

Providing the Most Comprehensive Services

Interview with Robert Christie, President, 3E Co.

US company 3E Co., based in the state of California, is seeking to strengthen its position as the leading global provider of environment, health and safety, or EH&S, information and compliance services through M&A activity. To this end, it bought out last year two local companies involved in the material safety data sheets, or MSDS, business. Robert Christie, president of 3E, commented on the company's business operations in a press interview.

What differentiates 3E from its competitors in the US marketplace as well as globally?

RC: It's the depth and breadth of what we offer. If you were to go to one of our existing customers today, they would tell you that to replace us as a provider of service, they would probably have to sign contracts with five or six different companies. What differentiates us from most companies is our "one stop" shopping. Around the world we see companies that offer one or two of our services, but only for one or two countries. For example, there are always local MSDS-authoring companies in each country, but almost no other company can author high-quality MSDSs for the over 50 countries that we cover. Other companies may have good local regulatory information but do not have the people, resources or processes to provide high-quality, global regulatory information and data. These reflect the investments that 3E has made, and will continue to make, to provide the broadest and most comprehensive range of services to companies around the globe.

What do you see as 3E's strategy to address the key market trends affecting the EH&S information industry?

RC: What we're doing at 3E is trying to be an information company that helps a corporation in end-to-end chemical compliance management, from the time it manages ingredients in the creation of a chemical product to their eventual disposal in some end-product, anywhere in the world - from putting together an MSDS, to dealing with



Robert Christie

regulations on product stewardship and worker health and safety, wherever the product goes. That's basically our vision: to help companies manage the regulatory issues across the lifecycles of their products. We are actively pursuing development projects and acquisition targets that could help us address these trends.

How does this strategy address the challenges facing your corporate customers with regard to EH&S?

RC: Their biggest challenge right now is the increased regulatory issues, not only in their home countries but anywhere in the world where they have manufacturing, warehousing or customers; they have to deal with and plan for those issues. They also need to visibly demonstrate compliance, and provide higher visibility of safety

and security issues - all with fewer resources. In the past, our M&A activity had strengthened our ability to help companies successfully respond to these challenges. This will hold true for future M&A activity as well.

How does this address some of the key unmet needs in the EH&S information market?

RC: More and more companies are being penalized for noncompliance. You therefore need to be, not reactive, but proactive, and you need solutions that are linked so that you can be proactive. Another complicating factor is that you will need to provide this information in many languages.

We offer our MSDS and regulatory data solutions in many languages, which means we help enable regulatory compliance in many languages. Meeting the language requirement is a big challenge. We could spend a lot of capital just on developing our solutions in new languages, reflecting the places we think we're going to be in the next 12 to 24 months. We have also addressed this through M&A.

Still another factor is the fact that our clients hold us to a very high standard of quality. That essentially means that we have to have high quality standards, which we do. We also have an advisory board that comes in and evaluates us on a regular basis.

Quality was something that clients didn't ask about three years ago. Now, every relationship demands a high degree of quality and performance. Any company that becomes a serious M&A candidate for us has to share these same standards.

Is the EH&S software market still a very fragmented one in terms of suppliers, and do you see the potential for consolidation?

RC: It's very fragmented, by

sectors. Depending on the market and specific need, there are a lot of small niche players in the US. For example, if you're talking about MSDSs, there are lots of small software suppliers who may however not deal with hazardous spills or emergency response. So, yes, the business is very, very fragmented. As a result, we believe the business will consolidate. Our strategy is to grow this business, not only organically but through partnerships and acquisitions. Our past acquisitions have helped address this situation.

How does Japan fit into your future plans?

RC: Japan has been a major factor in the Ariel Research part of our business since 1996. We have strong and valued partnerships in Japan lasting more than 10 years, which is a long time in our very young industry. Since 3E Co. acquired Ariel Research in 2004, we have supported further growth in the existing lines of business with gratifying results. Most of our products and services are not found domestically in Japan but can offer benefits to Japanese companies. We are working to make the services and products suitable for Japanese companies' needs, and introducing them, with very positive results.

What does 2008 and beyond hold for 3E Co.?

RC: Since I joined the company, the number of employees has risen dramatically, the number of offices has expanded, annual revenue has increased organically, and profitability has improved. The portion of our people and budgets devoted to business outside of the US has grown even faster than non-US revenue. In 2008, we expect the same trends of rapid growth to continue. We also anticipate additional M&A activity to augment the company's rapid growth.

HANDBOOK
OF
EXISTING & NEW
CHEMICAL
SUBSTANCES
Eleventh Edition

The Up-to-date Chemical Substance Inventory Indispensable for the Chemical Trade with Japan

Existing Chemical Substances Examined (August 27 1975~December 2006)

CONTENTS

- 1) Explanation and Examples of Classification Based on Chemical Structure
Existing Chemical Substances
Section 1~10
 - 2) New Chemical Substances
Classification Based on Chemical Structure
Section 1~8
 - 3) Class I, II Specified Chemical Substances
Type I, II Monitored Chemical Substances
- Data
- a) Law Concerning the Examination and Regulation of Manufacture, etc. of Chemical Substances
 - b) Enforcement Order of Law Concerning the Examination and Regulation of Manufacture, etc. of Chemical Substances
 - c) Enforcement Rules of Law Concerning the Examination and Regulation of Manufacture, etc. of Chemical Substances Relate with the Ministry of International Trade and Industry
 - d) Existing Chemical Substances Examined (August 27 1975~December 2006)
 - e) Methods of Testing New Chemical Substances
- Reference
Class Reference No./CAS No.
Section-Structure No. Index
CAS No./Class Reference No.
Section-Structure No. Index
- Size: B5 (18.2cmx25.7cm) Approx. 1,300pages

Price: US\$ 303.00 for Asia
US\$ 313.00 for other areas
¥30,000 (Japan, tax excluded)

THE CHEMICAL DAILY CO., LTD.
International Sales Dept.
3-18-8, Nihonbashi Hama-cho, Chuo-ku, Tokyo 103, Japan
Phone: +81-3-3663-7932 Fax: +81-3-3663-7275
E-mail: info@tdc@chemicaldaily.co.jp
URL: http://www.tdc-online.com