



News Center

- News
- Features
- Columns
- Affiliates

SEND US YOUR NEWS

FREE NEWS FOR YOUR SITE



Resource Wizard



Search for:

Columns

 [Printer-friendly version](#) | [Email this document](#)



Ask the Experts

by Steve Rice & Richard MacLean
March 2003

POINT 2 POINT: Achieving Environmental Performance

Also this month:

- [Six trends influencing environmental career prospects](#)
- [Suggested billing rates for consulting services \(part II\)](#)
- [Environmental trend-watching fumbles](#)
- [Career starts in the alternative-energy field](#)
- [Postscripts: 'It's a hard-knock life' department](#)
- [Got a question? Let us know.](#)

* * * * *

Special Quarterly Feature: POINT 2 POINT -- Does achieving significant improvements in corporate environmental performance require a strategy of radical change or an incremental approach?

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 month, we discuss whether improving environmental and organizational performance requires radical change, or if an incremental, staged approach is more effective. Our guest contributor this month is Gil Friend, president and CEO of [Natural Logic](#), a strategy, design,

and information systems consultancy based in Berkeley, Calif.

GIL: There's nothing wrong with incremental change; even the Apollo mission had to get to the moon a mile at a time. But when incremental change melts into incrementalism — the notion that change can only proceed in small, “reasonable” steps — a tremendous opportunity for innovation is lost. A company unwilling or unable to implement radical change may believe it is mitigating risk, yet risks missing windows of opportunity that may never return.

For example, FedEx could not have successfully launched its overnight delivery service gradually; it had to be available everywhere, from Day One, to make the mark on the market that its creators envisioned. Also, STM Microelectronics' radical change in policy to reduce energy use by 50% is expected to increase net profit equivalent to a 10% increase in revenue. Cutting a building's energy use by 40% can cost less than saving 20%.

Speed and success of change are not correlated with the how radical the endeavor is, but with soundness of thinking and excellence of its execution. So why then is radical change so uncommon? Now that's an interesting question.

STEVE: Unless there is a immediate crisis to be managed or a change in strategic company direction to be taken, the advantages of an incremental approach often (albeit not always) outweigh radical change.

First of all, it is my experience that within corporations incremental changes typically have a greater chance of achieving at least some improvement. This is often due to company cultural issues, not any logical, rational reasons. A recent client summed up the situation: “I need senior company management's consent and support to make radical changes” he stated. “Radical changes are often considered too risky so are frequently not accepted. The result is no change and no increased performance. If, however, I make the changes in increments large enough to produce improvements, yet small enough to be under senior management's radar, then we achieve improvement even though it might take longer to do so. In the end, it's a matter of shooting for a low probability of a high return or a high probability of a modest return. In most cases the latter strategy has proven to be more effective in achieving improved performance.”

Secondly, incremental change is less disruptive. EH&S organizations need to continue being efficient and productive, even during times of change.

The specific issue driving the change, in combination with the relevant corporate culture, may determine when a strategy of radical change should be chosen and when a strategy of incremental change should be chosen.

THE NEXT POINT 2 POINT: In this era of uncertain political situations, fragile business conditions, and continued EH&S staffing cutbacks, what is your greatest fear -- and hope -- for EH&S organizations or their leaders, and why? If you would like to contribute to this discussion, please email your comments (125 words or less; please include your name and company/organizational affiliation) to point2point@enviropps.com. We will summarize the responses we receive in the next *Point 2 Point*. If you request, we will keep your name and

affiliation confidential.

[Back to Top](#)

* * * * *

What are the major forces that will affect environmental career prospects long term?

Richard: I believe that there are six major trends, both positive (+) and negative (-), that will influence career prospects in the United States. All of these are under way; whether career prospects are improving or declining will be a function of the relative dominance of each at any one point in time.

1. (-) Skilled technical jobs will move offshore. Over the next 20 years, we will witness the equivalent of the blue-collar job exodus that has plagued U.S. manufacturing workers over the past 30 years.
2. (-) Manufacturing facilities will continue to migrate overseas. Typically, it is manufacturing, not the service sectors, that demand environmental talent.
3. (+/-) Communications technology will continue to improve. This allows the best, lowest-cost resources from around the world to work in real time (-), and at the same time better global communications techniques will also bring EH&S issues to the public's attention faster (+). Transparencies will increase and place additional demands on companies.
4. (+/-) Regulations have gone about as far as they can. While traditional command and control regulations will stabilize (-), a new generation of market-based and incentive mechanisms will grow (+).
5. (+/-) Environmental concerns will migrate into project and process engineering. The framework for environmental requirements has been codified and is nothing more than another design specification for process and product engineers. This is bad news for those stuck in an 80s mindset (-), but for those who migrate to jobs in these areas (e.g., design for the environment, green products, green architecture, etc.) the opportunities will grow (+).
6. (+) One or more "triggering events" will galvanize public opinion. This is the "wild card" in the equation. A major environmental issue could propel efforts towards triple bottom line accountability.

The world is changing and one must move with the times for continued career success. If you want to substantially advance your income, security, and influence, do not look to the traditional, higher-level EH&S roles of the past. It may sound crass, but if your current title contains the word "environment," maneuver to purge it from your title if you want to be taken seriously by business executives. The significant future issues will be about resources, both human and natural capital. That's where the action may be. It's still environmental work, but with a different name.

Steve adds: If any of you don't believe Richard's first point, I suggest you read the article, ["The Way, Way Back Office"](#) in the February 3, 2003, edition of *Business Week* magazine.

[Back to Top](#)

* * * * *

What billing rate should I charge for my independent consulting services? (part II)

Steve: In our February 2003 column I covered the primary factors that affect billing rates and provided sample market rates; this month I will review other important external factors, present a strategy for securing new clients and shatter a common "rule of thumb."

Other elements that impact billing rates include managing your market position, current project workload, project urgency, and situations when you use (or are working as) a subcontractor.

- **Market position:** If you are well established in a particular market or industry, you can probably charge higher rates; if you are just starting out or are seeking to gain entry into a new market or industry you may need to reduce your rate.
- **Current project workload:** A heavy current workload and future work backlog will allow you to quote a higher rate (the quintessential "supply and demand" theory at work), while a lean project load may encourage you to reduce your rate.
- **Project urgency:** If the client needs the project done on a priority basis, a priority rate should apply, as with priority shipping and first-class airline seats.
- **Subcontractor work:** If the subcontracting work results from co-marketing efforts, then a 10% markup (or subcontractor discount) is appropriate. If the work is merely handed to you as a subcontractor, then a 25% markup (or discount) is appropriate. Always require, or provide, written disclosure of the billing rate that the primary contractor charges the client for subcontract work.

Never quote a discounted rate — clients get used to that lower rate and expect it for future work. If you want to increase the probability of securing a first-time client or to demonstrate your capability, the better strategy is to quote your standard rate with a first-time customer credit. Alternatively, quote the first X hours or first phase at a rate of \$Y/hr, with additional hours billed at a lower rate of \$Z/hr.

While others suggest a formula based on determining the annual salary you want to generate, then assuming a maximum utilization rate of 50%-60%, that approach almost NEVER works in the marketplace. What you want to earn has NOTHING to do with the type, quality, or value of service you provide. Manage how much you want to earn by adjusting the value you provide and/or the number of projects or hours you work.

Very few books provide in-depth, current advice on billing rate strategies for independent consultants. The best section I've found is L. W. Tuller's *The Independent Consultant's Q&A Book* (Adams Media Corp.; 1999), pages 111–122. You will also want to know more about managing negotiation; I use *Managing Negotiation* ([Situation Management Systems](#), Inc.; rev. 1996.)

Next month I'll cover how to translate billing rates into structured project proposals.

[Back to Top](#)

* * * * *

In your articles you often describe environmental trends. Have you ever been way off?

Richard: Ouch! Overall, I've been fairly good at anticipating major trends, but I really blew it in an article "[Environmental Politics and Strategy](#)" appearing in the June 2001 edition of *Environmental Protection*.

In that article, I predicted that the Bush administration would bring an end to the stagnation that occurred during the Clinton years. Yes, the Democrats had the reputation for being the "green" party, but with Congress in an endless deadlock, nothing significant really happened during the 90s. I laid out two possible scenarios: first, "Scorched Earth," a repeat of the Watt/Gorsuch era that would lead to a revolt against the Republicans and prompt significant action; and second, "Buildup-Breakthrough," with Christie Whitman rising to the challenge and building momentum for significant change.

"Same-Old-Same-Old" was a third scenario, but immediately rejected because "someone with the talent and political skills to be elected governor is not going to plod along," as Carol Browner, Clinton's EPA Administrator, and Katy McGinty, Gore's White House policy advisor, did in the 1990s.

Was I ever wrong! The Bush administration has managed to continue "Same-Old-Same-Old" because of 9/11 and the economic downturn. The environmental activists have not been able to get their collective act together and counter these major forces consuming public attention. Initially, the administration fumbled the public relations ball (remember arsenic?), but now they run circles around their opponents by saying the good green line, but working behind the scenes to bypass restrictions and torpedo efforts through budgetary cuts and other stealth mechanisms such as legal loopholes. Green issues, as a result, played no role in the midterm elections.

Until there is the equivalent of the "green 9/11 disaster" not much will change. I gave a lot of weight to Christie Whitman as a good manager to force change, but I totally underestimated the politics. She is first and foremost a politician -- loyalty to the powers in charge ranks highest. So much has been made of her possible resignation that even if she resigned tomorrow, it would be a non-event. Any replacement will most likely be merely another loyal supporter of the party line, not an effective agent of innovative change.

[Back to Top](#)

* * * * *

I am looking for a career change into the alternative-energy industry -- where can I start?

Steve: While this is a bit difficult to answer since I don't know many of your specifics, I and Jim Stover, with the Integrated Systems unit of Northern Power Systems, do have some general advice.

First, evaluate yourself (perhaps with some assistance from people who have known you a long time) by asking “What am I really good at?” and “What do I really enjoy?” This will provide clues as to which of the several areas of the alternate energy industry would be a good match for you:

- + explaining complex systems and issues clearly (business development)
- + identifying needs and negotiating solutions (sales)
- + taking ideas from concept to reality (mechanical or electrical engineering)
- + putting pieces together to form a working unit (installation)
- + organizing tasks, people, and timing (project management)
- + developing new ideas that are practical and profitable (product development)

Once you have a handle on what you would be good at and enjoy, start looking. Of course, attend seminars and conferences to make your network contacts — most of the good jobs are never formally advertised. Also check out job postings on relevant websites such as [Northern Power Systems](#), [American Wind Energy Association](#), [All Energy Jobs](#), and [SustainableBusiness.com](#). Northern Power Systems has offices in Vermont and San Francisco. As you are currently living in Austin, Texas, you might also want to check out [Green Mountain Energy](#).

[Back to Top](#)

* * * * *

Postscripts: ‘It’s a Hard Knock Life’ Department: In the [October 2002](#) column we noted that Mutuals.com introduced the [Vice Fund](#) as an alternative to socially responsible investing. As it turns out, this “contrarian” approach of investing in alcohol, tobacco, defense, and gambling doesn’t provide financial investment nirvana, either. Since its inception in mid-September 2002 the fund’s net asset value (NAV) has fallen almost 15%, while the Dow Jones Index and S&P 500 Index benchmarks have fallen about 5%. In comparison, PAX’s World Fund (symbol PAXWX) has stayed about the same, as have the two Domini equity funds (symbols DIEQX and DSEFX). Lately, indeed, it’s been a hard-knock life.

[Back to Top](#)

* * * * *

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.

[Steve Rice](#) is the founder and president of [Environmental Opportunities, Inc.](#), a strategic environmental management advisory firm and has worked for both Exxon and BASF in a variety of environmental management positions. [Richard MacLean](#) is president of [Competitive Environment Inc.](#), a management consulting firm in Scottsdale, Arizona. He also serves as the Director of the [Center for Environmental Innovation, Inc.](#) and has held executive level health,

safety and environmental positions in several Fortune 500 companies.

[More Columns...](#)



[Printer-friendly version](#)



[E-mail this page](#)

Feedback

- [Comment on this Column](#)

[News Center](#) | [Business Toolbox](#) | [GreenBiz JobLink](#) | [Reference Desk](#)
[About Us](#) | [Support Us](#) | [Sponsors](#) | [Contact Us](#) | [Site Credits](#)
[Advisory Board](#) | [News Affiliates](#) | [Site Map](#)



[Copyright © Green Business Network. All Rights Reserved.](#) | [Privacy Policy](#) | [Disclaimer](#)