

Clean-technology firms

Labour pains

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A talent shortage hits green start-ups

ON MAY 1st applications closed for the first intake of a novel kind of executive-education programme. Set up by a bunch of venture-capital firms and other companies in New England, the three-month course will teach its "fellows" about renewable energy. To qualify for a fellowship, applicants must be successful entrepreneurs from other industries, such as IT or health care, and be zealous about profiting from greenery.

"A lack of talent, especially entrepreneurial talent, was one of the biggest bottlenecks to growth we identified in the clean-tech industry," says Peter Rothstein of Flagship Ventures, a venture-capital firm that is one of the programme's founders. That bottleneck worries investors, who have been pouring cash into everything from solar energy to hybrid electric cars: last year global investment in renewable-energy businesses alone rose by 60%, to \$148.4 billion, according to New Energy Finance (NEF), a research firm.

Although the prospect of minting money while helping to save the planet has attracted a stream of executives from other industries to clean-tech start-ups, few of them have much experience of their new field. In a recent global survey of 75 senior executives involved in clean-tech firms conducted by NEF and Heidrick & Struggles, a headhunter, over 90% cited top-level recruitment as a serious concern.

Counting on converts from other industries is risky, because some of the skills needed to run clean-tech companies are very different from those required to, say, launch a website. For one thing, the bosses of renewable-energy start-ups need to understand enough about the science to be able to pluck scientists from obscurity. For another, they need a grasp of project-financing techniques for costly prototype power plants. They also need to be able to deal with capricious regulatory and fiscal regimes. "If you've never done anything in the energy space, it can be intimidating," says Bill Davis, the boss of Ze-gen, a start-up that generates electricity from waste.

Hence the New England bootcamp's goal of helping 25 aspiring green entrepreneurs a year to make the transition. As well as giving them an overview of the latest scientific research, the course also includes sessions on project finance and government regulations.

Start-ups also face a battle for engineers and scientists. And as small firms take advantage of a growing enthusiasm for greenery in East Asia and the Middle East, they also need more staff with international experience. Tracking down such rare pearls can be a distraction for busy bosses.

Ann Cormack, the head of D1-BP Fuel Crops, a firm based in London that develops crops for biodiesel, reckons talent-spotting takes up about a fifth of her time. She has spent several months hunting for an agronomist, for instance, to no avail.

Like the bosses of many other clean-tech firms, Ms Cormack is using headhunters. They like the clean-tech business because wages, on which their commissions tend to be based, are rising fast. Not so long ago, executives would do meaningful green jobs for menial pay. But in recent years, wages have soared as the industry has grown and attracted big utilities and private-equity firms. Now what matters to the geeks is a different kind of green. "Good people can set their own price tag," says one recruiter, "and they want jam tomorrow, not in five years." It looks like they'll get it.

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