

## Biz grads put degrees to eco-friendly work

Enterprises include energy, home goods

Among the bright-eyed crop of M.B.A.s venturing forth from the University of California, Berkeley's Haas School of Business in the spring of 2000, Rodrigo Prudencio was a little different.

While his classmates signed on with Silicon Valley semiconductor giants or rolled the dice with dot-com start-ups, Prudencio was looking at another path.

"I was the only person in my class who looked at clean energy, who said this technology has promise," he said.

Five years later, Prudencio is on the forefront of what he sees as the Bay Area's promising clean energy industry. A principal with the San Francisco-based venture capital firm Nth Power, which backs utilities and clean energy



"Business can be used as a tool for social and environmental change" says Taja di Leonardi CEO of Ecohome Improvement, a retail showroom located in the Bay Area dedicated to green home improvement products.

companies, Prudencio said an increasing number of newly minted Bay Area M.B.A.s are looking to fuse old-fashioned entrepreneurship and environmental idealism.

"What happened in Silicon Valley around the microchip, the same thing is starting to happen now in clean energy and clean technology," said Prudencio. "There is a very strong group of companies that are going to be venture-backed in this area."

Most of these young companies, like Berkeley-based Adura Technologies, are running on "shoestrings and grants," according to 2004

Haas M.B.A. Zachary Gentry, who launched Adura with a classmate the day after receiving his degree.

Adura designs and makes wireless lighting controls for open-plan office spaces. A handheld remote gives cubicle workers control over the lighting in their work areas. It also saves electricity: A pilot of the system in a Berkeley commercial building cut lighting energy use 40 percent.

Gentry sees Adura as one of the first of a spate of clean-energy companies emerging from Bay Area business schools.

A recent study by the environmental research and consulting firm Clean Edge estimates that renewable energies like wind, solar and hydrogen fuel cells will grow to a \$102.4 billion industry by 2014. The study, commissioned by Nth Power and three other firms, said that the combined market for "green" energy has jumped 68 percent since 2002 to more than \$16 billion last year.

Other factors put California in a good position to take advantage of that projected bounty, according to Gentry and Prudencio. Not only does California have among the highest energy bills in the nation, last year the investment board of the California Government Employee Retirement System agreed to invest \$200 million in clean energy businesses over the next few years.

"When people realize that there is fruit to be gained in the energy space, you're going to see a lot of programmers at Yahoo or people who were doing semiconductors at Intel applying that knowledge to clean energy," Gentry said.

During the past three years, as the green business sector has heated up, students in both Stanford and Cal's M.B.A. programs have launched popular clubs dedicated to solar, wind and hydrogen cell energy alternatives. In 2004, five students had joined the clean energy club at Haas; this year, 14 students are members.

Stanford School of Business has long been known for a strong business ethics component. This year's "Beyond Grey Pinstripes" report -- a biennial Aspen Institute and the World Resources Institute survey of how well 30 top business schools integrate issues of social and environmental stewardship into business school curricula -- ranked Stanford No. 1.

Jeremy Sokulsky, a 2004 M.B.A., said he found at Stanford a healthy community of green entrepreneurs, including a "new energy club," where about half the members were interested in renewable energy.

After graduating, he launched the Environmental Incentives, a consulting company working on land conservation, wind energy and ecological trading

systems. Sokulsky said he was inspired by 2003 Stanford M.B.A. Carl Palmer, who started Beartooth Capital, which has managed to create 15 percent returns -- and protect ecologically sensitive land -- through ranch real estate investments in the Yellowstone ecosystem.

"A lot of people are thinking about how can you actually make money and, at the same time, improve the environment," said Sokulsky. "There are opportunities out there right now and environmental business is attracting a lot of talent -- especially renewable energy. Everybody wants to do renewable energy."

Alicia Seiger, a 2002 Stanford M.B.A., is vice president of corporate sales and business development for the Menlo Park-based TerraPass.

"It is the idea of a for-profit social venture -- that you can do good and do well," she said. "I think you can. I hope you can. That's the idea."

TerraPass was started in October 2004 by professor Dr. Karl Ulrich at the Wharton School of Business at the University of Pennsylvania, along with 41 of his students. Within its first year, TerraPass registered over 2,400 members.

Under TerraPass' program, a car owner buys a pass for about \$50 a year based on how much carbon dioxide the vehicle generates. TerraPass invests the money in projects promoting wind energy, industry efficiency and biomass.

For their money, card-carrying TerraPass members mostly receive the satisfaction of knowing they are helping to fight a grave environmental problem. They receive a certificate verifying the amount of carbon dioxide their investment has wiped from the atmosphere, as well as window decals and bumper stickers.

Environmental stewardship is the primary objective, but TerraPass, which recently received \$500,000 in VC backing from New Jersey-based GreenShift, is for-profit, aiming for a 10 percent profit margin.

Meanwhile, San Francisco State University is developing an M.B.A. program focused on sustainable business, according to Dr. Bruce Paton, a business professor. Paton said the university has three professors focused on green business and is recruiting three more.

"This isn't about tree huggers anymore," Paton said. "Environmental and energy decisions are built into every design decision."

While traditional business schools build up their green credentials, several new green M.B.A. programs have sprung up around the country, including the S.F.-based Presidio School of Management, which offers an M.B.A. in sustainable

management, integrating social and environmental values within every course, according to Provost Ron Nahser.

The school's first class graduated last spring, and one graduate, Taja di Leonardi, opened Eco Home Improvement, a Berkeley showroom that sells eco-friendly paints, flooring, wall covering, kitchen cabinetry and countertops. A former biochemist who worked on Hewlett-Packard's social and environmental code of conduct, di Leonardi developed the Eco Home business plan during her last semester and plans to open other outlets.

EcoHome was profitable in its first month, and sales are 52 percent higher than di Leonardi had projected.

"I do have an inclination for science and environmental policy, but I now see that business, as much as policy, is a tool to make change."

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