

GREEN TECHNOLOGIES

Invest in booming trend

» GREENTECH MEDIA REPORTED IN 2009 THAT VENTURE CAPITALIST FIRMS INVESTED \$836.1 MILLION IN 59 GREEN TECHNOLOGY DEALS.

Investing in green technologies is a booming trend this year. The recent federal stimulus package has injected \$8 billion in loans for renewable energy products, and private investors have infused billions more into the industry.

Are you familiar with the upcoming "smart grid?" It's a project earmarked for \$11 billion to build a nationwide network of high-voltage transmission lines. The smart grid is thought to do the same things for clean energy technologies that interstate highways did for cars in the 1950s.

Even with all the money flowing into the green industry, as well as the upcoming federal projects, experts are advising investors to slow down. "There may be opportunities for investors in the long-term," says Glenn Croston, author of "75 Green Businesses You Can Start to Make Money and Make a Difference," but he advises against blindly investing into green technologies. Further, he states, "Being green doesn't make anybody immune to market forces."

The dot-com bubble unexpectedly burst to everyone's surprise. While it may not be likely for the green technology industry to suffer the same fate, it's not impossible. Greentech Media, Inc. reported in 2009 that venture capitalist firms invested \$836.1 million in 59 green technology deals — the industry saw almost the same amount of investments in 2007.

Solar, wind, smart grid, and biofuels seem to be the most popular choices in green investment opportunities. Unfortunately, many of the companies in these sectors are small and still in the very early stage of product development. These products may not hit the market for several years.

There are still many potential ways an entrepreneur can make money in the

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green industry. One way is to invest in large public companies that have a tendency to financially support green initiatives. A popular example of this is Google and its renewable energy projects.

Another is to make an angel investment in a local, clean-tech company that interests you, and join the firm's board of directors. With this idea you get both personal and financial gain. Personal gain will stem from being able to use your entrepreneurial skills to help a small business grow, and

financial gain will come from the possibility of making hundreds of times your original investment if the company takes off.

Finally, you may want to look into investing in a venture capitalist firm that invests in early-stage, clean-tech businesses. Of course, like any investment, there are risks involved. Green technology businesses have to work out the technological kinks and win market acceptance for their product or service before making any money. However, the potential ROI could be huge if one of the companies hit the jackpot.

Croston said, "There are a lot of entrepreneurs who are very committed to the environmental cause, but they still need help to make a business of it. Whether they're green or not, at the end of the day, they have to make money."

While it may not be easy investing in green, there are possibilities out there to make great money.

Pharus Group, LLC is a specialized consulting firm providing business analysis and management advisory services for small to mid-sized business owners and entrepreneurs. The company provides on-site assistance to new and emerging companies in the green sector. For more information, call (772) 223-3344.