SEEKING GREENER PASTURES: CLEAN TECHNOLOGY ENTREPRENEURS’ EFFORTS TO OVERCOME BARRIERS TO ADOPTION (INTERACTIVE PAPER)

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SEEKING GREENER PASTURES: CLEAN TECHNOLOGY ENTREPRENEURS’ EFFORTS TO OVERCOME BARRIERS TO ADOPTION

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Principal Topic

Clean technologies (products, services and processes designed to reduce negative ecological impacts while increasing resource efficiency), are seen as a panacea for climate change and energy diversification. Yet, cleantech adoption remains slow as radical changes are often needed in regulations, infrastructure, social behavior and power structures. Cleantech entrepreneurs must gain political influence and legitimacy to foster these changes.

Method

We interviewed 62 cleantech entrepreneurs and industry facilitators in two major cleantech clusters in Canada (British Columbia and Ontario), analyzed their websites and reviewed 10 years of media articles in the major newspapers in these regions. We found several strategies used by cleantech entrepreneurs, who both improving the competitiveness of their individual ventures and participating in collective action to improve industry conditions. Acquiring political influence through networking, donations, and joint lobbying (with industry partners) to affect regulations and increase government investment or funding was a primary strategy identified by nearly every entrepreneur. Regulation was noted as a driver of the business. The need for political influence was important domestically and for most international jurisdictions in which the firms did business.

Results and Implications

Cleantech firms were vested with social expectations in the media, for regional competitiveness, job creation, aboriginal economic development and environmental protection. Governments and large corporations saw partnerships with cleantech firms as reputation enhancement. Cleantech firms thus emphasized win/win/win performance, educating environmental activists, partnering with aboriginals, selling the business case, and crafting stellar reputations to foster partnerships. To legitimize their technologies, they obtained patents, third party certifications and endorsements, especially through pilot projects with large partners. When the partner was a utility or energy incumbent, entrepreneurs claimed their technology was incrementally innovative, whereas for other large corporate partners, entrepreneurs framed their technology in more radical terms. The latter partners were seen as potential acquirers as the technology path became more certain. Cleantech firms also formed intra-industry partnerships, focused on enlarging the cleantech market, joint lobbying, or building one-stop solutions by joining complementary technologies. Entrepreneurs frequently expressed significant frustration with domestic and developed country markets which were subject to infrastructural lock-in effects contributing to long business development cycles. Many entrepreneurs mentioned choosing easy markets: those in developing countries (no lock-in), those experiencing urgent resource constraints, and those with fragmented (unpowerful) players. These moves threaten regional competitiveness expectations for cleantech firms since international acquirers (especially China) are attractive when domestic markets remain resistant.

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