

Energy Efficiency and Sustainability Consulting for Small Businesses



R.J. Mastic- CEO

Ecosyste.ms specialize in energy savings projects for commercial buildings and spaces under 100,000 ft². Our experience and turn-key solutions allow us to provide the most cost effective solutions available. We are constantly working with businesses, communities, and utility programs across the US to support our mission of saving money for small businesses through energy efficiency and sustainable business practices.

In recent years, we have effectively managed 60+ sustainability projects across the US including retail shops, office buildings, educational facilities, community programs, art galleries, and liquor stores. Our services are based on building relationships, with the goal of increasing energy efficiency and strengthening the ties that connect each community.

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

CEOCFO: Mr. Mastic, what is the concept behind Ecosyste.ms?

Mr. Mastic: Ecosyste.ms is an energy efficiency and sustainability consulting firm. It was started in 2010 to help small businesses become more efficient in their operations, particularly how they are interacting with their building. The name Ecosyste.ms actually evolved from my first business, which was called "Green Office Ideas". From there, I noticed that we were looking at all of these separate little, what

we called at that time, ecosystems within the office. We were looking at the lighting, how that affected the heating, how the heating affected employees comfort, how the employee comfort affected, basically, the operations of the business. Therefore, we were taking a look at how all these separate ecosystems interacted. That is how we came up with the name and started doing whole buildings and audits and assessments for businesses for free, where we would identify opportunities. Then we would act as a project management firm to help them implement and measure those changes.

CEOCFO: What might be some of the areas you look at that others might not even think about?

Mr. Mastic: Normally when we walk in the door, the very first thing that we take a look at is the lighting. Lighting is something that everyone sees and interacts with every day. It is tangible and it can greatly affect the business operations in terms of the energy costs. Because of this we normally start with the lighting. Then we move to the HVAC systems and take a look at how the place is being heated and cooled. We will look at windows and insulation. Then we usually end up evaluating a potential form of renewable energies. That could be wind or solar. Those are all very, very basic steps to what we do. Many people in the industry are doing the same. One thing that we like to pride ourselves in and we specialize in is analyzing utility bills, then from those utility bills, taking a look at how each measure is going to reduce those bills, then also the rebates and tax incentives that many of these companies are eligible for that they do not know about. Our specialty is identifying the most cost effective solutions to improve small commercial building systems and we pride ourselves in staying on top of all of the newest and most innovative technologies that are available to companies in the market along with the financial incentives available.

CEOCFO: What is the typical customer for you?

Mr. Mastic: The typical customer is a commercial building. It could either be a commercial building owner or a commercial property manager. Oftentimes, we work with general contractors and architects. They will hire us as a consultant for their job, to take a look at the mechanical, electrical and plumbing drawings and help them to analyze the systems that they have set and potentially make recommendations for a more efficient system. We really try to focus on commercial buildings or spaces. It could be just an office in one large building, but spaces of one hundred thousand square feet or less.

CEOCFO: What is your geographic range today?

Mr. Mastic: We are based out of Boulder, Colorado. We currently have projects stemming from Pueblo, Colorado all the way up to Cheyenne, Wyoming, which is considered the Front Range of the Rocky Mountains. It is the Colorado Front

Range. We have also completed some projects in Salt Lake City, Nevada, Pennsylvania and Illinois that we have completed in 2013.

CEOCFO: Are there many companies that specialize with the depth of Ecosyste.ms?

Mr. Mastic: What is interesting is that we are seeing the market evolve, especially here in Colorado. Things are a little bit more progressive. We are seeing many engineering firms offering similar services to do technical energy audits for buildings and then working with energy service companies or ESCO's. Therefore, we have created a model that has really simplified and brought down to a much smaller level, the ESCO model of doing a technical energy audit, working with financial institutions who have actually partnered with US banks on a national contract, to work with them to offer financing options for each one of our projects. It is no money out of the small businesses pocket. That has put us in a unique position where competitively, in the market, there are not many people playing in the field of those buildings of say, ten thousand to sixty thousand square feet. That is because the margins are not large enough for the engineering firms that are looking to do what we do. Therefore, doing exactly what we do in terms of energy efficiency consulting, there is not much competition. More so than not, we run into indirect competitors such as lighting, suppliers or electrical contractors and HVAC contractors.

CEOCFO: What is the appetite today for going green? It seems to be somewhat cyclical, somewhat dependent on economy.

Mr. Mastic: In general, everything is conditioned on the payback. Most things are, because that affects how people view spending money and it changes patterns. After starting my first business in 2007 and really transitioning in 2010 in the midst of construction growth being super low, we were directly effected. However, more so than not, we are seeing most of our clients making decisions based off of pure financial decision making and the return on investment. The majority of our projects do have a simple payback of three years or less. Even on many of the solar projects, currently we are looking at seven years or less. If you couple that with some of the smaller initiatives, we are looking at a three or four year payback or a complete retrofit your entire building system and that is absolutely phenomenal. One of the main things that has been driving that in recent years has been the rebates and tax incentives which public utilities commissions have set for each state or from the American Recovery and Reinvestment Act.

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CEOCFO: Do you expect that to continue on similar programs?

Mr. Mastic: Yes, similar programs will. Most public utilities commissions have pretty strict mandates. It is considered a Demand-Side Management Program. This is something that every major utility has. That is to help them to reduce the peak load that hits their system. Therefore, rather than building a two billion dollar coal power plant, they can offer these incentives to small businesses and home owners to reduce their consumption, especially during peak demand. Then also, they can just increase their rates. They are still going to profit the same amount. We are just going to be consuming less energy.

CEOCFO: How are you able to work profitably in the market that you have chosen? Why is it a good fit for Ecosyste.ms?

Mr. Mastic: It is interesting. We are always learning new things and tweaking our approach. We are still trying to figure out what the most profitable way to run the business is. However, we are playing around with a few different models to figure out ways to bring in various revenue streams. One of those is the continual energy-monitoring contract, where we install sub-metering devices that allow us to gather real time data for a buildings energy use. That could be a recurring revenue structure there.

CEOCFO: Would you tell us a little bit about your intern program?

Mr. Mastic: Our intern program is spectacular! We really pride ourselves on that! Since we started it in 2009, our company has hosted over thirty undergraduate interns; anywhere from marketing or an operations position to sales. Some do utility and data analysis. We see this as a great tool, not only for us to give back to our community, but also to engage a generation of students that care tremendously about energy efficiency and sustainability. Regardless of them going directly into the energy auditing field or engineering field, they are going to go off to their perspective companies and have this knowledge instilled in them. They will be able to look, with an open lens, very clearly at some of the opportunities that exist in the companies that they go to, therefore helping us fulfill our mission of really impacting over one million businesses in this entire world, with energy efficiency and sustainability projects.

CEOCFO: *Why is it important to you, personally?*

Mr. Mastic: That is a great question to ask and a difficult one to answer! I just care. I have always been an outdoors person. I love nature. I love everything this earth has to offer us. I believe in quality. However, when it comes down to it, it is really all about taking what is needed and leaving the rest for others. We are all here to help and to learn and grow and love each other. What we need to do is leave this planet better than how we left it. Going to school in Boulder, Colorado, I always like to say, it was just in the water. The concept of sustainability was a very core part of our curriculum, thanks to Michael Leeds. He left an endowment the same time that I moved to Boulder to study entrepreneurship. One of his terms was that every single piece of curriculum in the business school had to have sustainability integrated into it. Therefore, as soon as I got done with school after four years, I said this is the future. This is the only way to do things. Let us look at it with a sustainability lens.

CEOCFO: *When you are working with a company and providing an audit, do many companies follow your recommendations? What happens at the end?*

Mr. Mastic: Yes, many of them do. We consider it to be the old 80/20 rule. Eighty percent of them are either going to implement themselves or have us implement for them. What we are trying to do is build a particular business model where we are available to hold hands and actually offer turnkey solutions to these small business and small building owners. After the audit we provide a complimentary report stating all of the areas that we have identified as opportunities. Identifying: This is what it is going to cost to implement them, this is what needs to be done. Let us do this for you. You are a busy business owner. Your job is to sell widgets and produce widgets the best that you can. Our job is to help you do that well. Therefore, after we offer these free services and proven our work through case studies, we say "Give us the keys and let us drive it from here." That is something that we are starting to see more and more of. I would say twenty to thirty percent of the audits that we complete actually implement projects and then hire us to complete projects for them. We are hoping to see that number rise tremendously this year.

CEOCFO: *Do you keep in touch after you have implemented a project? Are you able to point out some new ideas that come along or new ways or services to take advantage?*

Mr. Mastic: Yes. We do. We try to have at least quarterly or semiannual follow ups with businesses, based on the frequency that they prefer and the opportunities that are still available.

CEOCFO: *Why should people pay attention to Ecosyste.ms?*

Mr. Mastic: Pay attention to Ecosyste.ms as a company, because if you are a CEO or a CFO that is looking to improve your business and its operations, it is absolutely essential to have a whole picture. If you have not spent the time to know exactly where all of your strengths and weaknesses are in your entire operations, I would argue that you are not doing the best job that you can as an executive. Taking a look at your operation systems, particularly how you are interacting with the built environment, it is going to help reduce cost. It is going to increase employee comfort. It can at times add marketing value, depending on the market that you are approaching. You can also build some great case studies for market the positive improvements for your impact on the environment. Therefore, I think it is absolutely essential for all business owners or CEOs and CFOs to take a look at that.

BIO: A native of Pennsylvania, and an enormous fan of Pittsburgh, RJ has lived in Boulder for the past 12 years. After obtaining a degree in Finance and Entrepreneurship from The University of Colorado, R.J. started his first business, which transitioned into Ecosyste.ms in 2010. Centering his vision on helping small businesses save money and energy, RJ has already accomplished a life-long dream. With the success of Ecosyste.ms in the Boulder and Denver region, R.J. continues to seek ways to help communities and businesses realize the economic benefits of efficiency. He won't stop until 1 million businesses across the world have been assessed and served by Ecosyste.ms.



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