

Entrepreneurs: Dotcom and IT stars return as green pioneers

By Jonathan Moules

Colin Calder was one of the winners from the 1990s dotcom boom. After selling Paragon Software, his PC-to-mobile synchronisation business for £310m (\$499m), in early 2000, Mr Calder says he imagined himself entering early retirement.

That did not last long, and he was soon back planning his next venture.

What tempted Mr Calder to become a second-time entrepreneur was not the new potential of the web, but what he sees as the much bigger opportunity of saving the world from environmental disaster.

He did not at first imagine he would be going back into start-ups. Rather, he was just interested in building a zero carbon home for himself in Tuscany.

“I started looking at the requirements of rainwater recycling, water recycling, and heat pumps, where each system came with its own control system.

“I sat back and thought this is going to be a nightmare to manage.”

A year later and Mr Calder had a business plan for his new venture, Passiv Systems, which helps others make their homes more energy efficient.

“Sometimes you stumble into something that is so big, you have to do something,” he says.

Mr Calder is not the only technology entrepreneur who has redefined himself as a green pioneer.

Michael Bauer spent more than a decade in broadband and video networking businesses in Silicon Valley before launching his own venture, Sentient Energy, which develops advanced technology for monitoring electricity grid use and so reducing waste.

Mr Bauer has long been interested in environmental matters – he was exploring solar energy after doing his MBA at Stanford. But he says that a company such as Sentient, which is based just south of San Francisco, could not have found the necessary funding a decade ago.

“If you spend a lot of time in Silicon Valley, you learn that investment dollars follow fashion cycles just like everything else. During 1999 and early 2000, it was a hot time to invest in cable. There were no investors in areas such as solar panels.”

Something changed around 2004, according to Mr Bauer. Finance started to become available to back ventures like his.

However, the energy industry also woke up to the need, creating a market for these services.

“Utilities that had been underinvesting for five decades and basically running their operations as cash cows and minimising their investments have realised that there are a whole new level of technologies available to them,” Mr Bauer explains.

Sentient has been around only for a couple of years, but it generated several million dollars in revenue last year and is planning to be profitable in a couple more.

Pilgrim Beart spent several years in Silicon Valley before returning to the UK and starting AlertMe in the Cambridge technology cluster, nicknamed Silicon Fen.

Although the original concept of the business was security, harnessing the power of the “always on” function of a home broadband connection to enable people to check up on goings on in their house when they were away, the business has seen its biggest successes to date in helping people monitor their domestic energy use and thus run their heating systems more efficiently.

“There is a bit of a gold rush going on at the moment,” Mr Beart says about the clean-tech market.

“We may see the same bubble and crash as we did with dotcom. But equally, just like dotcom, the transition is real. It is not an illusion that our energy sources are becoming more scarce. It is a fundamental shift in the way the world works.”

AlertMe still provides its non-environmental functions, such as home security, Mr Beart notes. However, the venture capital investment in the business has been driven by the clean-tech opportunity.

Simon Dick, an Irish entrepreneur, made a considerable sum from his first start-up, UK-based digital mapping business Mapflow, which he co-founded in 1997 after a stint in management consultancy.

His second business is Clearpower, an Ireland-based supplier of bioenergy systems.

Mr Dick says that Mapflow, where he was being offered big valuations a year after launching, didn't feel real. “We made some money out of the company, but the Clearpower story is a lot more solid,” he says.

In some ways, it is easy to understand why so many technology entrepreneurs should have moved into clean technology. The environment is a fundamental issue.

The world was not going to end if no one could create an online grocery shopping business that made money, but there is a real fear that it might do if we do not come up with a way to cut down on our consumption of the planet's resources.