

**Boston Business Journal - February 28, 2005**

<http://boston.bizjournals.com/boston/stories/2005/02/28/smallb1.html>

# Boston Business Journal

**Business Pulse Survey:** [Do you need at least a two-week vacation to really relax and get away from work?](#)

Entrepreneur

## Bridging troubled waters

Water-treatment firm tops hard climb to profitability with SBA loan, renewed confidence

Boston Business Journal - February 25, 2005

by [Sean McFadden](#)

Journal Staff

When you're in the business of wastewater management, Gary Broberg has discovered, the competition is often as dirty as the work itself.

A year ago, Broberg, CEO of Practical Applications Inc., a Boston-based engineering consulting firm that builds treatment systems and specialty products for industrial wastewater, was one of several firms invited to bid for the design and construction of a so-called BSL-3 Steam Kill System for the Regional Biocontainment Laboratory at the University of Pittsburgh.

Broberg knew that the assignment, valued at \$675,000 over a six-month period -- one of nine such facilities being constructed across the country -- could be a huge boon for his business.

While he had the requisite experience -- Broberg had previously worked on about six other biocontainment projects -- his rivals were national companies with much larger presences than his 12-person firm.

"I felt more than likely that we wouldn't get it," Broberg says. "We have no outside sales force. The other companies we were up against had sales people at these meetings who were wining and dining the customer. I was the outsider."

Yet to his surprise, this outsider made it to the inside, landing a project Broberg hopes will make the firm a leader in industrial wastewater treatment.

Broberg also expects that the contract to add about 20 percent to his annual revenue, which was \$2.1 million last year.



W. Marc Bernsau

Gary Broberg's water-treatment firm, Practical Applications Inc., topped a hard climb to profitability with an SBA loan and renewed confidence.

[View Larger](#)

Jeffrey Zynda, an associate at project architect Payette Associates Inc. of Boston, says Practical Applications' selection was ultimately based on two factors: "Their price came in much lower than the competitors' bid, and Gary and his group have taken a different approach. Instead of one-size-fits-all, they analyzed the needs of the institution and came up with a customized solution."

Broberg's team will complete the system design, fabrication and testing -- which is designed to sterilize and neutralize biowaste material -- at its 5,800-square-foot offices in the EDIC Marine Industrial Park in Boston and its 4,000-square-foot fabrication facility in South Boston.

"It brings me a nice stable contract that I can dedicate people to for six months," he says.

It's a reminder of a very gritty reality that has dogged the 40-year-old Broberg since he launched the business from an apartment in Boston after leaving environmental consulting firm Envirobusiness Inc. of Burlington: Success is a struggle.

For the first several years, the business operated at a loss, and there were frequent periods in which he couldn't afford to pay himself.

Broberg says his strategy was simple: "I would do anything, take any job" -- from writing a safety manual to overseeing nuclear waste clean-up.

Long-time client Bill O'Keefe, CEO of Symmons Industries Inc. of Braintree, says Broberg helped stem waste costs resulting from his plating operation: "Here we had a minor part of our business expanding to a \$100,000 cost due to bureaucratic regulations." Broberg, he says, "acts as a buffer for us in that regard, and that's very important. ... Regulations change rapidly."

Broberg suffered a major blow in 1997 when he discovered that his office manager had been embezzling funds, leaving Broberg on the hook with the IRS for about \$17,000.

Shortly thereafter, he hired an outside accountant to reconcile his books. He also shifted his business model to emphasize design and installation of wastewater-treatment systems, rather than environmental consulting.

Broberg says the emergence of biotech as a major industry in Massachusetts, and with it, more complex industrial waste matter, helped grow the business by anywhere from 10 percent to 30 percent each year for the past several years.

As the firm moved toward profitability, Broberg was finally in a position to surmount another hurdle: a cash-flow shortage. After failing a previous attempt to secure an SBA loan, the firm was finally approved last September for a \$150,000 loan with a seven-year term.

With the renewed confidence from both the SBA loan and the UPitt project, Broberg says Practical Applications' future is much clearer these days: "I was always on the edge. Now, I think we're doing things right more frequently."

*Sean McFadden can be reached at [smcfadden@bizjournals.com](mailto:smcfadden@bizjournals.com).*

[Contact the Editor Need Assistance? More Latest News →](#)