

**With a tagline of “Life in Water”, EcoAnalysts has become the
Largest Taxonomy Services Laboratory in North America
With a Model of Using Biology to Assess Water Quality**

**Business Services
Bioassessment Lab**

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**Gary Lester
CEO**

BIO:

Gary’s early love of fishing influenced his decision to pursue aquatic ecology as a career. He began in 1987 as a student of ecology and environmental technology at Paul Smith’s college in the Adirondack Mountains of New York State and then transferred to the University of Idaho in 1989 to complete his bachelor’s degree in fisheries management. He continued his studies in aquatic ecology by enrolling

in graduate school at the University of Idaho to pursue his Master’s research in entomology from 1992-1994. His graduate research involved using fish and macroinvertebrate communities as indicators of stream health in forested watersheds of northern Idaho. Upon completing his course work he helped start EcoAnalysts, Inc. in January 1995 to provide macroinvertebrate taxonomy and bioassessment services. His role as CEO of the firm is to ensure EcoAnalysts continues to provide clients with superior expertise and service, to provide company vision and direction, and to make EcoAnalysts a fun, productive place to work.

About EcoAnalysts:

Founded in 1992 in Moscow, Idaho, EcoAnalysts is the nation’s recognized leader in the field of aquatic monitoring and ecological consulting services. EcoAnalysts is committed to helping our clients make highly informed decisions regarding the condition and stewardship of natural resources. With its experienced field technicians, taxonomists, and senior consulting scientists, the company is able to provide clients with superior biological monitoring services at reasonable costs. EcoAnalysts has offices in Idaho, Florida, Massachusetts, Pennsylvania, Washington and Vancouver B.C. EcoAnalysts operates the largest bioassessment laboratory in North America; processing more than 10,000 taxonomy samples annually, and has completed projects throughout North America, as well as in Suriname, Peru, Brazil, Mexico, Australia, Israel, Cyprus and India. EcoAnalysts serves a wide variety of

clients including tribes, watershed councils, universities, private corporations, and federal, state, and municipal government agencies.

For more information, please visit www.ecoanalysts.com.

**Interview conducted by:
Lynn Fosse, Senior Editor
CEOCFO Magazine**

CEOCFO: Mr. Lester, would you tell us about EcoAnalysts?

Mr. Lester: EcoAnalysts is an aquatic ecology consulting company and we use biology to assess water quality in surface waters so we look at fish and invertebrate communities, phytoplankton, zooplankton, algae, etcetera. We look at what lives in the water to determine how healthy the water is. Our tagline for our company is called, “Life in Water.” That is our motto.

CEOCFO: How does your method differ from the typical approach?

Mr. Lester: The traditional and most common way water quality is examined is to look at the chemical properties of the water. Water chemistry is useful for certain purposes but looking at chemistry alone doesn’t necessarily give us the whole water quality story. It is important to look at the biology, because the biology incorporates both water chemistry and physical habitat conditions. EcoAnalysts examines the aquatic life itself, which is really the endpoint we are after.

CEOCFO: Why is that a better method?

Mr. Lester: We let the biology tell us whether or not the water quality is

protective rather than trying to model the chemistry. If the fish are happy and the bugs are happy, we are probably doing alright. Sometimes the water quality can exceed criteria thresholds and tolerances for surface water and the biology would still be happy anyway. Sometimes the water quality meets the requirements but for some reason biology does not, so we take the chemistry and the biology hand-in-hand to assess water quality.

CEOCFO: Who is using your services?

Mr. Lester: A variety of clients use our services. A big one right now is the US EPA Offices of Wetlands, Oceans and Watersheds. The D.C. office performs large, national surveys. Last year they surveyed 1,100 lakes and in 2013-2014 they are doing 2,000+ rivers and streams. The EPA has crews that go out all over the country and sample the water quality, biology and habitat. We process all their biology work for them. That is our biggest client. We also work for consulting and engineering firms who may be working for federal or state agencies or private industry. We are a subcontractor to those firms who use our specialty services. Here in the Pacific Northwest we work a great amount for Columbia Basin Tribes who receive funding to do restoration work on the reservations.

CEOCFO: When you are looking at the water, do the results speak for themselves?

Mr. Lester: In many cases, we have an established framework that is used to interpret the data that we see. For example, a state Department of Ecology may have what is called an Index of Biological Integrity that has been developed and it scores a site based on the health of the biology there. After we gather the biological data, we do some numerical summaries, on how many species are present and how they behave. We roll that up into an overall biological score for a site and then make a determination based on each state's criteria whether that site fully supports, partially supports,

or does not support its beneficial uses designations for aquatic biology.

CEOCFO: Are you often surprised by what you find or do you have a feeling before you do the analysis?

Mr. Lester: Sometimes we have an idea of what to expect but we are frequently surprised by what we find. For example, if we are working in a contaminated site or a watershed that has known problems, we sometimes see what we expect. In other cases, we do not. The biology can be better than expected, but sometimes when we look it is actually worse, and we uncover other problems that way.

CEOCFO: Is there much competition for you?

Mr. Lester: There is some. We are a highly specialized service provider – a very niche service area. There are some academic institutions that we do

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compete with where a professor with some graduate or undergraduate students will provide these services. Then there are the smaller “mom and pop shops” or the “solo-preneur,” who is a single person working out of home. They can be highly skilled service providers, but have limited capacity and do not have the ability to perform Quality Assurance on their own work. There are a few larger engineering firms that may have some internal staff that are capable of doing what we do, but they generally support their own internal clients. There is a handful of small companies here in the US that focus on taxonomy as their primary service, but we are by far the largest.

CEOCFO: How do you reach potential customers and where do you see areas of growth?

Mr. Lester: One of our primary ways of finding potential clients is to attend technical conferences where clients

might be. We often give technical presentations at those conferences and we may have an exhibit booth if there is a tradeshow at the event. That is a big way of gathering leads. In conjunction with that, we will do “direct sales visits” in an area where we have some established clients and we will set some appointments to go visit those clients. Then we will add on a couple of days of prospecting visits that focus on meeting new people in that area. These are people that we have not worked with yet but we think may have some possibilities. Finally, EcoAnalysts has a nice website and we do get some leads every month from our presence on the internet.

CEOCFO: What is your geographic range?

Mr. Lester: Our headquarters is here in Moscow Idaho. This is where our taxonomy services laboratory is and most of us are here. We have a hub and spoke model whereby I have a regional people who do local work and we support them. For example, I have a couple people in central Pennsylvania who perform local sampling projects.

They ship samples to us and we give them the data to analyze and write reports for our local clients. We have similar locations in Spokane, Washington, Massachusetts, Florida and Vancouver B.C. In Canada we focus on selling our services to environmental and engineering firms working for the mining and oil and gas industries. We are rapidly growing our sales in Canada. In fact, we are getting an award from the Environmental Business Journal in March 2013 for our rapid growth in international sales. That is how we are physically set up throughout the continent. In order for us to grow geographically, we just spend time and make scouting trips to a given area. I go to San Diego quite a bit because we are developing some programs down there. I view California as a growth area because there are some new environmental regulations potentially coming that could be good business drivers for us. I think there is a great deal of oppor-

tunity in the Gulf Coast partly because of the Deepwater Horizon spill, which we have done a little bit of work with and that is why we put a sales person down there. The other two key areas I would like to focus on are the Great Lakes and Alaska. Because there is a good amount of funding with the Great Lakes Initiative and Areas of Concern, and a focus in Alaska on resource extraction, there is much environmental work that is required. Those are the US areas that I think we have a great deal of room for growth. Canada is just wide open for us and we will probably add another person within a couple of years in eastern Canada to help us grow.

CEOCFO: You have done projects worldwide. Is that on a case-by-case basis?

Mr. Lester: Our clients pull us to where they are working. If there are large engineering firms that may have an international platform themselves, by having a good working relationship with them we are able to ride their coattails into the international markets. We have done projects in Surinam, Peru and Brazil, for engineering firms that work for miners. Our marine sciences director is keyed in with oil and gas and offshore exploration with companies that do the oceanographic work for Conoco Phillips, Exxon, etc. We build relationships with the oceanographic firms that have the ships to go out and collect the samples around the platforms and they

send us samples to process at our laboratory in Idaho. We currently have offshore marine samples from Israel, Cypress, and Nicaragua in process in our laboratory. We do not have offices all over the globe but we know people who do. We developed relationships with those clients over the years and the international projects come our way.

CEOCFO: Is there anything you would like to be able to measure in the water that you cannot now?

Mr. Lester: There is nothing as far as developing new tests that I would like to develop, but there are new service lines that we could get into. There is a big concern with algal toxins and harmful algal blooms. We can process a sample of algae and tell you what species are present, but we are not currently analyzing how much toxin is present in the water. I think that might be a helpful little add-on for us to develop that because that gets into general water quality issues and consulting services that we can help with.

CEOCFO: How is business these days?

Mr. Lester: Business is good! 2012 was an interesting year for us. Our total revenues came down because we ran less work through subcontractors but our net service revenues really came up. We grew our taxonomic capacity in the laboratory and processed a record number of samples. We got an award from the Environ-

mental Business Journal for growth and international work and we grew our international revenues by 150% last year over 2011. For two years we have been running on the Inc. 5000 fastest growing firms list.

CEOCFO: Why should the business and investment community pay attention to EcoAnalysts?

Mr. Lester: We are very much a science focused organization and our mission is to help our clients make highly informed decisions about the condition of our natural resources. In particular, our job is to help our clients with their water quality needs. This is accomplished by collecting and providing high quality scientific data that informs their decision making process. EcoAnalysts is very much a relationship-oriented business and we are keen on partnering with our clients. Many of our clients are consulting and engineering firms and we want to help them grow just as much as we want to grow. I believe that if you sow good seed you reap good fruit. It is important that we take care of each other. Finally, EcoAnalysts is just a fun, entrepreneurial, energetic company that is growing and sticking to our technical expertise. In the last eighteen years, we have become the largest taxonomy services laboratory in North America, built from nothing. We still see a great deal of upside potential to do it around the globe and we are excited by that.



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