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A/E/C SURVEY RESULTS SUPPORT A CALL TO ACTION

THE DBE PROGRAM: WHAT THE FIRMS HAVE TO SAY

THE JOURNAL OF THE SOCIETY FOR MARKETING PROFESSIONAL SERVICES

VOLUME 40, ISSUE 1, FEBRUARY 2021

CASE STUDY

By Marjanne Pearson

# stok: the sky's the limit

In the December 2020 issue of *Marketer*, we shone a spotlight on a few of the people and firms that are making big moves—giving all of us hope that we can turn challenging events into good fortune. This is a continuation, focused on stok, a company that "delivers high performance real estate in pursuit of our purpose: boldly catalyzing an environmentally restorative and socially equitable world."

As Joanne Wilson said in the December article, "The best way to be ahead of the curve is to invest in and/or direct where you believe things are going. Think forward. Do forward...." This has been stok's story as well, beginning with its founder, Matt Macko. (Read his bio on Page 39.)

Macko always saw things through an entrepreneur's lens. After helping his father build his dream house, he looked for ways to combine his background in economics and finance with his passion for the built world. In 2009, he saw the opportunity to infuse the design and construction process with efficiency and, as a result, create more value for their clients.

By 2013, stok was working with the Transbay Tower project and well-positioned for megaprojects like the new Warriors Stadium. But then came a contract with Apple that changed their business for the better. That paved the way for stok to expand from environmental building strategies to an integrated real estate services platform, delivering buildings proven to be healthy, regenerative, and more valuable.[1]

Macko is fascinated with the process by which buildings and the urban fabric come together. He's committed to sustainability and a broad spectrum of social and institutional values including Environment, Social, and Corporate Governance (ESG) and Diversity, Equity, and Inclusion (DEI). These values inform every move he makes as a leader and create a framework for decision-making within their business.

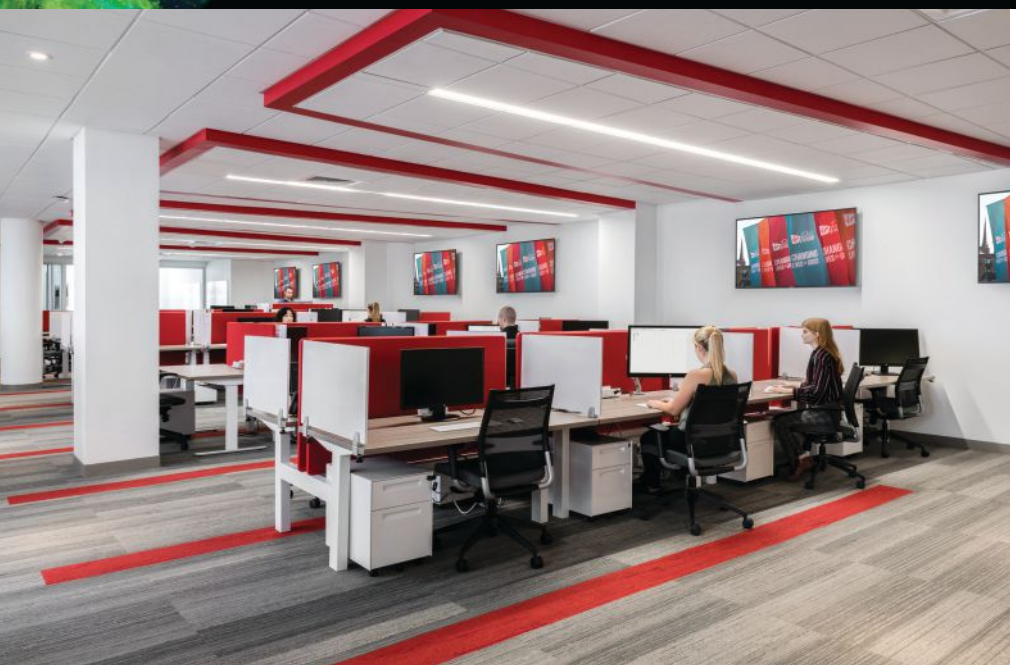
The strategy is paying off. The *San Francisco Business Times* recognized stok in their "Fast 100 Class of 2020,"[2] noting that their two-year growth was 48.8%. In 2020, stok's revenues increased by 25% while sales increased by 45%. Their staff size grew by 40%, as they expanded their presence in Southern California and Denver, CO.

## What makes stok materially different?

- **Non-traditional A/E/C leadership.** While most A/E firms are led by career architects or engineers, Macko's degrees are in economics (which he says is the study of efficiency) and finance (the study of money and investments). As Macko explains, "People come to stok for a purpose. We hire smart people and let them play. We emphasize autonomy and mastery and give them freedom with resources. They share their perspectives, as well as acumen. We try to minimize corporate posturing, while maximizing culture and pathways for opportunity. I want everyone who works at stok to be a champion for change, whether here or somewhere else in their future."

- **Focus on vision and values.** ESG principles are central to stok's purpose and vision. As a driver of their business, they seek opportunities to partner with leaders in environmental and social justice, maximizing the impact of their decisions and investments. This has been reinforced by their decision to be a Certified B Corporation, which allows them to cultivate positive impact through activities that foster social and environmental benefits. According to Macko, "This year, we committed to donating 5% of profits (above our normal 2%) to a handful of diverse organizations solving social justice and environmental literacy issues of today."

**Ethos Video**
https://bit.ly/stok-ethos



Virgin Pulse global headquarters, Providence, RI. Margulies Perruzzi Architects/STV/Site Specific. ©Sabine Nordberg Architectural Photography, sabinenordberg.com. Photo is not associated with stok in any way.

**ESG – Environment, Social, and Corporate Governance**
Central factors in measuring the sustainability and societal impact of an investment in a company or business. These criteria help to better determine the future financial performance of companies (return and risk).

**DEI – Diversity, Equity, and Inclusion**
The pillars of sustainable, thriving communities. The calls for racial justice throughout the United States have strengthened our resolve and accelerated our efforts to promote DEI as a fundamental force for creating thriving communities for the future.
Source: Urban Land Institute

- **Radical innovation for the built environment.** From the beginning, stok was creating new ways of thinking about building performance as they were also building dedicated relationships with clients. stok acknowledges that it all comes down to their people, who are fiercely dedicated, curious, and passionate about their work. As stok needed expertise, they grew it or added it. Today, their subject-matter experts are driven by key intrinsic motivators: autonomy, mastery, and purpose.

- **Dedication to IDEA (inclusion, diversity, equity, accountability).** stok takes an active antiracism stance and achieved a JUST Label from the International Living Future Institute in 2016. This label transparently shares performance in social justice areas, including diversity, equity, and community stewardship. Last year, stok donated $15,000, and also matched employee contributions, to organizations empowering Black communities. It also formed a task force to guide the company and provided training for its team members. Alice Contopoulos, head of the IDEA initiative says, "stok is founded with social justice at our core, but this year we've realized that good intentions alone don't create good impact.…We are here to do the work."

- **Equitable governance.** stok's nature-inspired structure is based on biomimicry to foster greater efficiency and equity, while creating an organizational system designed specifically for certain outcomes. By looking to nature, they are inspired by its diversity and iterative design process. They observe that the most effective hunters in the ocean are Orcas, which we often call whales but are actually dolphins. The Orca's collective behavior inspired stok's flexible, collaborative, self-managed pods and teams, without traditional managers or bosses, resulting in a system of feedback loops from every aspect of their business. (See Figure 1.)

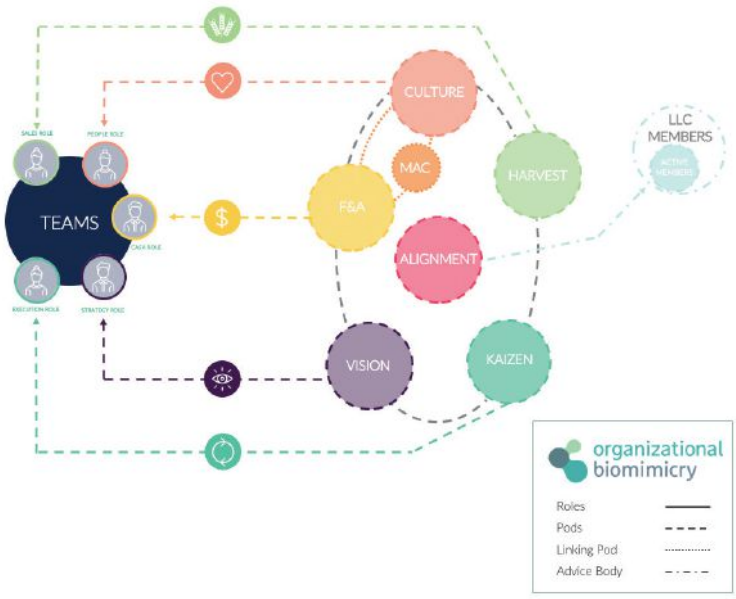
- **Navigation.** We've all encountered unexpected twists over the last year, but stok is channeling the disruption as a positive force in redefining corporate structure and go-to-market strategy. The health, economic, environmental, social, and cultural miasma is a key topic at the board and C-suite level in the business world, requiring leaders in companies and institutions to explore new territory as they rebuild their organizations and businesses. For stok, this is a path to creating a more resilient and engaged world.

stok has proven they can navigate their own uncharted waters, and they have successfully managed the currents and tides that have foundered so many other businesses over the last year. They've built a company that is unlike most A/E/C firms—a model that is likely to become even more important now that distributed work is the norm, rather than the exception.

## What's Next?

stok is optimistic about the next few years, with a renewed focus on health, climate, diversity and inclusion, responsible investment, and other key components of a better built environment. They are thinkers and doers, with the ability to figure out what to do and how to do it.

**Figure 1. stok organizational system.** Courtesy stok.




stok is an excellent example of a firm that is successful and sustainable, founded on core values and vision.

As the organization continues to evolve, Macko will be the chief strategist and managing member, responsible for leading vision and ideation—seeing around corners and driving fearless innovation. Ultimately, stok wants to have an even more significant impact on the places that people live and work—in all of their dimensionality. Macko is expanding the business, as well as moving into development and design/build. He has begun developing several attainably priced multi-family residential projects, pursuing his passion for responsible property investment.

Macko elaborates, "2020 saw the issues of sustainability and ESG take center stage. Climate, human rights, and human health are all inextricably linked. 2021 offers us the opportunity to progress those ideas even further." stok has plenty to celebrate as they move forward into their collective future, and ours. ■

**Source**

[1] "The Financial Case for High Performance Buildings," stok, 2020 stok.com/research/financial-case-for-high-performance-buildings

[2] "Fast 100: Meet the fastest-growing private companies in the Bay Area in 2020," Julia Cooper, *San Francisco Business Journal*, October 29, 2020. bizjournals.com/sanfrancisco/news/2020/10/29/100-fastest-growing-companies-bay-area-2020.html



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## Meet Matt Macko, LEED AP O+M, cSBA Founder, stok



Matt Macko has always had an entrepreneurial spirit. In his teens, he built a landscape business, funding his pursuit of a career as a professional ski racer (among the top 50 in the U.S. during the early 2000s). When faced with a choice of going to college or continuing to build his landscape business, he opted for college, earning a double degree in economics and finance, along with a certificate in entrepreneurship. In 2007, his father needed help building his dream house, so Macko and his brother took it on. When his brother left to be a doctor in the military, Macko worked with a local carpenter to build the 3,500-sf house (everything except the plumbing and electrical)—all mortise and tenon, with no screws. He was hooked.

While completing the house, he realized the benefit of saving money through green building. During the Great Financial Crisis, he picked up and moved on his own to San Francisco. As Macko says, "Since the world had turned upside down and everyone was out of work, I saw the opportunity to get smart—I discovered the Pacific Energy Center and took every course they offered [all for free]." In 2009, he launched a website selling building efficiency services. He realized the potential for success after auditing Ghirardelli Square, finding tens of thousands of dollars in savings monthly. "From that point on, Rita Hernandez (then property manager) became my biggest fan." That led to work with Boston Properties and other developers, measuring and improving the operational efficiency and performance of their assets.

Today, stok has an impressive client list with corporations, developers, real estate professionals and asset managers. They offer a broad range of services related to sustainable building planning and operations, project and construction management, and engineering. Their team of over 50 includes architects, builders, engineers, financial analysts, interior designers, marketers, materials analysts, project managers, scientists, and urban planners. The diversity is intentional, as today's built environments—not to mention the materials and systems of which they're composed—have grown in complexity to the degree that no single discipline offers the depth or breadth of coverage needed.

**Learn more about Macko and stok in their "2020 Year in Review" video.**
http://bit.ly/stok-2020-review