

## AEI CONSULTANTS MAINTAINS 15% GROWTH RATE; SEES GROWTH IN COMMERCIAL REAL ESTATE AND ENERGY EFFICIENCY

*AEI Consultants is an employee-owned full service firm specializing in environmental due diligence, engineering, energy consulting, site investigation, remediation, industrial hygiene, and construction management. Founded in 1992, with over 20 offices across the United States and Europe, AEI Consultants is one of the nation's fastest-growing environmental firms with more than 250 employees. Holly Neber is President of AEI Consultants and is responsible for the day-to-day operations of AEI, building on the company's reputation for responsiveness and quality consulting to further grow the company and its relationships with both clients and industry partners. Holly has been with AEI since 1999 and has a Bachelor's Degree in Environmental Science and a Masters of Education.*

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

**Holly Neber:** Business has been very good. AEI Consultants has seen 15% growth year over year consecutively for the last five years.

**EBJ: Now that the 'Great Recession' is technically over in the U.S., how did the early crisis points and subsequent economic slowdown affect your business?**

**Neber:** Initially, there was a major impact on commercial real estate transactions, especially related to the commercial mortgage backed securities (CMBS) market. This directly impacted AEI because a large percentage of our overall business is tied to real estate transactions.

At the time of the economic slowdown, the pre-foreclosure business increased at AEI. So some of the business we lost in new transactions we made up for with foreclosure transaction work and state-funded clean-up projects. At this point, those experiences are long since in the rear-view mirror, although the slowdown has definitely shaped our desire to remain lean in order to weather future conditions.

**EBJ: In what sectors did you see demand for environmental services change most during the recession and in the past couple of years?**

**Neber:** Pre-foreclosure assessment, closure of abandoned facilities, and stabilization of distressed assets were in high demand during the recession and have declined in the past few years.

**EBJ: What signs of recovery, have you observed in 2014-2015?**

**Neber:** We've observed more transactions coupled with a large increase in new construction and development.

**EBJ: Has the lingering malaise in the global economy had any impact on your company or your client base?**

**Neber:** Our clients appear to be cautious going into 2016 based on geopolitical factors; however, global financial concerns also drive investors to commercial real estate in the United States, which is good for our business.

**EBJ: What impact have lower commodities and oil & gas prices had on you?**

**Neber:** Our client base is not weighted heavily towards oil & gas so we've not experienced any direct impacts. We are cautiously optimistic going into 2016. We know global uncertainty and oil & gas could have an impact but we're not seeing it yet. We also hear about greater regulatory oversight affecting our lender clients. All of these are of concern; however, com-

mercial real estate remains a great place for investors and this helps our business.

**EBJ: What has been the main thrust of your strategy over the past couple of years?**

**Neber:** The primary strategy at AEI has been diversification of service offerings aligned with core capabilities. We've also expanded into Europe and other international locations, both of which allow for increased ability to satisfy clients wherever and however they need us. Through these strategies we've seen continued growth in our revenue and diversification in our client base.

**EBJ: Where do you see your best growth opportunities?**

**Neber:** We see a lot of opportunity in our energy efficiency services division. In the United States this market has been growing. In terms of client type, we anticipate continued growth in industrial properties, especially warehouses associated with logistics and retail, and emerging forms of medical office and assisted living facilities as demographics change in the U.S.

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As the population continues to move towards urban centers and seeks to live in transit-oriented developments, we look forward to continuing our infill project work, including demolition related and remediation services. Seeing a formerly impaired site become converted into a thriving part of a community is a huge source of pride for us. We love working with local agencies and developers to be a part of the solution for these types of sites. AEI also anticipates growth in business outside the

United States due to our expanded international network.

**EBJ: Are you looking at diversifying services or developing new practices?**

**Neber:** Rather than adding new services in 2016, we are really looking to leverage the diversification investments we've already made. For instance, our Energy Efficiency consulting services, Construction Consulting services, and EH&S compliance service groups are poised for continued significant growth, in addition to our existing engineering consulting group.

**EBJ: Are you seeking to evolve into a more integrated service provider?**

**Neber:** Yes, we are. Our construction consulting service offerings can have recurring revenue for the life of the project, sometimes upwards of 18 months. Services provided by AEI's environmental health & safety (EHS) division can also have recurring revenue lasting indefinitely by providing in-house personnel to clients for management and compliance.

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We commonly become involved with commercial real estate assets during acquisition due diligence, and we're focused on leveraging our capabilities to help our clients manage those assets through the long term with our energy efficiency, engineering and environmental inspection services, environmental remediation and compliance services. We love to be considered a part of our clients' acquisition and property management teams because we can offer solutions throughout the life of the relationship that a client has with an asset.

**EBJ: What have been your most noteworthy projects or business accomplishments over the past two years?**

**Neber:** Decommissioning of a large coal-fired power plant in the Boston area; Remediation of a solvent plume affecting groundwater in Silicon Valley; Energy efficiency audits for a portfolio of properties owned by a public housing agency associated with a large metro area; and Expansion of business operations to Europe

**EBJ: What growth do you forecast for your company over the next 2-3 years?**

**Neber:** In line with what we have seen over the last five years, AEI forecasts 15% increase in growth each year.

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

**Neber:** We expect to see continued growth with some leveling off as commercial real estate activity may be hitting a plateau, at least in some metros.

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

**Neber:** We support initiatives that promote smart growth, infill development, and transit-oriented development. We also like to see collaboration between agencies to assist communities in developing impaired sites. Overall, we believe developers want to build great places for people to live and work, and agencies should support that investment in our communities. We also support prudent regulatory controls for our financial community to prevent crises like the Great Recession, while being mindful of the swing of the pendulum. If regulations become too tight, lending activity could slow which could harm the economy and our business.

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

**Neber:** We see climate change as having a positive impact on energy services (Green property needs assessments (PNA), Energy Star benchmarking, energy audits).

## **MANAGEMENT & BUSINESS DEVELOPMENT ISSUES**

**EBJ: Did the flow of bid opportunities and proposal activity increase in 2015?**

**Neber:** In 2015, AEI experienced a 20% increase in bids over the prior year. We saw increases in all customer sectors last year.

**EBJ: How do you choose whether to pursue work or make "bid/no bid" decisions?**

**Neber:** When choosing whether or not to bid, we look at a couple of things. Of course we evaluate our ability to complete the work with a high level of competency within a reasonable project budget and to meet the time frame. We also look at the time required to prepare the proposal and the likelihood of being selected.

**EBJ: Do you have a full time business development department, or is the function interspersed with technical and billable people?**

**Neber:** At AEI we have a full time business development department working in conjunction with our technical resources and billable people. The majority of professionals on our business development team are also technical experts. This allows them to serve as a single point of contact to manage the relationship and technical issues. Clients appreciate their point of contact being able to answer questions and manage situations directly. This presents its own set of challenges: It can be difficult for these folks to develop new business relationships if they're spending most of their time handling ongoing business. So we're always looking for ways to support their efforts by providing a strong technical team supporting each rep in a client-focused team format.

Whenever a technical person exhibits an interest in growing their sales skills, we are very supportive. We feel that even if they try sales and don't succeed, they will, at a minimum, gain a deeper appreciation for what it takes to bring in new opportunities and the importance of keeping existing clients happy. Sales is really about listening, identifying solutions we can offer, and helping our clients. These are great skills for everyone on our staff to develop. That being said, our technical staff are often most comfortable doing technical tasks and may hesitate to pick up the phone. For this reason, we do invest in a team of dedicated business development people that

have the training and personality to continue growing our business, in addition to the technical staff.

## PERSONAL OBSERVATIONS

**EBJ: How do you feel about the progress (or lack thereof) made on environmental issues in the past 40 years, and the role played by the environmental industry?**

**Neber:** Regarding the areas in which AEI operates (environmental assessment, compliance, remediation), I feel good progress has been made and the overall commercial real estate community is more aware of environmental issues and how to prevent or manage them. The industry has done a good job educating its clients about how to prevent and manage these concerns

That being said, however, you would have thought tragedies like the recent Flint, Michigan lead in water crises could have been avoided. In addition, I am personally concerned about environmental issues beyond those touched by our business – climate change, habitat destruction and species loss, the ocean environment, etc. Just on the most direct level, we look at a lot of historical aerial photographs in our assessment business, and it is quite striking how much development and sprawl has occurred in my lifetime. For this reason, we're supportive of groups like ULI and in the SF Bay Area, SPUR, which focus on smart growth.

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

**Neber:** I am most motivated by the desire to connect on a meaningful level with others – I feel connected to my co-workers when we're solving organizational or external challenges as a team. Things do not always go perfectly but we have a deep trust in one another, and we know we can get through anything together. We also trust that we all have our hearts in our work – we know that our company and our time spent at work is what we make it – each and every day – so we all bring the best versions of ourselves to the table each day.

Similarly, I feel connected to our clients when we're serving as an extension of their team and helping to move them

toward their goals, whether that is managing risk, closing successful transactions, making informed business decisions, reducing operating costs, or remediating an environmental or engineering issue. Our clients are often dealing with stressful situations, and it is such an honor to serve as a resource to guide them through. Having someone say "thank you, you saved the day" is what makes all of our hard work worthwhile for me.

I've been called a "people pleaser" which can be handicap when dealing with tough decisions or confrontational conversations, but I've adopted some techniques to minimize the downside while still getting my motivation from making other people happy. I do see both leadership and business development as an act of service, and that's what I love about my job.

I also gain immense inspiration outside of AEI by being involved with Commercial Real Estate Women (CREW) Network. Through the local chapter level and the international Network level, I've met inspiring women leading successful enterprises that operate with heart and meaning. Seeing what they have achieved encourages me to keep learning, evolving, and reaching out for more training, knowledge, and inspiration. ▣

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