

Today's Webinar Will Begin Shortly:

Taking a Pragmatic Approach to the Circular Economy

QUESTIONS?

Use the questions box on your screen

AUDIO ISSUES?

Use the global dial-in number in your confirmation email



Anthony Schiavo
Research Director

Taking a Pragmatic Approach to the Circular Economy



Anthony Schiavo
Research Director



50% of carbon reductions are going to come from technologies we don't yet have.

– John Kerry
U.S. Special Envoy for Climate



1935



1969



**The
innovation
ecosystem has
a huge
responsibility**

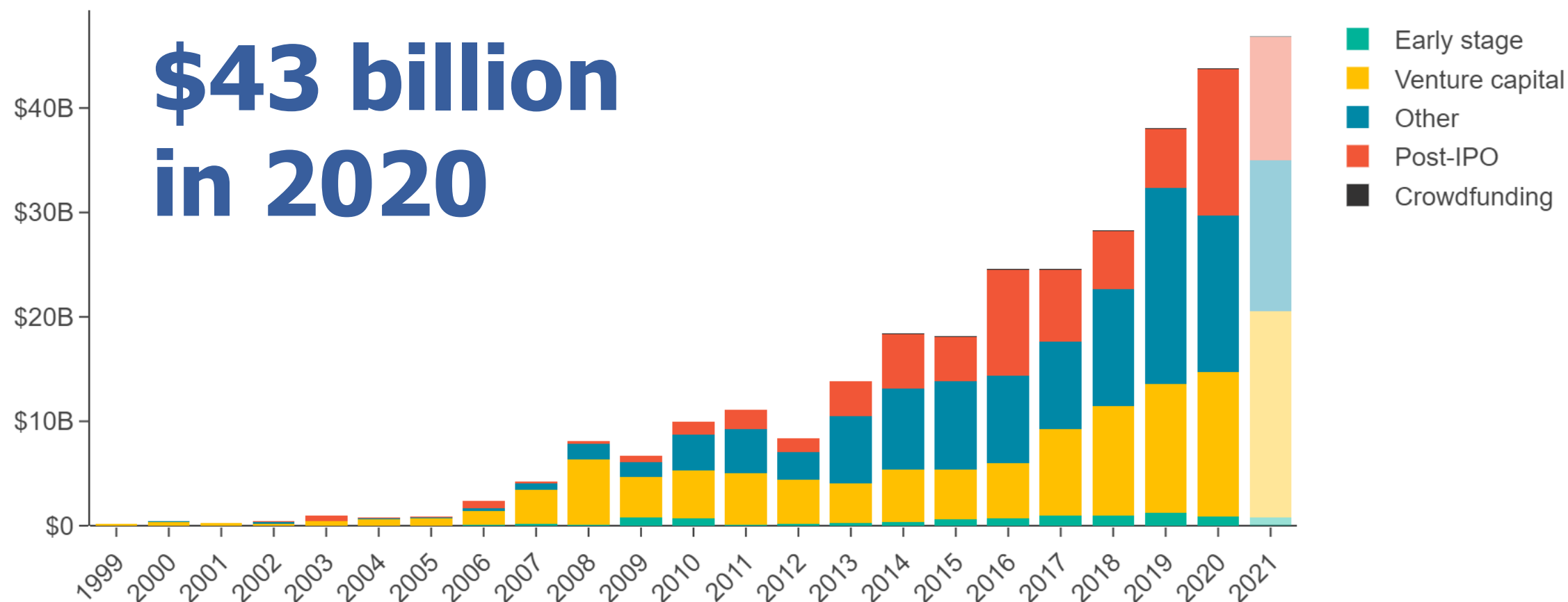
2015



LUX
Research

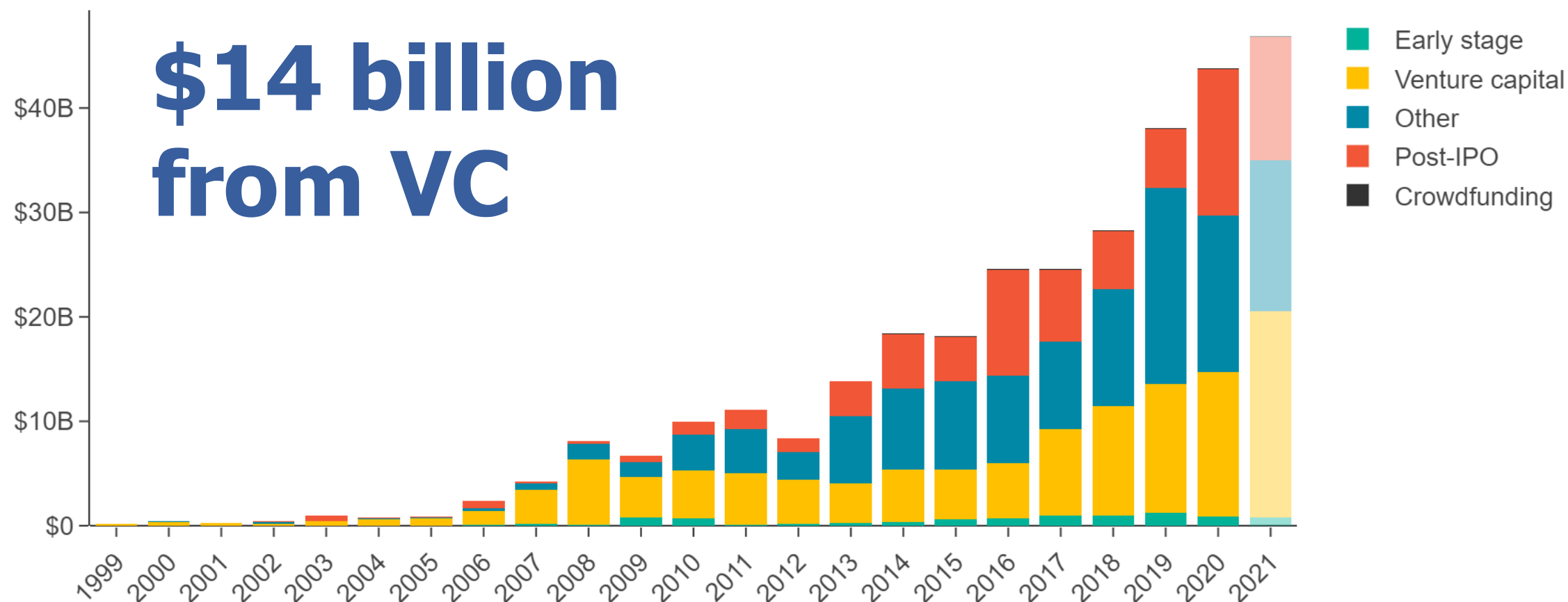
Funding for sustainability is on the rise

In U.S. Dollars



Funding for sustainability is on the rise

In U.S. Dollars





**Money
geyser
≠
Good
decisions**

VC's don't have a great track record with cleantech

Konarka shutting down, raising \$185M for solar tech

Nanosolar, The First Solar, Officially Dead

U.S. CIGS solar assets are liquidated, no VC investment.

U.S. solar firm SunEdison files for bankruptcy

**We need to
get this right**

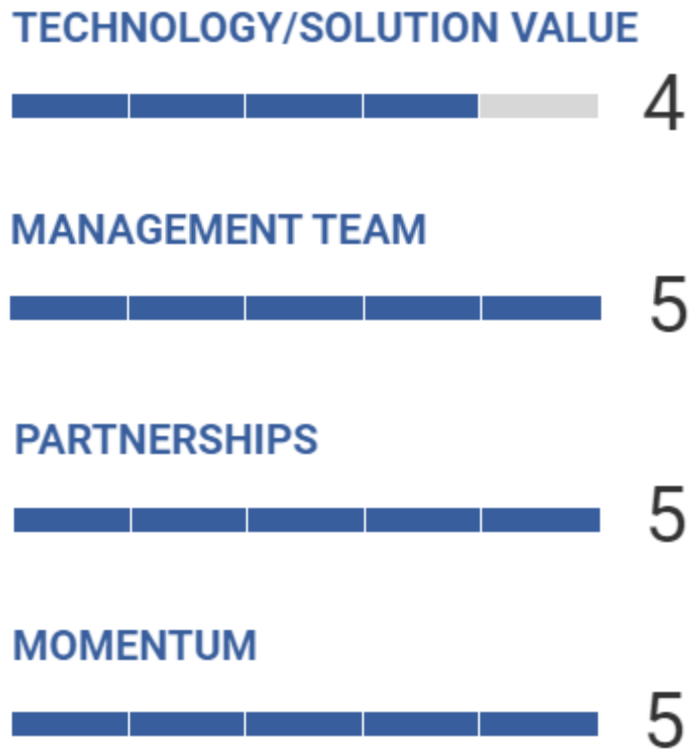
Two key questions

Which start-ups are likely to scale up?

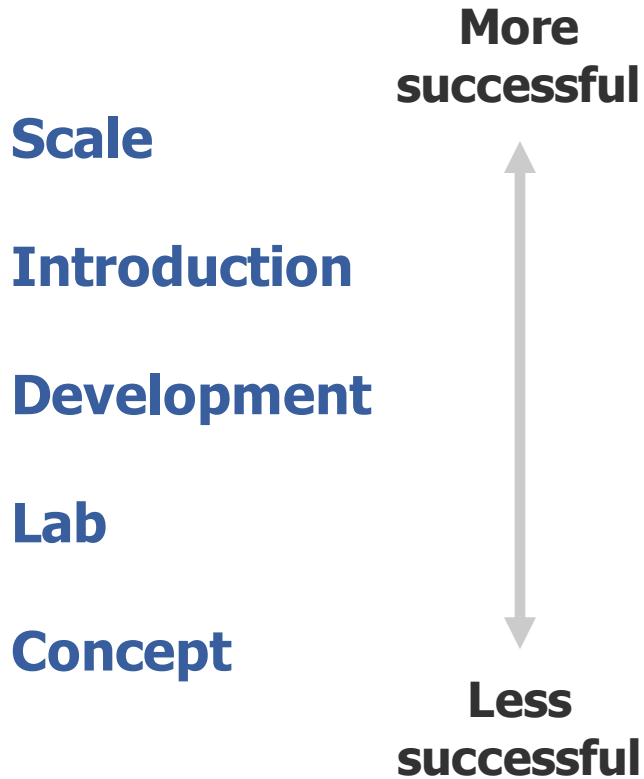
Which start-ups get VC funding?

We can use Lux's 12,000 interviews to help answer these questions

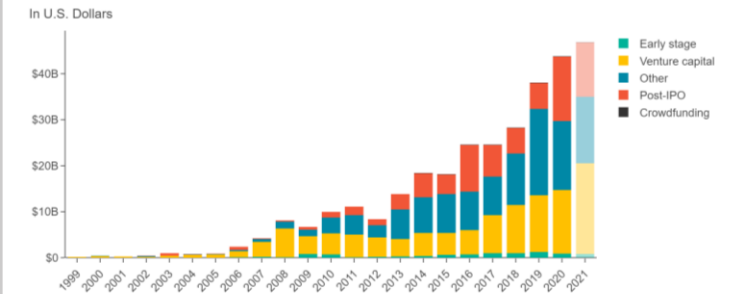
Scorecard metrics



Stage of development



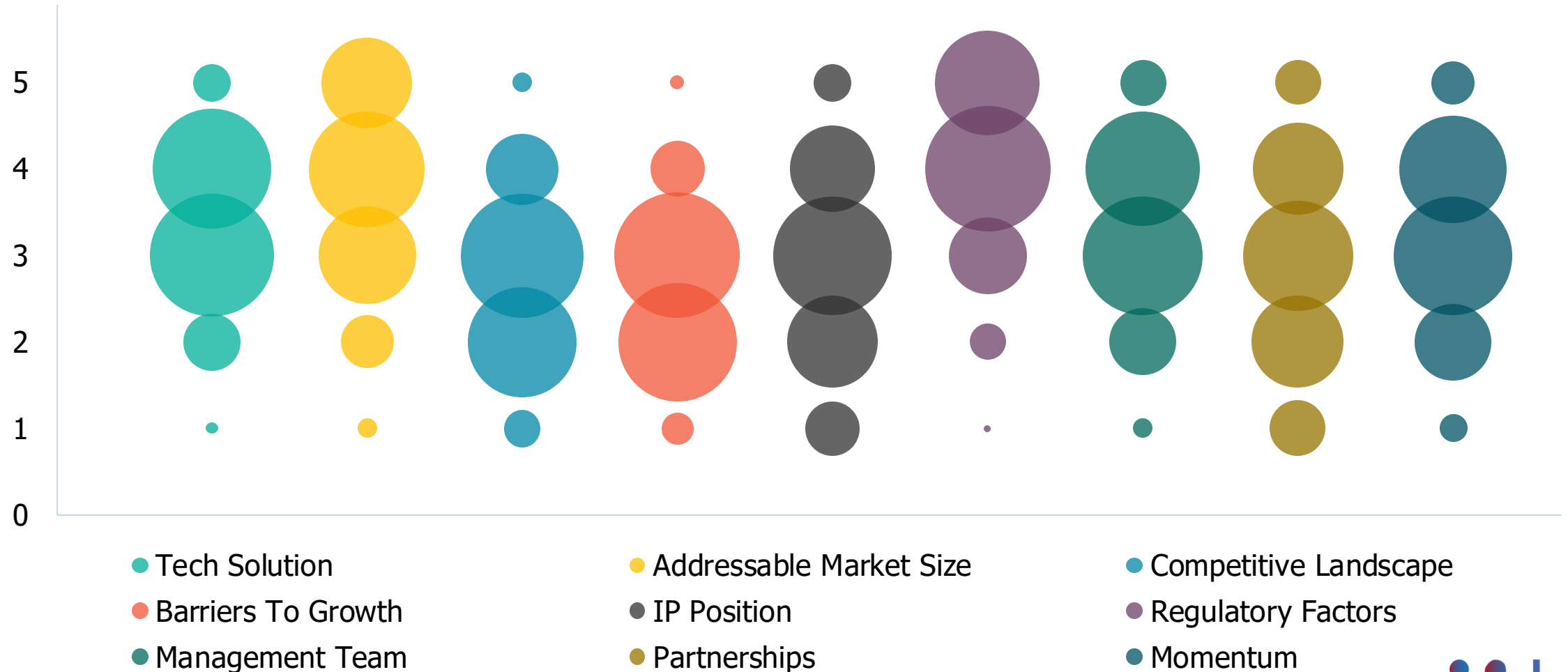
Funding



Small differences in scores have a big impact

Distribution of company scoring

Scorecard score



Two key questions

Which start-ups are likely to scale up?

Which start-ups get VC funding?

**Which start-ups
scale up?**

~12,000 profiles

~8,000 companies

~2,500 scaled

Which start-ups scale up?

	Scaled up	Not scaled
Tech	3.4	3.3
Management	3.6	3.1
Partnerships	3.4	2.6
Momentum	3.5	3.1

**Which start-ups
scale up?**

**Scaled-up startups
have better
management and
partnerships, not
better tech.**



**Can we
predict which
start-ups will
scale?**

**What predicts
success?**

**~2,500 briefed
more than once**

**~1,900 not initially
successful**

**~450 became
successful**



What predicts success?

	Successful	Unsuccessful
Tech	3.5	3.4
Management	3.3	3.2
Partnerships	2.9	2.5
Momentum	3.4	3.0



**Partnerships
and
momentum
best predict
future success**

Two key questions

Which start-ups are likely to scale up?

Which start-ups get VC funding?

Let's take a look at those failed solar investments





Let's take a look at those failed solar investments

48 companies

\$2.8 billion in funding

2 successes

Who gets VC funding?

	Top 10 Funded	Average
Tech	3.2	3.2
Management	3.7	3.5
Partnerships	2.7	2.9
Momentum	3.2	3.2

What about the circular economy?





What about the circular economy?

505 companies

\$10 billion in funding

47 successes

**Who gets VC
funding?**

505 companies

**150 received
\$1 million or more**

**350 did not get VC
funding**

Who gets VC funding?

	VC Funded	Not Funded
Tech	3.3	3.2
Management	3.5	3.0
Partnerships	3.5	3.1
Momentum	3.2	2.8



**Lots of
companies are
slipping
through the
cracks.**

magnorec
ATTRACTIVE RECYCLING



Spectalite



NOTPLA



Lux
Research

Key Takeaways

1

Funders bias towards management – but good management does not predict success!

2

There's plenty of good tech outside the existing VC ecosystem

3

Get this right to save the planet, please

Thank you

A link to the webinar recording will be emailed within 24-48 hours

UPCOMING WEBINARS

- **November 23rd**
[Key Takeaways from COP26](#)
- **December 7th**
[The Lux Foresight Report: Implications and Innovations in a Post-COVID World](#)

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