Strategic Partnerships

Strategic investors are extremely useful to early stage companies. They can provide validation of the business model, needed commercialization skills, and added funding.

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Government Funding

Periodically both state and federal governments provide opportunities to compete for grants. The successful companies will demonstrate a clear path to commercialization.

(continued on page 2)

Professional Investors

Professional investors will require a return on their investment in two to three years with acceptable risk. A plan including strategic investors and government funding accomplishes this objective. (continued on page 2)

Crossing the Chasm

Chasm Crossing can be particularly difficult for early stage companies in difficult times...

Growing a company is challenging in these times if your company is currently serving the innovator and early adopter customer segments. Professional investors are increasingly cautious when selecting their portfolio companies in this stage of development due to previous disappointments. This can be partially mitigated by developing strategic partnerships with industry leading organizations.

Concurrent with this challenge are the incentive and regulatory risks that are normally part of this business equation. Because the volume is low and the technology is evolving, these companies find it difficult to compete with legacy solutions even though they offer a better long-term opportunity.

Think Renewables is a boutique consulting company focusing on working with these companies, helping them to achieve their growth objectives.
Government Funding (Continued)

Government funding provides a way to leverage founder and equity funding without further diluting existing shareholders. Funding agencies, like private investors, expect measurable results from their investments that result from a successful path to commercialization.

A successful path to commercialization will have three key elements. First, the pace of technology and commercial growth must be reasonable. Second, the growth steps need to be defined using measurable quarter-to-quarter progress. And finally, the resources need to be in place (either internal or external) to implement the plan.

Strategic Partnerships (Continued)

Selecting the right strategic partner is critical to efficiently growing an early stage business. A “good” strategic partner will provide a credible evaluation of the technology potential when seeking government grants or professional investors.

Proper selection of a strategic partner requires a clear understanding of the steps (technical, manufacturing, sourcing distribution, sales) necessary to commercialize the product. Once defined, skill gaps can be identified and then addressed in the selection of the strategic partner.

Professional Investors (Continued)

If judiciously executed, the inclusion of strategic partners and government grants into the business plan provides potential portfolio companies with fully vetted technologies, a path to commercialization, non-dilutive funding, and a defined exit strategy. These are essential to attract professional investors

Think Renewables can provide the experience, marketing, and negotiating skills necessary to secure the “right” strategic partner, win government funding, and find professional investors. To learn more, contact Herb Nock at HerbNock@ThinkRenewables.org.