudest professional successes? (Part II)

Note: Last month we shared what we consider to be our best personal career decisions. This month we'll continue with our response by sharing what we consider to be our proudest professional successes.

Steve: I think that my two proudest professional successes have been:

1. Being adamant, despite resistance from site and business management, about retrofilling a PCB transformer as a risk management strategy for a BASF site in Cincinnati, Ohio - and its subsequent validation. Within days of the final phase of the retrofill and testing, a massive explosion and fire immediately next to the transformer destroyed it and the site. If I had not had the conviction that a PCB fluid changeout was the only proper strategy for that specific plant and location, PCBs would have contaminated the surrounding neighborhood and, due to the firefighting water used, the city's sanitary sewerage system. Fortunately, I also had a copy of the test result records at a backup location -- which were promptly requested by, and faxed to, local municipal response personnel.
2. Taking bold action to invoke the escape clause in a 10-year, \$100 million contract BASF had with a hazardous waste incinerator mere minutes before the option would have expired. As leader of the group with responsibility for implementing the arrangement, I faxed the notice that allowed the company to withdraw from the contract due to delays in the unit's permitting progress while others in the company were deadlocked in the political minutia about the wording of the notification. Withdrawing from the contract made economic and operational sense because our waste minimization efforts had been so successful -- what had been a contract that showed a break-even point in year three of a ten-year contract had by that time changed to year twelve! Even though I caught a LOT of heat for empowering myself

with the decision to send the fax - while others ruttet among the internal politics of the situation - time has proven that it was the right decision for the company.

It is interesting what these two events have in common - both were bold, yet well-founded, actions. Keeping in mind the Point 2 Point topic that led this month's column, I think that is why they continue to provide professional joy and satisfaction.

Richard: My early successes were technical/engineering oriented; they later evolved into managerial accomplishments. At Raychem (now Tyco Electronics), I designed and built a high-energy scrubber that allowed the plant to continue to operate while under intense regulatory scrutiny. The system was unique because it processed incredibly corrosive materials that would have destroyed conventional scrubbers. At General Electric's Noryl[®] plastic facility in New York, I led a team that designed and built a multimillion-dollar wastewater treatment facility that included a fluid bed hazardous waste incinerator. It was the first industrial treatment plant using DuPont's powdered activated carbon process; the plant won awards and I took then Governor Hugh Cary on a tour, complete with press entourage.

At Corporate GE, I was among the first industry leaders advancing pollution prevention by using environmental accounting techniques. Those were exiting times dealing with a host of movers and shakers inside industry and government! One of the first practical waste minimization handbooks was published by GE. I also set up the first environmental council for GE that continues on today as the primary policy body and communication channel among the major business groups.

At Arizona Public Service, my team transformed the company's reputation from "environmental law breaker" to that of a company so progressive that one utility trade association complained that we were setting the bar too high. In this case, it was not one specific accomplishment, but a series of activities that attracted regulatory, public and media attention.

But the greatest success was being able to grow and run my own consulting business over the past eight years. The vast majority of EH&S professionals, and people in general for that matter, depend on a paycheck issued by their employer. Imagine being completely on your own, surviving by your own wits and skill. Well, that is the life of independent consultants like Steve and me. The risks are great, but the personal satisfaction (and personal freedom) derived from being successful is the greatest.

[Back to Top](#)

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What resources are available to help me with starting an environmental consulting services business?

Steve: Two good generic business resource centers are the websites of the [U.S. Small Business Administration](#), especially its [online learning section](#), and the Small Business Toolbox section of the [Service Corps of Retired Executives \(SCORE\)](#). Both have recently

been upgraded to become more valuable resources for people such as you.

Of course, those websites focus on traditional business aspects such as organization, financing, marketing, etc.; they are not specific to the environmental consulting business. As suggested in last month's column, you may want to be sure that that is the escalator that is presenting itself to you at the moment. The field is very competitive and is currently facing the double-whammy of both decreased demand (as companies and states are reducing their environmental management budgets) at the same time that the market is experienced increased supply (due to former corporate staff and facility personnel not being able to find positions so are turning to independent consulting). If you haven't used the past 3 to 4 years building momentum and establishing a market presence, chances are you may not be able to.

Even having momentum and a market presence doesn't appear to be helping, though. Last week I heard rumors that both URS and another major environmental services company may be following IT Group and Safety-Kleen into bankruptcy. While I could find no documented evidence of URS's intentions,

- URS's most recent SEC 10-Q filing reveals a significant drop in net income, significant debt and a notable lawsuit in Michigan and
- In late 2002 its [Altman Z score](#) was 1.9 (less than 1.8 suggests a high probability for bankruptcy or an 'unhealthy' company, depending on the reference).

The good news is that the company's net income was still positive.

[Back to Top](#)

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What are the key steps in building an environmental management system (EMS)?

Richard: The most essential first step is to never tell business management that the company needs to "build", "install," or "buy" an EMS. This immediately implies that the company does not have one already. Management's knee-jerk reaction is usually "Things seem to be OK now. Why do we need to spend money on a new program?"

All companies have an EMS, even if it is Billy Bob in the back room completing waste manifests. You are streamlining, optimizing or upgrading your existing EMS to make the company more competitive, better position it, and save it some money, at least over the long haul. You get a much better reaction using this approach. EH&S managers can get caught in this trap because consultants like to sell distinct "packages," differentiating their service from others. Don't fall for this sales pitch.

An EMS is the third step in a three part process. Step one is to get in sync with your management over the company's direction. Invariably this involves some delicate probing, prodding, and executive education. They must have the facts necessary to make an informed decision. In other words, you just do not go into the CEO and say, "What is our direction/vision?"

The second step is to do the strategic planning which will turn this vision into a roadmap for progress. (There are some elements of step one in step two.) The final step is an examination of the current EMS. Where are the gaps between the strategic plan and the current tactics? If the current EMS can not produce the needed results, these gaps serve as the underlying business justification for modifying the EMS. Because business executives are already on board [or should be!] as to where the company is headed and understand the overall plan to get there, there should be fewer challenges to budget requests.

The “normal” course of events is the reverse, namely the EH&S manager tries to install a “new EMS” that was sold by some consultant and management immediately resists. Another typical scenario: the marketing department needs ISO 14001 certification and business management agrees. Certification drives everything but performance will not improve if the EMS is not in sync with any cohesive strategy.

[Back to Top](#)

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Postscripts: Publicly Available Market Research In the past two monthly columns we have responded to questions regarding the availability, or rather the lack of availability, of current market research on certain segments of the environmental marketplace. One reader has informed us of the availability of two reports that are available for purchase from [Environmental Business International](#) in San Diego, CA. The first is a specialty report on the water and wastewater markets, issued in December 2002 and available for \$150. The company publishes reports on specific market segments as a part of its [Environmental Business Journal](#). The second is a more comprehensive, 800-page report on many market segments, issued in September 2002 as an update to their 2000 report. It is available for \$2995, though does not cover the medical waste segment.

[Back to Top](#)

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Got A Question?

Send your question about environmental management issues to Experts@GreenBiz.com

We can't guarantee that we'll answer every question, but we'll try.

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