How I Built This | Charlie Cichetti & Drew Shula Talk Green Building Entrepreneurship

Introduction (00:02):

Welcome to Green Building Matters. The podcast that matters for green building professionals learn insight in green buildings as we interviewed today's experts in LEED and WELL. We'll learn from their career paths, war stories and all things green because Green Building Matters and now our host and yes, he has every LEED and weld credential. Here's Charlie Cichetti.

Charlie (00:33):

Be sure to check out the Green Building Matters community where you can have unlimited exam prep for any of the professional credential exams you're tackling next, as well as putting your continuing education on autopilot, saving time with GPS reporting your hours on your behalf. Check it out. Gbes.Com/Join. Now enjoy this episode of the Green Building Matters podcast.

Charlie (<u>01:01</u>):

Welcome to the next episode of the Green Building Matters Podcast. Today is going to be different while it is interview style. We brought on a special guest and a friend on this green entrepreneurial journey of mine. Drew Shula. We're gonna talk to you in just a second, but I'm going to get interviewed ,too. We're actually going to go back and forth because Drew and I were brainstorming, we said, "We should do our own version of how you built this" kind of like the NPR podcast, but really talk more about our green building companies and how we got that start. Hopefully we can inspire today. We're going to have a back and forth interview Drew, really? Thanks for coming on. I can't wait to learn more about even your origin story. How are you doing today, man?

Drew (<u>01:39</u>):

Okay. Thank you, Charlie. Great to be here. I love your Green Building Matters podcast and just our friendship through the years in the green building industry. I think we're going to have a lot of fun today sharing our stories of how we got to the point we're at as founders, CEOs of green, building startups. Really excited to tell our stories together today.

Charlie (01:59):

Let's bring the energy. I know you will. I plan on it too. For those that don't know Drew and check out his bio connect with him on LinkedIn. This is Drew Shula and he is the founder and CEO at Vertical Group and their sustainability consulting firm in LA .Drew, tell us just a little more, a short bio and we'll get into more.

Drew (<u>02:17</u>):

Absolutely we are focused on decarbonizing the built environment. So, real estate buildings, getting them reduce the carbon footprint. We take on projects anywhere in the country, but we are headquartered in Los Angeles. Like you said, Charlie we do a very large conference every year. It's the largest net zero building event in the world. Actually it's called the Net Zero Conference.

Netzeroconference.Com, check it out. It's where the most cutting edge conversations are happening in the building industry about where we're headed next and the future of the built environment.

Charlie (<u>02:55</u>):

I love it. The conference, yeah, everybody kind of checked out and make sure you participate this year. For me, and those that don't know me, I'm Charlie Cichetti. I'm also a founder and CEO like Drew was saying in the green building movement, I've got a couple companies, some are focused on the education side, advancing careers. A lot of you know our team@gbes.com. I also got the green building consulting firm, SIG that we started 12 years ago. While I'm at the headquarters in Atlanta we're fortunate to have full-time team members in other markets like DC, New York, Minneapolis now, Austin, Texas, and all the way out in Drew's neck of the woods up in San Francisco and in LA. Very fortunate to have grown our companies over the years. You'll also learn a little more in this interview about how we got into innovation and software and how we've been building tools. I hope that comes up. I think it will. I love being an entrepreneur.

Drew (<u>03:43</u>):

I don't know how you do it, Charlie. You are an entrepreneur's entrepreneur with all your startups. It's really incredible. You're like the Elon Musk of the green building world and you drive a Tesla to boot, so kudos to you with all the amazing things they're working on.

Charlie (<u>03:57</u>):

Baby Tesla though. The model three, I did have the Chevy Volt for two years and then I had the Nissan Leaf for six and a half. That was only a hundred miles, no gas. It was good training and I was fortunate to upgrade to the model three, 300 plus miles now, no gas and it's been phenomenal. I know we're gonna have a lively chat Drew. What's your goal for someone listening in here, hearing your story of entrepreneurship and mne? What's your goal for the audience?

Drew (04:24):

I think for both of us it's so important to give back and I'm an avid podcast listener. I love the How I built This series. If you haven't checked it out, get on your phone on Spotify and check out how I built this with Guy Raz, but there's always very inspiring stories about startup founders and how they got their start, what their backstory was, how they pulled it off and challenges they faced along the way. For us in the green building industry I haven't really heard of these stories specifically coming out of our industry. I thought that'd be so special for both of us to share our stories today because I know you have a really special story to share as well. Hopefully, it will be inspirational and motivating and a template or a story for younger folks to look at that are just coming up in the industry today and thinking about starting their own businesses in the future.

Charlie (05:18):

Absolutely. I hope today we give encouragement, that's a powerful word. It's important to my team. We use that word a lot and because there's entrepreneurship and then there's, intrepreneurship actually, let's plug in a podcast where I interviewed my colleague Dean, who LEEDs our education team at GBS. We talked a lot about Drew intrepreneurship. I think that's our conversation today is man. You want to chase opportunity. You've really got it in you and it's okay to either sometimes do that in a new division, a new revenue stream within an amazing company. I always got a great culture, but you can also take that bold leap that you've done Drew I've done and and start your own business and grow it and go through all those small business successes and those stresses and just see where we're at today. I hope everyone listening can relate because it can be entrepreneurship or what I would call intrepreneurship as well within the company you're at. Why don't we talk about our companies as they exist today?

Drew (06:16):

We quickly introduced ourselves, Vertical Group, we're really focused on the built environment and we have a couple of buckets for how I talk about the work that we do. We do a lot of certifications. So we're working with architects, building owners and general contractors and helping them do certifications for green buildings and high-performance buildings to make them more efficient and more healthy. So things like LEED, A Living Building Challenge, WELL, FitWell and there's many rating systems out there. We also provide engineering services as well to help buildings perform better. We're doing commissioning for buildings on the building systems. We're doing life cycle assessments on materials, energy modeling, and daylight modeling. The third thing for us is the third bucket. Our big annual conference on net zero. We also get hired by other clients to produce sustainable events for them as well. So that's kind of the big picture on who we are as a company. What about you, Charlie? How would you break it down for you?

Charlie (07:24):

Charlie's green building umbrella of companies, so to speak. We really have our service based or consultancy, Sustainable Investor Group or SIG, and then we have education. While SIG does a tremendous amount of in-person training. Actually Drew, when you asked me later, that's where we got our start. We do everything from the consulting to the training. We also have gbes.com, which is just a powerhouse, the first company to make LEED practice tests way back in 2007, helping professionals all over the world pass their exams and boosts their careers. I'm gonna talk about the buildings we work on, new construction and existing buildings that we like to retrofit and green up or portfolios that show how green is your portfolio? This is the work done with SIG. All of our education now is done, especially in the online virtual training with GBEs, but yes, we've been innovative.

Charlie (08:16):

You're also going to hear me talk a little bit about some software and some tools we've been making for the green building movement and that's done with our team at what we call Blue Ocean Sustainability. We want to be so far out there with these new tools. We are out there, Drew swimming by ourselves, but really making this easier. Making any building around the world, that property team or that development team just let's make all this a little easier. Finally, as a result of the pandemic, we got into 3d building scanning to tell a story, "Hey, what made this a healthy building? What made this a green building?" We've got a lot of

other used cases there as well and that's our team at Ethos. There are four business units under our building umbrella of companies. I'm having a blast. I feel like I show up to work at one company, but sure it's the same industry, green buildings, healthy buildings, but I'm fortunate to have good leaders in place that are able to oversee our different divisions.

Drew (<u>09:08</u>):

Quick question for you because I had the opportunity to see your 3d scanning software live, both you and I are LEED Fellows. On our call with all the LEED Fellows we had last month I got to see that software and I didn't realize that that was your company that makes that. That is so cool.

Charlie (<u>09:27</u>):

We're having a blast because right now at the time of this recording, right, it's all about returning to work and building up confidence. So that's what we're doing in a lot of our class, A office buildings in New York City, Drew. How do I know that this is a healthy building? There's all these occupants and tenants that haven't been back to the building and maybe a year. We show them, "Hey, we did Fit Well or we did WELL HSR or here's just the best practices we did. Here's how this is a healthy building, but we drop you in literally. You can walk around and see and watch videos of the property teams showing you here's what we did and that builds up confidence. But Drew, we're starting to use this on the education side as well. So that's coming soon. Unfortunately again, have a full-time and part-time team members and even contractors and sub consultants all across the country, some international. We also have a few international projects. We're just having a blast, having been doing this for 12 or 13 years now. And so that's all things SIG is a consulting and engineering firm, GBS or education company. Now our new technology companies, Blue Ocean Sustainability and Ethos Imaging. But anyway, that's the status today.

Drew (<u>10:37</u>):

Cool. One of my favorite parts of the, How I Built this storyline is this next question that I want to ask you. What was it like your first year, if you think back to your life before you took the plunge into entrepreneurship and started a company. Thinking day one, when you first sat down at your desk and started working on your own. Your first couple of months as you got started on your own. Take us back to that, Charlie. What that first year was like for you.

Charlie (11:11):

It is a great question. I'm going to give you two day ones. My background is Georgia Tech, commercial construction, real estate, large real estate developer. That was an early adopter LEED Opus corporation. What happened through 2008 was a hard year for a lot of people. Last recession. I got laid off with some high performing team members. At the end of the day, they ended up laying off over 1500 people there at this owner operator, developer in-house design, but an early adopter of LEED. I really appreciate all my time I had at Opus. I learned a lot because I was the owner and I was the project manager on the construction team and we were going to run the building. It was a really great experience. 2008 though, blessing in disguise that year, my wife and I bought our first house together, January, 2008.

Charlie (<u>11:56</u>):

We had our first son Blake in June, 2008. The next thing, November 5th, 2008, I got laid off. I was just like, what am I going to do? I just had a baby. I just bought a house. Luckily Drew, it is about relationships. I called the construction company I used to work for Bats and Cook, Bob Duma. He put me on as a consultant while I was looking, but right away LEED was picking up. I started working for a LEED consulting firm at that time, but in May, 2009, we officially registered the LLC in the state of Georgia, me and my co-founder Jason Kiefer, who was also with me at OPIS, the big developer that laid us off. Jason took his severance and he moved to Colorado. I stayed in Atlanta, obviously just had bought a house and their baby. I'm going to give you that first. I was working a day job, so to speak as a LEED consultant, a lot of responsibility was thrown at me.

Charlie (<u>12:45</u>):

We started the company based on training first. The company I was working for knew we did some training on the side. In those early days, Jason, we had another contract or Jim Brown. He was an architect. We're flying around the country, teaching LEED prep class. Now, Drew this was LEED AP version 2.2 before the big upgrade in 2009. At night, my wife and I would send out certificates of completion or practice test code so you can go take your practice test. But Jason and Jim were really flying around the country teaching LEED classes, as some know, I know up know in June too, 2009, it created a window. This is everyone listening to hear as an entrepreneur. If there's a window, sometimes you just have to go for it. June,

2009, of course is when LEED version three came out and they went from essentially one LEED exam to like six and we saw an opportunity there.

Charlie (<u>13:37</u>):

We started to roll out our training. We partnered with friends of ours that had already started gbes.com. The next thing we were on our way as in-person LEED trainers across the country. We had an early relationship with the Associated General Contractors, AGC. They're really a lot of credits to them. So, that was like that first one a year later though. This is summer 2010. I took the leap of faith, left the small LEED consulting firm in Atlanta I was working for. There was just too much opportunity too. And that's what entrepreneurs do. They weigh it all out. This was a risk I needed to take so I came over full time. We got a \$25,000 line of credit because I was like, "Man, I got a house. I got bills to pay." I needed something to take a leap of faith. Luckily we got some business right away on the consulting side. We were already doing training, getting known for that but then I brought the consulting, the relationships. After that we added the engineering, the commissioning, the energy modeling or the retrocommissioning side of things. All happened in about an 18 month spread, but it did start with in-person training and taking that leap and faith. Those were the early days. What about you ma'am what would you say day one or right when you took that leap of faith?

Drew (14:56):

It's so cool to hear your story because I don't think we've really gotten into the details of this yet. I love to hear that and you and I have so many common threads and how we came to be in our careers and in the industry and in our backgrounds. Really cool to hear you share all that. As for me, if I go back to the beginning, geez, well, my background is architecture. I studied architecture. Notre Dame did the five-year degree. I had worked at a firm in Los Angeles called Jerde with a J- J- E--R- D- E. They did large projects like a Universal CityWalk in LA and Bellagio in Las Vegas. I was there a couple of years before the great recession hit in 2008 and 60% of the firm was laid off, including me.

Drew (<u>15:48</u>):

At that time I had heard about LEED. I had heard about green buildings, and I was part of the green team at the architecture firm I was working at, but I'd never really worked much with them. I ended up getting an unpaid internship at Thomas Property Group, a real estate developer in Los Angeles. My role there was to work

with their director of sustainability who went on to become a great friend of mine and another LEED Fellow and leader in the industry, Danielle Horton. I was working with her and just helping on a LEED program that she was rolling out across, about 30 million square feet of office buildings around the country. My first exposure to, ugreen buildings. I ended up working for a couple other companies, including a super large real estate company, one of the larger companies in the country.

Drew (16:44):

I was very unhappy there. I had my first baby as well. I've got three kids now. A newborn baby at home and we've got entrepreneurs in my family. I just told my wife I always wanted to try to start something. I feel like I don't do it now. I might never do it. It's kind of the point I was at. I was just so unhappy at my current job, a really toxic work environment that I decided to take the plunge and just dive in and see if I could make it happen. I had a small amount of savings, maybe 20,000 bucks or something like that. I just thought that I could live off with my family to pay the rent while I tried to give this a shot for a few months and see if I could make it happen.

Drew (<u>17:31</u>):

I was lucky enough to land my first project. It was a LEED project management for a Ramada Inn project right across the street from Disneyland here in Southern California. It just slowly grew from there. I was able to live off my savings while the first couple projects came in and,ul was working in my garage,uat my house. I had no heating, no cooling. The baby was inside a little loud. I would go out there and sit in the garage and had a little desk lamp and a little space heater plugged in, but in the winter I'd have on a big winter jacket in the summer, I would not have a shirt on and have all have the door doors cracked, open there, but looking back now, it's such a, I have such fond memories of those days just starting out totally on my own, just getting things started.

Drew (18:25):

It was super, super stressful for the first couple of years, and I'm sure you can relate to that Charlie. I would always tell my wife if it doesn't work out, I can always go back and get another job. Being really month to month trying to get it off the ground, a lot of stress. You really have to have it in your blood and have to have a drive for entrepreneurship to be able to take on that stress level, I think is a

key component of, you gotta be a little crazy, to be honest, right. To take that plunge. You gotta have some luck in there too, to make it happen. So anyway, both of us were able to make it work,

Charlie (19:06):

Man. Wow. I hadn't heard of that. It's got me pumped up. I love it. I think the common thing there is not just us as entrepreneurs, but others, I think sometimes it takes a nudge, right? For me, I got laid off from the recession with 1500 other people. I was like, "Well, no better time than now." I know construction's going to be different in the future. I said if we're going to do it, we got to go, LEED it just made sense for you. It was that toxic work environment there, but you'd already gotten some experience. For those listening you can start a company with \$0, \$100, but for each of us, that is a common thing where if there's a little bit there, it's just a touch of security for us as entrepreneurs, man, we'll go for it. We don't need a million bucks in the bank, but just a touch of security, we believe in ourselves, and we know what we can do. We know we'd go get a job if we had to. I think once you're on this side too, it's hard to go back, man. Let's give a shout out to those early clients. You did that with the Ramada project, where there are a couple other clients that put you on the map.

Drew (20:06):

Oh gosh. I mean, there's been some really big wins through the years that have been turning points for us as we've grown a small company. After a few years we landed a big project with Google up in the Bay area and just the brand name and the market recognition of working with a market leader. Like that was enormous for us at the time. Most recently getting the chance to work with NASA here at the JPL campus in Pasadena, in Southern California has been another sort of milestone accomplishment for us to just work with really visionary clients. Those are a couple that stand out for me.

Charlie (20:48):

Okay. Got to give A shout out to some of our early clients. First, the AGC of Colorado paid for in-person training back there in early 2009. Lee Bloom and Michael Gifford at AGC of Colorado. Next thing, we were teaching at like 20 different AGC chapters across the country about LEED prep before changes. Here's what you need to know, let's level up your construction team and that was that start. The key partnership with GBS. I ended up taking over GBS at a later date. It's

been a ton of fun. We've been putting out new coursework, we've got some amazing large brains, like you're saying on the education side, like the HOK is and Gensler's and the CBRS and the JLLs and the world. It's just been a ton of fun there to teach and help their team learn how to pass exams, but then keep up all the fun continuing. The consulting side though, Paramount Group, put us on the map in New York city with some local law work, we did a lot of retrocommissioning.

Charlie (21:43):

Then we took their entire portfolio for LEED for existing buildings, gold and platinum, believe it or not, Drew. 13 buildings at one time in New York, DC and San Francisco. That's what allowed us to move Nick, who you know out in San Francisco and opened an office in the Bay Area, which has just been very, very fun. We just kind of worked our way up with some clients like that. Actually one of our first clients, I got to give a shout out, was Amanda Madrid here in Atlanta. We did four LEED DB gold projects at the same time. We also did one other office building with a great company here locally, too. It's just they knew me and they knew what we were capable of even in our early days. Sometimes the clients take a leap of faith too, right? It's like, "Well, I can hire the big firm."

Charlie (<u>22:26</u>):

Probably pay a little more for that, but I think this is going to work out. The next thing you know they're long time clients who have been doing this for 10, 12, 13 years together. Diane (inaudible), I want to give a shout out to her because too many others can name them. All right. If you're listening right now, I know Drew, and maybe we want to say, thank you for letting us grow our teams, letting us hire, letting us answer your question. When you ask us, what else should we do? Drew let's keep going here. We define our entrepreneurship as a social entrepreneur and I call it the green building movement. Now the healthy building movement then added on. But, you often call yourself a social entrepreneur. Why don't we both lean into that a little bit? What problems are you solving as a social entrepreneur?

Drew (<u>23:16</u>):

I love that question. I definitely consider myself to be a social entrepreneur. The distinction is around not only trying to start a company to make profit in dollars. It's also trying to have a positive environmental and social impact on people as well, environment and people. What people describe as the triple bottom line.

When I was coming out of college I had my architecture degree, but really didn't know what I wanted to do. I wanted to make a positive impact on the world and I want to make money doing it. That's what I would tell myself at the time. That's what was in the back of my head. I explored jobs in the nonprofit sector and I had no qualifications just coming out of college. I couldn't find anything better at the time that I wanted to do and ended up going to work in architecture and utilizing my degree.

Drew (24:09):

As I was talking about things, kind of spring-boarded from there getting into green building work, but it was a natural progression for me. Once I discovered green buildings, I was able to use my education in architecture, but also really focused on making a positive environmental impact in the building industry. B corporations are all about. If you haven't heard of a Certified B Corporation. It's a certification for a for-profit business that's really focused on the triple bottom line we've been talking about, so not just profit, but also environmental and social performance. At Vertical Group every day it's perfect alignment with our goals. Rowing up, one thing Charlie, I would ask you is like, what kind of got us here to this point where we wanted to become social entrepreneurs.

Drew (25:02):

I grew up in Maine and I attribute my parents who were hippies and had been part of the back to the land movement in the 1970s and moved to Maine and had lived on a commune briefly. We had a huge vegetable garden and cut all of our own firewood 40 acres that we lived on in a very rural part of Maine. We tapped maple trees and oiled the sap to make maple syrup in the spring. Very connected to the land and to nature growing up. Maine is just a beautiful environmental place to be and that really shaped me a lot. In my parent's values as old hippies as well, I think. Again, it just helped shape me as I came out of college and into my own personal goal of wanting to make a positive impact but also to make money doing it, which was a little bit different from where my parents' perspective was. For them, business was always sort of the enemy. I think that's sort of a 1960s reaction to the 50s in corporate America. For me and Charlie, both of us, we found a way to do good through business. I'm so happy I ended up where I did, but we'd love to hear your background on that as well.

Charlie (26:20):

We are learning more about each other and we have a similar background. Actually, my parents, my dad grew up in New York, upstate New York, and my mom grew up in Oregon. We ended up in North Georgia in a small town in the mountains of Georgia. My dad went to Woodstock in 69 and he also was on a commune for a little bit there in the late 70s. But mom from Oregon, I think what I learned from my parents that has helped me with our green building companies is a respect for the environment and being resourceful. Kind of growing up humbly, but also just in small towns and in nature and appreciate it getting out. That's what we did as kids, but also respect for people. I definitely want to tell my parents thank you for that.

Charlie (27:05):

And that's just something that they instilled in us, me and my brothers. I'm the oldest. I have two younger brothers and I think those two things stand out that have helped me in what we would call social entrepreneurship today. Doesn't mean everyone here has to have hippie parents to be a green entrepreneur, but it helps. I'm glad you took us back there. It's fun to go back and think about that, but they ended up in Georgia and then that's what had me go to Georgia Tech here and get into construction. I guess it's a little bit in DNA and my DNA with buildings because, and I've only recently learned a lot about this, but my grandfather, my dad's dad, he was actually the assistant civil engineer in New York City. He was born in 1900 and he actually worked his way up and helped put in a lot of infrastructure in New York.

Charlie (27:54):

I guess that'd be about the late 1920s- 1930s. He really helped build the Holland Tunnel and some pretty cool stuff. I'm only recently learning some of these stories. He was a good golfer. I don't golf Drew, but when he was 19 years old in Tuxedo Park, New York, he actually caddied for JP Morgan and AnDrew Carnegie. Some of the men who built America. He said they weren't great tippers even though they were the wealthiest guys in the country. Just that DNA in construction and buildings. My dad was a journeyman carpenter later in life. I think that's why I got a knack for buildings, even though I got a business degree from Georgia Tech and then I got into construction and then I've learned all the other skills along the way about buildings and net performance buildings. I knew I wanted to one day maybe be an entrepreneur. Thus I learned the business degree. At Georgia Tech actually has a good business school, my interest in engineering,

Drew (28:49):

It's amazing how our predecessors or ancestors become part of our personal narrative today. When you learn about your family's history and you can choose to reject or embrace different parts, but you, I think a lot of times you grab the threads that become meaningful, that you're like, "Oh yeah, that plays into my own story." I'd love to hear that about your grandfather in New York. That's incredible for me, I'm a super competitive person. My family's claim to fame is my great uncle. My dad's uncle was a coach for the Miami Dolphins, Don Shula. For many, many years and is actually in the hall of fame. When I was about 10, I got to go to his hall of fame induction and he's just a competitor. I always attribute the competitiveness in my DNA to coming from that side of the family. But definitely our sort of claim to fame for the Shula's.

Drew (<u>29:45</u>):

I think a question for you, Charlie, as we move on here is now that we've started, these companies were trying to make a positive impact. I'll answer the question myself first, I guess, and then would love to get your take is. We want to make a positive environmental and social impact, but what exactly does that mean? For me, it's really kind of changed through the years because the terminology around sustainability that the lingo that we use is always changing. There's so many words, and I think it's almost one of the problems with the industry that it's just confusing the way people talk about it. Carbon, there's decarbonization and carbon sequestration and carbon neutrality, low carbon, zero carbon embodied carbon, uoperational carbon and it's crazy confusing with the terminology. I boil it down to the need to simplify and just understand what it is that we're trying to do.

Drew (30:44):

To me it's the climate crisis and that term terminology has also changed through the years. It's the same thing as talking about global warming or climate change, the climate crisis, all the same thing. I need to stop burning fossil fuels fundamentally. Globally cities around the planet are burning fossil fuels through our buildings and through our transportation. Every sector that we work in goes into the atmosphere, sun's rays are coming through and getting stuck and that is slowly warming the planet, right? It's global warming and the building industry contributes 40% of global carbon emissions, so we're 40% of the problem. What I think about our work at Vertical Group doing fundamentally is trying to help solve

the climate crisis by making buildings reduce their carbon footprint. It's a daunting challenge but also if you flip the script on that, it's an incredibly inspiring opportunity to make a huge, positive impact through our work. We'd love to hear from you as well, Charlie, like how do you sort of boil down what your goals are to make a positive impact on the world?

Charlie (<u>31:53</u>):

Save the world, right? So this is something I continually try to remind my team as I get a little more gray hair and I get a little more wisdom here and try to be a good leader. You can be busy on projects that are maybe getting these certifications or making these improvements, but you do need to zoom out a little bit and then realize where we're making change. There might be a client that's really proactive and into it, but maybe there's one, that's not. The next thing, if you add up the square footage or you add up the kilowatt hour, say you add up overdoing, it's a big impact. I would agree we're doing our part and the overall carbon reduction, the overall climate change movement. I love the people side of them though. We're going to talk more about that in a minute, human inequality. But person to person, I'm real big on relationships.

Charlie (32:40):

It's one of our core values is confidence and encouragement. Let's just say someone is needing a tool so they can take it to their project. Okay, great. Well now we're building tools to help them. Let's say someone needs some confidence. Well let's help them get a LEED credential after their name. Now they have confidence. Go to their ownership on a project or to maybe run a project. I think confidence and encouragement in green and healthy buildings and climate change. That's what I think we're doing. I think if we're not careful, we were in the weeds and we just sometimes forget that. I think anyone listening here is if you're in this movement, frankly, right now we're fortunate. It's somewhat recession resistant, not recession proof, but the reality is we're pretty busy right now here in 2021.

Charlie (<u>33:29</u>):

We're fortunate for that. You might just be too much in the weeds. Step back for a minute, take a breath. Think about where you've had some impact and where have you given some encouragement or where have you helped someone that will have more confidence so that now there's a little bit more they can do. We gotta

pay the bills. We gotta have amazing clients. We gotta send the invoices, we love growing the team. I think the other thing that I love is I really enjoy someone, taking a leap of faith, joining our company and seeing where we're going and the change we want to make and a wild and crazy and just having some fun with killer retreats. What happens is young professionals, especially as they are growing their careers with our companies, Drew, that's just amazing. You don't get them some extra coaching and leadership and now they can manage a small team. I'm really encouraged or doing that and encourage that we're building confidence, especially through our tools and our education, but if you're on the consulting or the engineering side of a project and you're listening right now, tally it up. Like you're making some pretty big impact. It might seem like there's so much more to do. I think that's what we do. I hope that made sense.

Drew (<u>34:37</u>):

Oh, that's amazing. That's amazing. Team building is such a big part of what we do as CEO in our roles now as CEOs, which of course is very different today than it was when it was just us sitting at home, trying to get things going. Now in our CEO role, that is one of the fundamental things I love to focus on as well. Charlie and I love the story of one of my closest colleagues, Emily Hand. I just start to almost get choked up thinking about our team, because I'm sure you feel the same way. We're a very close knit family and we really where everyone's so mission driven and passionate about the work that we're doing, trying to make a positive impact that, home of my best friends are my colleagues. I work every day and I feel incredibly lucky for that. Emily and I have worked side by side for about seven years now. She started as an intern with me when it was just me back in the garage. She was actually still a student at LMU, Loyola Marymount here in Los Angeles and wrapping up for senior year. I was lucky enough to be able to hire her. The timing worked out to bring her on full time after she graduated. We've been on a wild ride together as Vertical Group has grown through the years and it's been so fulfilling for me to be able to help her grow in her career as well. Career development, I think, is a big focus at both of our companies. Emily has just been incredible. Her leadership growth over the years and is now still my right hand person in the firm and our chief of staff and one of the key people that keeps our firm running. I love those stories and it feels lucky that both of us have the opportunity to grow companies and build teams the way we do.

Charlie (36:34):

I've got a long list to another in these leadership positions and you get to know their families, their significant others and that's how we're doing business. I know not every company does it this way. That's how you chose to do it. That's how I'm doing it and we're having a blast, man. Shout out to all my team members, but several have been here now, believe it or not for over eight plus years. A long time, that's a long time and I'm grateful for the entire team. Let's talk a little bit about the social side of it. Talking about the people's side of it recently in the last few years, we're fortunate to start working on some LEED for communities projects, and there's an entire category of that LEED scorecard. That's called quality of life. Like it's amazing here as we start to take a hard look and it's overdue with equity conscious to affordable housing. Equity and the racial tension that we have going on in the country right now, Drew. What do we need to do on the social side? What are you doing? Advice for anyone listening?

Drew (37:34):

Thank you so much for bringing that up. It's a great question. As a B Corp we're trying to make an impact on the environment, but also on the social side as well with people. Human inequality is a focus for us. One thing we take cues from is Patagonia as like, as a for-profit company, another B Corp as well. I have always admired how Patagonia uses their marketing platform to advocate for messages that they really believe in. It's so powerful. It's a for-profit company that's trying to do good in the world. We're the same way we're trying to use our vertical group marketing platform to support causes that are important to us. Voting, democracy racial justice, equity, inclusion, human equality, and it's many, many forms. You'll see that in our social media channels and our email newsletters. You'll see that reflected in how we select speakers for our conferences, like the net zero conference.

Drew (38:41):

We have industry Leading goals to ensure that we have 50% women and 50% people of color represented as thought leadership speakers at our events. Something that's very important for us and the ability that we have the ability to influence through the work that we're doing on the event side of our business. On the project side, you mentioned the LEED equity credits, which are fantastic. We have built that into our kickoff charrette presentation template. Every new LEED project that we start, we at least had the conversation with the design team about these LEED credit opportunities. Sometimes they move forward with them and

sometimes they don't and that's okay, but at least the conversation is happening around equity and that's an opportunity that we have to change the conversation as the LEED project management consultant for the team. So that's one way we're incorporating, but what about you on your end?

Charlie (<u>39:40</u>):

You're right. I look at it as our company and even how we hire. I don't map it but with clients you're right. It's a subject that they need to be educated about. So maybe it can be some LEED pilot credits, maybe it's within LEED for communities, or just saying, "Look, this, these are the tools, this is what you should be doing. This is what we want to help you with." We'll make sure that we're teaching our clients that. We don't look at it as one point or three points. We look at it as like, this is the community this is where you can have a major impact. Like we're going to help the environment and save energy and save water and deliver a building. It's going to cost you less to operate, but, let's talk about the community.

Charlie (<u>40:19</u>):

If I talk about some more big real estate clients, Drew, when you zoom out for a minute and we talk about the portfolios we work on there's ESG, Environmental, Social, Governance, and that's the social part of it. What are you really doing for the people, but especially the communities that maybe own buildings in. We're starting to really see some nice strides, especially silver clients in the New York area with their new developments. I know obviously on the Living Building side you're an IFI hero. There's a big focus of course, on an equity pedal and here at Georgia Tech, as I've studied the building here ,Ashana Rora, like just the fact that they hired and they trained some homeless people in the area and really created jobs for them to be a part of a project.

Charlie (41:05):

Like, that's just amazing. We need to do that 100 times. I think making sure people see the different options, see what's working socially is about leading indicators. It's a little harder to measure. It's more about, "What are we doing? What are we proud of and put that out there." Let's make sure we're teaching our clients about that as a company, across our green building companies. We have a woman in leadership. We actually have a lot more women than males within the whole organization. We have some diversity with Mike Moore. My wife is a minority and a woman business entrepreneur. She actually helped start the company early on. I

need to give my wife Latrice a shout out there, but she's pushed on me. While we may get interns that are amazing from Georgia Tech and Emory University and in Auburn nearby and Kennesaw state, "Hey, we also need to recruit from Morehouse and Clark and Spellman and HBCUs.

Charlie (<u>42:02</u>):

I was like, wow, you're right. We got to go and make sure we're recruiting there too. I think that's hopefully less than anyone listening. Go try harder. If you really are trying to empower, make sure you even change that farm system up a little bit. We're doing that and everyone can do better with it. We're going to really continue right now. We're pursuing an adjusted label and so that's exciting. It's really made us realize, "Hey, what are we doing great and what are we not doing great." Whether it's climate codes and carbon codes, or whether it's something like an adjusted label, it's like transparency, "Hey, here's what we're doing grain on. Here's what we're not, but here's what we're doing." So that's what we're going through right now as we grow our businesses.

Drew (<u>42:43</u>):

As we wrap up our conversation here, let's take a look to the future. What do you feel about the green building movement, the industry, all the different things you're working on from the tech side, to the built environment, consulting, to education as we continued to face the existential threat globally of the climate crisis. What do you see as opportunities or potential headwinds in the future? Do you think there's growth ahead? We'd love to hear your thoughts.

Drew (43:18):

LEED has been around for 20 years now. We're still in the middle of this green building movement and this green building journey. I was preaching about healthy buildings five, six years ago, WELL, Fit Well when it first came out. A pandemic hits and it was like, "Wow, we need this. And I'm glad it's here." I'm very confident in green buildings and tools, really confident. Of course, in this healthy building movement. I do love technology. I really think that the future is going to be still certifications to really get that third party validation that forces you to learn what we should do and then did we do it? Did we get it right? I think that really helps speed up all of this movement. A lot of credit to the LEED movement and the US Green Building Council.

Charlie (44:02):

I think the future is going to be, "What did we do to make this a green building? But green, you said it earlier and you're in California, it's shifting to carbon. Embodied carbon, especially moving from operational carbon to embodied carbon and even what are we doing during construction? How can we better track our energy, water and waste during construction? So that's one of the first tools that my innovation team did and we're really proud. They put on a new tool called True Carbon. We can track that and talk to contractor, "What should we do?" I think green buildings are going to continue to focus now on carbon in different forms, healthy buildings. We've gotta get out of this pandemic and return to work. Going forward, there's not going to be just green leases. There'll be healthy building leases.

Charlie (<u>44:44</u>):

We might have this kind of, you have two offices, you work from home. Some may still go into an office and so it's how do you juggle back and forth. Wellness at Home, is a new education series we're rolling out through our education team at gbes.com. We're really optimistic about that. Also, catch yourself. Where have you been going through the motions? Uber, we didn't know we needed an app like Uber until an app like Uber came and we're like, "Oh, that's a totally better way to do this." Ask yourself those questions more often. Be bold and that's what we're doing with our 3d billing scannings to transport people into these green buildings, healthy buildings that they normally don't have access to. It's going to give encouragement unless you build up some confidence. All of that is kind of what we're doing. I just gave you like a 12 to 24 months look ahead. We plan on chasing opportunities, hiring amazing people and growing our companies. I guess the one takeaway macro, would be just carbon and make sure you're educated on all things. What about you Drew, what's the future?

Drew (45:46):

I really agree with your forecasting for the next couple of years ahead. Carbon is definitely the buzzword right now and a focus area. I'll talk about it a little bit more from the macro perspective to take that approach as well. How we look at things into the future and again, I'm framing things around the climate crisis. We're looking at decades ahead. We're looking at a necessity globally, for us to reduce our carbon emissions in the building industry currently contributing 40% of global carbon emissions. A huge opportunity for improvement through companies

like ours Charlie. We don't have a lot of time, so it's not like it's not like we even have a 40, 50 year timeline. We're looking at how much can we get done before 2030 is our sort of near term deadline.

Drew (46:45):

We want to make sure the world doesn't heat up by more than 1.5 degrees to avoid really catastrophic climate change impacts and that warming also has a tail to it. Even after we're able to reduce the carbon emissions, things will keep warming for some years before they, before they decline. I think we could see the world's first trillionaire being Elon Musk in the climate solutions space with a lot of the work that he's doing are around electrifying transportation with Tesla, as well as capturing renewable energy from the sun, with the solar panels that their company produces. Electrification is enabling us to stop burning fossil fuels and move transportation and your cars to electric vehicles plugging those in our buildings, setting up that infrastructure in the decade ahead.

Drew (<u>47:43</u>):

Just the total carbon footprint of not just the operational carbon running light bulbs in your buildings, but also understanding the impact of the carbon emissions, of the embodied carbon of the materials in the buildings as well has a huge impact on the energy use that creates the material as well as ship it to the site. Big opportunities ahead. I feel really good about our opportunity in the future to continue growing our companies in doing more and more goods, continuing to scale our positive impact along with our fight to solve the climate crisis.

Charlie (48:24):

Absolutely, man. We got to fit in this one last question, you, and I said we would, so Drew, what percentage of your success can be attributed to skill and hard work versus what percent is just plain luck?

Drew (<u>48:38</u>):

It's a great question. Shout out to Guy Raz, who always asks at the end of How I Built This, but I would go 50/50 on skill versus luck. On the luck side, I was so lucky to be born to the parents that I was. They really valued education and gave me every opportunity growing up. It's luck to who you're born to, and the education opportunities that I had as a young person really helped to shape me into who I

am today. I think that's just luck of the job, but there is definitely a large component of hard work and effort and grit that comes into starting a successful business. I would really say 50/50 on that, but what about you, Charlie?

Charlie (49:23):

I'm going to go 60/40. We're not far off, I'm going to say 60% skill and hard work, 40% luck and in that privilege. We're here in the United States, in Georgia where I'm based, it costs a hundred dollars to register your business. It costs like 10 bucks to reserve a website. That's privileged. That's amazing. If you have an idea lock it in and start down that path. I think growing up, I didn't like to hear "it takes money to make money or I didn't have a lot of money and I didn't really know a lot of people." I was very frustrated by that, but I think it's hard work to get you some resources. Maybe a little bit of money. Maybe you take this journey, but relationships, man.

Charlie (<u>50:04</u>):

If we called this hard work skills and relationships I'd go 60 or 70% there, but luck, you gotta put yourself out there. That might sound cliche, but you'd probably agree. It's just like Wayne Gretzky quotes and stuff come to mind, but it's just like putting yourself out there. If you're going to win that big project or someone takes a leap of faith on you most of the time, especially in the early days of a business and we have small, but growing businesses, right. Drew, like someone's going to take a leap of faith on you and some of that's luck. They don't have to do that. I'll call it 60 /40. I appreciate the question today, man. I've had a blast and if anyone listening wants to part two Drew, I'd do this again.

Charlie (50:47):

We'll ask questions we get from the audience. Congrats on your success. I know you're humble about it. We're in the middle of our careers here and having a lot of fun. I know we are hiring, so that's awesome. We want to grow the team this year. Anything else as we wrap up today?

Drew (<u>51:05</u>):

No, thank you so much for having me on. I love the Green Building Matters Podcast. There's so many great episodes. Everybody should check it out. Charlie, I learned a ton about your own story today. It was really fun to do this together. I agree on one of your big points, is that one of the primary currencies today is your

relationships. I think that's so important.or everybody to develop relationships on their journey. Thank you so much, Charlie this was fantastic.

Charlie (<u>51:31</u>):

Drew, I'd like to give a shout out to some of my longest tenured employees, six, seven, eight years or more. A big thank you to Asa, to Nick, to Jeff, to Corey and Bethany and everyone else. We've been through a lot together, big plans ahead. Having a blast here, reminiscent of where we're at and kind of where we're going and having a lot of fun here. Thanks to everybody who connects with us on LinkedIn. Thanks for listening today.

Charlie (<u>52:04</u>):

I just want to say thank you to our loyal listeners. We actually are celebrating over one year here on the Green Building Matters Podcast. Me and the entire team were stoked and just so glad to continue to listen every Wednesday morning to a new interview with the green building professional here in this industry, or just some pro tips that we want to make sure that you are getting straight from us straight to you.

Speaker 4 (<u>52:29</u>):

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