

the more traditional environmental industry, serving both outside consultancies and in-house environmental, health, and safety (EHS) departments, but now specializes in three overlapping areas—environment; corporate social responsibility (CSR) and sustainability; and climate change, focusing on renewable energy, energy management, and carbon management.

With offices in London and Chicago, Acre has had a view of the major markets for environmental and sustainability talent and has seen similar patterns across different geographies. “What we saw prior to 2008 was intense competition for candidates,” says Irwin. When the economic downturn hit, “anybody related to housing, land development, and construction was decimated.”

Irwin points out that some consultancies avoided the “redundancies” and have remained strong. Waste management, particularly encompassing anaerobic digestion and waste to energy, has been a strong market, as has energy and carbon management. “Sustainability consultancies are also growing,” he adds.

Many consultancies had stripped down to “bare bones,” he continues, but “now they are starting to look out at the market and re-hire. We’re also seeing new consultancies starting up.” Noting the recent launch of an EHS/waste consultancy by a major U.K. firm with about £300 million (about \$470 million U.S.) in annual revenue, Irwin notes “we’re seeing companies starting to look out and become innovative and dynamic and take advantage of increasing business confidence.”

He reports that sustainability is catching on the United States, and that the movement is being reflected in recruiting campaigns. As for the search for specific carbon management experience, the United States is behind the United Kingdom and Europe, because of the lack of climate legislation at the federal level, in Irwin’s view.

In the United Kingdom, the government’s CRC Energy Efficiency Scheme, a mandatory cap-and-trade system requiring about 20,000 public and private entities to reduce their carbon footprints, is not

only driving employment but leading to the creation of new positions. “What we’re seeing on the client side is the emergence of the position of CRC manager, which is new,” says Irwin.

“The more traditional energy management role is moving across into a CRC-focused role,” he notes, adding that each firm adapts these skills to the new role in its own unique way. In collaboration with the information technology services and sustainability consulting company **Atos Origin** (London, U.K.), Acre has established the CRC Network as a forum for connecting CRC professionals.

Irwin has seen some increase in demand for the more traditional EHS management

positions within U.K. client organizations. “The types of contracting consultancy roles are starting to dry up because companies are trying to save money, by bringing a professional in house,” he says, adding “there’s a good stock of candidates out there.”

Despite these nuggets of hope, the outlook for employment in the environmental consulting and engineering sector is uncertain, Graziano concludes. The need to retain top talent “is still a top-tier concern,” he affirms. If hiring is still selective at this point, at least there are a good number of firms who are looking forward, and don’t want to be caught flat-footed when the economy does rebound. ■

SOVEREIGN CONSULTING LEVERAGES STRONG GROWTH RATE TO ENTER NEW MARKETS

Sovereign Consulting Inc. (Robbinsville, NJ) has been an EBJ Business Achievement award winner for several years, most recently in 2009 for continuing on its course as one of the fastest growing environmental consulting and remediation small businesses in the United States. During 2009, the 200-person firm’s revenues increased to \$40 million—not up to the pace of previous years, owing to the recession, but still up significantly, and more than double the firm’s nearly \$20 million in revenue for 2006.

2010 is shaping up to be another year of strong revenue growth, as the economy rebounds from recession and as the company expands its service offering and enters new markets, according to Marc Cicalese, vice president and federal program director at Sovereign. Sustaining growth in challenging economic times means being nimble on your feet, and Sovereign Consulting has been nimble by winning key new contracts, opening a new Gulf Coast office, entering the utility market, and forming strategic partnerships. Cicalese projects 2010 growth to about \$46 million in revenue.

Sovereign Consulting describes itself as a specialist in environmental consulting and remediation, particularly site assess-

ment, remedial investigation, conceptual site modeling, feasibility studies, remedial design and engineering, remediation system operation, maintenance and monitoring, system optimization, ecological services, and construction management. Broken down by market category, nearly 70% of revenue comes from the hazardous waste category, about 5% from what Cicalese refers to as “clean construction,” and the remainder distributed among environmental management, environmental science, wastewater treatment, and air quality. The company ranked at number 135 on *Engineering News-Record’s* (ENR) 2010 list of the Top 200 Environmental Firms, up from 153 on the 2009 list.

Sovereign’s continued success has had much to do with good anticipation and careful planning, according to Cicalese. “During the good times, we worked very hard to build the company with enough assets and financial stability to remain strong and continue to grow, even during times of economic distress. We continued to hire from September 2008 to the present, adding more than 40 people to our staff, and made many capital investments in our information technology, marketing, accounting, and technical infrastructure. Our continuous strategic planning has allowed us to see the long-term effects of the

recession and plan for our clients' needs accordingly."

Within the past year, Sovereign Consulting has formed two key partnerships designed to facilitate its expansion into new markets—with RE Invest Solutions, LLC and Integrity Energy, LLC, both based in Farmingdale, New York. Late in 2009, Sovereign formalized a relationship with RE Invest, a brownfields investment firm, under which the two firms will collaborate in helping to encourage and facilitate the remediation and redevelopment of industrial properties with environmental impacts.

"Many developers own or seek properties for which they can't get traditional financing because of seen and unforeseen environmental impacts that impair the site," Cicalese explains. Under the model adopted by RE Invest and Sovereign, RE Invest provides the financing for the environmental cleanup to encourage and facilitate the remediation and redevelopment of industrial properties, while Sovereign will perform the environmental remediation. The investment of money and technical resources are offered to developers in exchange for an equity position in the redevelopment project.

Under this model, the partnership is working on a former Wright Brothers aircraft engine plant in New Brunswick, New Jersey, where it has completed the demolition and has begun the remediation. The principal development partner of the property stated that the project would not have moved forward as easily, if at all, without the type of innovative business offering that the Sovereign/RE Invest team provided. The partners are pursuing properties across the country focusing primarily in regions where Sovereign operates.

The partnership with Integrity Energy follows a similar model under which Sovereign is pursuing entry into the sustainable energy market. Integrity Energy's role will be to finance the design, installation, and operation of solar systems, while Sovereign performs the actual design, installation, and permitting. An initial project involved an installation at Sovereign's Robbinsville headquarters, facilitated by state and federal incentives.

"We are currently developing some large-scale projects on multiple acre lots—where we can get a good return," says Cicalese. He recognizes that the clean energy field has already attracted the attention of numerous environmental consulting and engineering firms. "We got into this business heavily last year, so our first projects are just coming to fruition, but we are a couple of years behind the curve," he acknowledges. Integrity Energy is now developing projects that do not rely on the Section 1603 grants which expire at the end of the year. Ideally, the partnership will be able to find contaminated sites that offer good locations for solar energy systems, taking advantage of a broader range of Sovereign's service portfolio.

LOOKING TO BALANCE THE CLIENT BASE

Sovereign identifies its core clients as oil and gas, industrial, and chemical companies on the private side and Department of Defense (DOD) and federal agencies and departments on the public side. The public-private split is about 80% to 20%, although Cicalese says the firm would like to achieve a split closer to 60% private and 40% federal.

On the private side, the firm has been actively pursuing electric utilities and natural gas companies as a new market area. For these clients, Sovereign is primarily providing its traditional environmental services. It has, however, done some retrofitting of boiler controls to improve operating efficiencies and reduce energy consumption, either taking a straight fee to install the systems or taking a percentage of the associated savings, according to Cicalese.

In the federal market, Sovereign won its first contract with the Army Corps of Engineers, a \$25 million Remedial Action Contract (RAC) award at other locations within the Corps' North Atlantic Division. "We have good teams and good relationships with the Navy and the Army," says Cicalese, adding that the firm is still trying to make inroads into the Air Force.

The company has benefited from stimulus funding under the American Recovery and Reinvestment Act (ARRA), he adds. "We've won about \$10 million in stimulus-

funded task orders over the past two years. In 2009, Sovereign received more than \$8 million in renovation projects funded by ARRA through our Multiple Award Task Order Contract for construction services at Aberdeen Proving Ground in Maryland. To date for 2010, we've won \$2 million.

Prior to the release of the stimulus funding, many projects at Aberdeen were on backlog, Cicalese notes. When the money was released, the facility was able to make progress under the Base Realignment and Closure program and implement several planned strategic activities to move operations from other nearby bases such as Fort Monmouth, New Jersey, to Aberdeen.

Cicalese reports that the sustainability movement has touched his firm's operations materially. "Increasingly, we've added sustainability as a core component of our project planning and management. Many of our clients are already on board with sustainable remediation. For one of our major oil and gas clients, we operate a ground-mounted, 275 kW thin-film solar photovoltaic system at a site in Gloucester County, New Jersey." According to an EPA paper published in 2007, "this site is the largest producer of renewable energy supplied completely and directly to remediation systems."

Going forward, Sovereign's principal challenge will be "keeping up with our growing portfolio and size without sacrificing the heart and the principles of our company," Cicalese concludes. "Our goal is to maintain smart growth to ensure our success, and to ensure that Sovereign is the kind of place where people like coming to work."

As always, there is the challenge of retaining large clients that are increasingly consolidating their vendor lists. Sovereign expects to tighten its relationships with such clients by forming partnerships and hiring quality managers rather than going the acquisition route, Cicalese says. "Many Fortune 500 companies gravitate towards very large businesses for environmental services, losing sight of value and responsiveness. We constantly innovate and improve our operations to stay competitive, and maintain a network of strategic partners to meet our client's needs." ■