

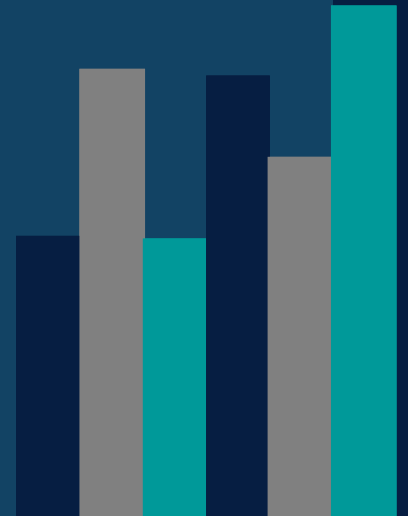


Market Review and Opportunities in Remediation

2002

Prepared by

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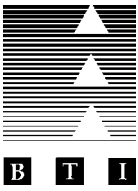


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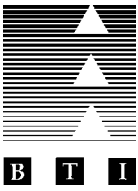


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Introduction

Tracking the Remediation Market—Maturing But Still Lucrative

The remediation consulting market continues to evolve and grow as we move into 2002. The private sector global market for remediation is \$8 billion, and will continue to grow between 2% and 3% over the next few years.

Maturing But Remaining Lucrative

Despite the fact that US companies have been working for years to get their sites off the books, there is still a huge backlog of sites that need resolution. While the US market is maturing, it is far from nearing the end of its lucrative life.

Outside the US, the potential is just beginning to emerge. Europe is starting to catch up with the US from a regulatory perspective, and multinational companies are taking a more global perspective to managing their liabilities.

What's Driving Market Growth

Our research shows that a number of trends and drivers are influencing continued growth of this market, despite increasing economic uncertainty and pressures to reduce costs. The prime motivators and drivers are financial and business-related. Remediation continues to be a priority for companies as the uncertainty of remedial liabilities and the need to eliminate risks and costs outweighs the uncertainty of the economy. Companies are also enduring increasing scrutiny of their environmental status by non-governmental organizations and the public. However, the biggest driver is increased use of outside consultants.

What is the Private Sector Remediation Market

The private sector remediation market includes all spending by private companies in two sectors: remediation consulting and remediation construction activities.

Remediation consulting includes RI/FS, design of remedial solutions, strategic planning for programs and projects, cost reduction strategies, special purpose corporations, innovations in project management, contract staff, benchmarking and best practice analysis, and other key activities related to the planning, design and management of remediation programs.

Remediation construction includes implementation of remedial design solutions in the field, Operations and Maintenance (O&M), project management for acquisition of materials, scheduling, budgeting, crew and meeting design specifications, and start-up and troubleshooting the remedial systems.



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Introduction

BTI's Approach — Ensure the Market Drives Conclusions

The BTI study *Market Review and Opportunities in Remediation 2002* is the only analysis of this lucrative marketplace that is based on customer research. BTI conducted this survey and analysis based on more than 75 individual interviews with remediation managers at the top industrial companies in the United States.

We conduct our interviews using unaided techniques that result in open-ended, unstructured answers so that remediation managers can define, in their own terms, the activities, practices and strategies that, by definition, do not fit within the confines of a check-off-the-box, closed-end survey. Our interview team has an average of over 10 years experience in unstructured interviewing techniques. We analyze the data using proprietary techniques and conduct confirming interviews to check conclusions and observations.

Criteria for Inclusion

We focused our research on remediation managers at large-and medium-sized industrial companies in the Fortune 1000.

We concentrated primarily on the eight industries that account for almost 80% of all environmental spending. These are:

- *Chemical*
- *Pharmaceuticals*
- *Oil*
- *Primary Metals*
- *Forest Products*
- *Automotive Manufacturers and Suppliers*
- *Electric Utilities*
- *High Technology Manufacturing Companies*

How to Use This Report

BTI's all new *Market Review and Opportunities in Remediation 2002* provides compelling information and analysis on a broad range of strategic issues to guide your sales and service development efforts. To help you gain the maximum value from the information, we highlight the following:

Market Size and Growth Trends

Use this report to evaluate the size of the remediation market, and what's driving the trends. See how steady growth will be, and get up-to-date insight into clients' thinking on new emerging market trends, including brownfields and financial approaches.



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How to Use This Report (continued)

Client Spending and Budgets

Get a look inside clients' spending and how they allocate their remediation budget. Use this analysis to understand how clients expect spending to change, and what kinds of activities drive spending now and in the future. Learn what's driving the changes in spending. Calibrate your targeted growth to where clients expect it.

Remediation Sites

Remediation program managers are busy managing sites and moving them through the process. Find out where clients stand in terms of their sites and the progress they are making through the stages. See how closures are still not keeping up with spending, and why there is much more remediation still to be done.

Client Needs and Priorities

Unmet needs are services clients want, but can't find. They define clients' new priorities and concerns that go beyond day-to-day issues. Our experience shows that unmet needs are the extras that build true relationships around the more traditional and commodity services. They are also excellent business development tools to help you demonstrate high value and exceed client expectations. This section documents these powerful unmet needs. It also explores clients' service priorities now and 3 years from now. This section will help you map your plan for your service offerings, and let clients' priorities drive your future.

Consultant Utilization

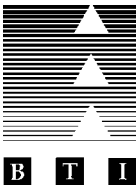
Clients plan to reduce the number of remediation consulting firms with which they work. At the same time, see how clients plan to increase their usage of consultants. Find out why this is—and why it presents a major opportunity.

Client Satisfaction

Use this section to pinpoint just how satisfied clients are with their remediation consultants and what drives that satisfaction. Learn why fewer than 50% of clients would recommend their remediation consulting firm. Develop your strategy to improve client relationships by mapping to what your clients say separates a good consultant from a merely average one.

Telephone Support

Each and every *Market Review and Opportunities in Remediation 2002* comes with unlimited telephone support. We encourage a dialogue with all our clients, and are dedicated to helping them get maximum benefit from this report. Please call us at (617) 439-0333 or email us at info@bticonsulting.com. You will find us responsive, helpful and to the point.



Introduction

The BTI Consulting Group, Inc.—Who We Are

The BTI Consulting Group (BTI) is a Boston-based market research and management consulting firm for the buyers and sellers of professional services. With over 20 years of experience, The BTI Consulting Group offers the most compelling research, analysis, benchmarking and consulting to help two primary sets of related clients:

- Professional services firms
- People within large companies that acquire and manage large scale, big ticket, professional services

BTI boasts the largest independent knowledge base of how companies acquire big ticket and complex professional services and how these companies manage and interact with their service providers. BTI's insight is based on more than 5,000 interviews with key buyers of professional services at the world's largest and best run companies.

BTI prides itself on its direct, no-nonsense delivery of critical, high-impact information and recommendations that allow its clients to thrive in the face of brutal competition and maturing markets.

BTI conducts and analyzes more market research than any other firm remotely related to the professional services industries, professions and practices. We have interviewed, surveyed and talked to more than 5,000 buyers and key managers of professional services and we use that data to help our clients and subscribers. We conduct research for our own databases, as well as conduct client-specific custom research designed to meet our clients' individual needs.

Specifically, we help clients benchmark customer satisfaction, improve penetration of their client base, support new market entry and development, and map out concrete steps to seize new opportunities. We also help large companies learn about best practices and how to manage their relationships with environmental consultants, law firms, accounting firms, and others.

In addition, we help professional services firms with strategic planning, national account and key account programs, and developing and improving all aspects of the client and business development process. Specifically, we help define the steps you can take to improve your client service on the front line and develop ways to grow relationships.

For 12 years, BTI has been, and continues to be, the only market research firm to continuously track Fortune 1000 companies' needs, priorities, spending, hiring criteria and overall decision-making relative to professional services. Our clients use this data as an early warning system to detect new service opportunities and critical changes in the market.



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BTI publishes the highly-acclaimed *Strategic Review and Outlook for the Environmental Services Industry*. This definitive guide to the environmental services industry reveals subtle and not-so-subtle shifts in management strategies, decision-making processes and organizational structures. Based on more than 150 interviews at Fortune 1000 companies, the *Strategic Review and Outlook* provides a bird's-eye perspective of the entire environmental services industry—analyzing what the market wants, identifying how customers pick and manage their vendors, and highlighting key changes in the market...before they happen.

How BTI Helps Professional Services Firms

BTI is a trusted advisor to the Managing Partners, CEO's, Chairman and other senior executives on any and all issues related to revenue acquisition, client development, and business development. Specifically, our client relationships include a series of overlapping services including:

- Strategic Planning and Business Strategy
- Practice Development
- Client Satisfaction Research
- Client Development Strategies, Tactics, Training and Tools
- Processes and Protocols that Drive Client Focus
- Market Research
- E-Strategies for Client Development and Retention
- E-Business for Sharing Work Processes with Clients
- Client Education Tools and Knowledge Platforms
- Client Development and Sales Training for Experienced Professionals
- Coaching for Executives in Charge of Sales and Business Development

How BTI Helps People within Large Companies that Acquire and Manage Large Scale, Big Ticket Professional Services

BTI brings its research and experience to help companies implement strategic sourcing programs, get more value from their service providers, benchmark their environmental departments' management practices and performance, and evaluate service providers and management strategy. Our clients purchase professional services in the range of \$3 million to more than \$90 million annually.

Specifically, our client relationships include providing the following:

- Strategies for Strategic Sourcing and Vendor Consolidation Programs
- Information Management Strategies
- Improving Management Performance

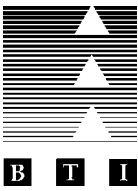


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- E-Strategies for Management
- Benchmarking
- Best Practices
- Total Cost of Service Analysis—Creating Business Value through Professional Services Management

For further information on how BTI can help you through our research, sales training or consulting, please contact Roanne Neuwirth, Principal at (617) 439-0333, email us at info@bticonsulting.com or visit our website at www.bticonsulting.com.



BTI's Market Review and Opportunities in Remediation 2002

BTI's *Market Review and Opportunities in Remediation 2002* is the definitive guide to the lucrative and still growing remediation market. Learn what is driving continued strength in this marketplace, and find out what clients are looking for from consultants as they increase their use of consultants. The exclusive insights and information in *Market Review and Opportunities in Remediation 2002* is your marketing weapon to accelerate your growth in the remediation marketplace.

Spending Growth Slowing While Remediation Managers Shift More Work to Consultants

US remediation spending will grow between 2% and 3% annually. At the same time, companies plan to shift more work to their consultants. See how this spells growth and opportunity. Tap into this new opportunity.

More Use of Consultants Coming

Almost 80% of customers plan to increase or keep their consultant spending steady. While spending is holding up, clients continue to reduce the number of consultants they work with. This means big boosts in business for the winners.

Tap Into the New Drivers Behind Customer Spending and Goals

Remediation managers face new pressures and concerns. These new drivers are changing spending, strategy and project management. Tap into the new drivers and help your clients meet their new goals while carving out more business for yourself.

Anticipate the Budget and Spending Changes, by Remediation Phase

See how clients allocate their spending across RI/FS, Design, Construction and O&M. Learn how these breakdowns will change over the next 3 years. Aim your market efforts to where spending will increase. Anticipate the change and use it to your advantage.

The BTI Consulting Group offers the most compelling research, analysis, benchmarking and consulting to help you sell professional services. BTI boasts the largest knowledge base of professional services practice and market trends in the world. BTI's research and insight is based on more than 5,000 interviews with key buyers of professional services at the world's largest and best run companies. BTI prides itself on a direct, no-nonsense delivery of critical, high impact information that drives competitive advantage to help you thrive in the face of today's brutal competition and maturing markets.

Customers Plan Big Move to O&M as RI/FS shrinks

Clients want to have 35% of their sites in O&M in 3 years as RI/FS shrinks. The typical company has 98 active sites. Find out how this has increased from 3 years ago, and how many sites clients plan to close this year. Also get the inside information on how your clients' sites break down across all the key phases of work, and how they will change.

See How Clients Separate an Average Consultant From a Good Consultant

Learn how clients sort out the good consultants from everyone else. Use these insights to plot your path to the loyal, growing relationships.

Services Clients Want but Can't Find —Unmet Needs

Clients have 7 major areas where they feel a void. These empty spaces wait for their consultants to fill them. Don't be left out. Find out how your clients' unmet needs are your opportunity to grow your client relationships and are one of the best tools for getting new clients.

Customer's Service Priorities and How They Will Change, Position Yourself to Meet Your Clients Most Compelling Needs

Consulting tops the list of remediation clients' highest service priorities—project management comes in second. See why, how it will change, and how it impacts you—understand what's driving clients' demand for consulting and target your growth. Position yourself to meet clients' top priorities for the next 3 years.

State-by-State Market Size

Find out how private sector spending on remediation consulting and construction breaks down state-by-state. See which 25 states comprise over 80% of the spending. See where you stand, test your market coverage and map out opportunity.





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BTI's Market Review and Opportunities in Remediation

Growth is Slowing But There is More Opportunity for Consultants

BTI's *Market Review and Opportunities in Remediation 2002* is the only client-based insight into where the remediation market is headed, what clients want and what it means for you. All new, based on more than 75 interviews with remediation managers and BTI's 12 years of experience and insight, you can immediately use your *Market Review and Opportunities in Remediation 2002* to:

- Target pockets of growth in a slowing market
- See how customers are shifting more work to consultants
- See where the market is really headed
- Identify maturing service areas
- Anticipate new services
- Map your marketing and business development strategies
- Take advantage of market changes
- Tap into new market drivers
- Leverage the changes in client spending – by phase

Get all the detail right down to the program, site and budget level, every thing you need to see where the remediation market is headed and how you can stake your claim.

Full Unlimited Telephone Support

Your *Market Review and Opportunities in Remediation 2002* comes with full, unlimited telephone support. We'll personally make sure you get maximum value out of every aspect of this essential report.

Your Satisfaction is Guaranteed

If BTI's *Market Review and Opportunities in Remediation 2002* does not exceed your expectations, return it for a full refund!



YES! I want to pinpoint the pockets of growth in this maturing market. Send me BTI's exclusive *Market Review and Opportunities in Remediation 2002* for \$1,600 plus shipping.

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Questions? Visit www.bticonsulting.com or call Roanne Neuwirth at (617) 439-0333.