

Co. Aims to Put Spaces, Products in Best Light

DESIGN: Customization Skills Set It Apart; B2B Market Potential Big

■ By JARED WHITLOCK

Lighting typically represents less than 1 percent of a building's cost, while it casts a much bigger impact on ambience. So says **Jamison Day**, the CEO of **Environmental Lights**, a San Diego company that carved out a niche in creating custom-colored LED lights for spaces. Customers include **Marriott** hotels, restaurants, casinos and retail exhibits, along with Hollywood productions like "So You Think You Can Dance?" and "American Idol."

Environmental Lights doesn't manufacture or sell bulbs. Rather, it helps customers pinpoint suitable lighting, and then partners on planning, specification and installation. The company targets lighting designers, electrical contractors and building owners, who already realize the importance of lighting and are likely to be repeat customers.

Fast-Growing Company

The strategy has proven successful, as the company has been named five years in a row on **Inc.**'s national list of the 5,000 fast-growing companies.

"There are few things in life that are universal, and one of them is good lighting. There's no language to it, in terms of it drawing out emotional things. It enhances the mood and it enhances the products you're displaying," Day said. "Part of our business is introducing customers to new products that they didn't even know existed. And then some of it is nuts and bolts electrical know-how."

Founded in 2006, the company initially focused on the environmental benefits of LED lights, as its name indicates. (Longer-lasting, energy-saving and return on investment were additional selling points.)

But to differentiate itself as the market matured, the company in recent years has touted LEDs as customizable, more so than incandescent and gas counterparts. LED systems can be configured to emit a variety of colors and lighting temperatures, which in some cases can be controlled through devices like a smart-phone.

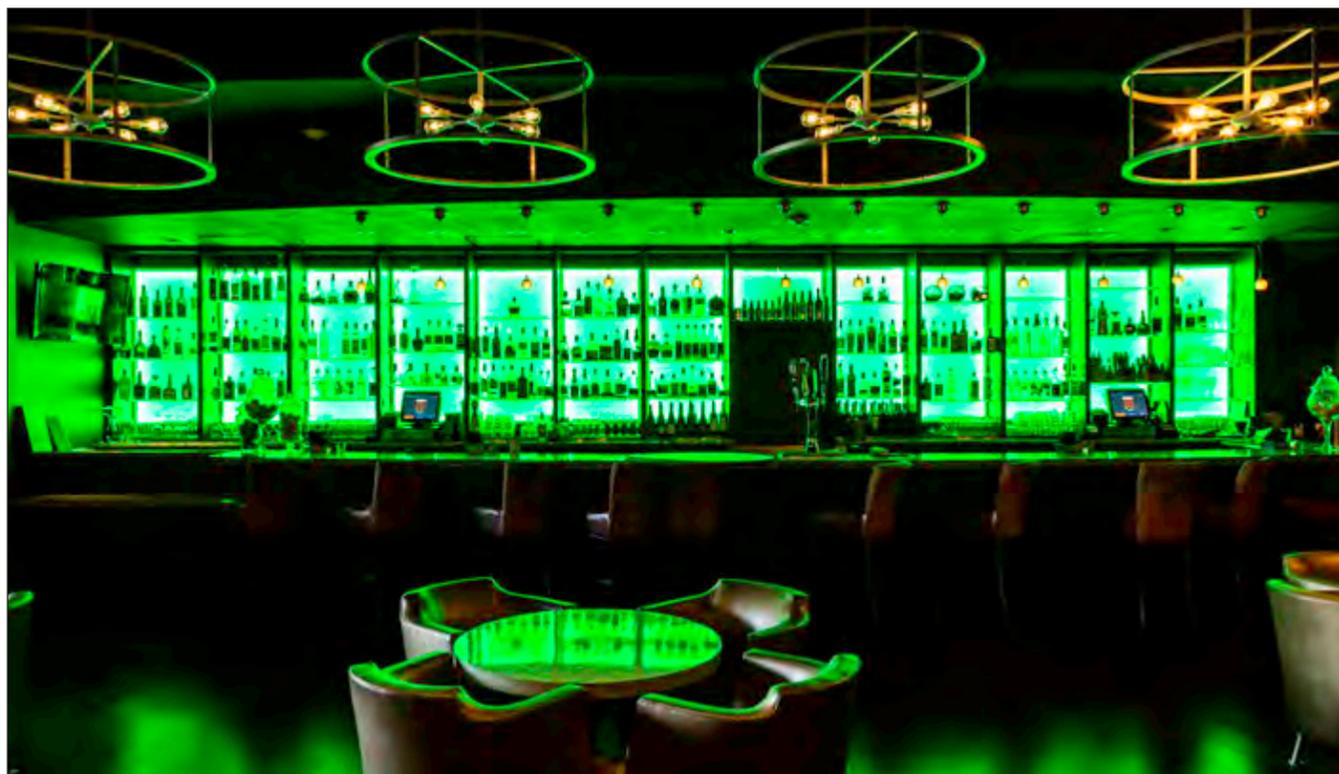
This could mean a subtle adjustment to white light in a hotel room to make it more relaxing, or remotely adjusting lighting to allow a company's corporate colors to shine down on a convention space.

Popular With Retailers

Environmental Lights' accented lighting pitch has been particularly well-received among retailers looking to alter the look and feel of a space without a major remodel, according to Day. Another part of its value proposition is built-to-order LED lighting to speed up installation, as well as providing sample kits of LED strips before purchase.

"Because the retail stores are going out, it's really important that the experience that a person has when they go into a retail store is excellent," Day said. "It enhances the mood; it enhances the products you're displaying."

The company relies on Los Angeles' film sets for a decent chunk of business, but has hotel, exhibit and retail clients throughout the U.S. and Canada. Just shy of 50 employees, Environmental Lights took in \$20.3 million in revenue in 2016, posting a three-year revenue



growth of 104 percent. Day forecasts even bigger gains in the future.

"We've done our market analysis and market sizing, and the market size is a couple orders of magnitude bigger than we are today. So that's when I put away my calculator and say I don't need to figure out our market share. All I know is that it's really small compared to what it could be," he said.

Environmental Lights' business plan centers on B2B and reoccurring revenue streams. The company doesn't necessarily position itself as the lowest-cost provider. As such, Environmental Lights sidestepped a trend in the LED industry: commodization. As LED prices fell over the last five years, other LED companies, once chasing a high-end market, have been forced to compete on price.

"Our customers know the lighting is important and they better get it right, and it's not just a matter of buying it cheaper," said co-founder **Greg Thorson**, who remains co-chairman. His wife, **Anne Thorson**, is the other founder.

"With a lot of projects lighting goes in at the end, and the project is late. It's late and overbudget. And they're late and overbudget a lot. They're under pressure to make it look really, really good," Greg Thorson said.

Environmental Lights naturally arrived at customization and accented lighting as a point of differentiation.

"It's something that we fell into because we're really good at complex engineering. It just took us naturally to a place where there didn't seem to be much competition," he said.



Above: Photos courtesy of EnvironmentalLights
Right: Jamie Scott Lytle

Environmental Lights (right) CEO Jamison Day, left and President Jordan Brooks believe in quality recognizing that their customers know the importance of good lighting. The company works on a variety of projects (above) including retail stores, casinos, hotels and even Hollywood productions.

Sales Staff Challenge

A challenge has been finding sales staff that's versed in both sales and electrical engineering. Realizing many possess expertise in only one of those areas, the company a few years ago invested in on-the-job training, including curating an extensive archive of guiding documents and videos.

Environmental Lights also grappled with what to do when things go wrong.

Without going into details, company officials cited a job with technical issues like lights burning out, part of which was

the company's fault.

They said company staff took responsibility and fixed the problem, incorporating lessons learned into a document codifying its processes and values, which officials insisted is more than a shiny placard.

"I think you can judge a company by what it does when it makes a mistake," Thorson said. Service and quality count a lot in the business, he said.

"If you want to serve the lighting market, you're best to go in knowing that."

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