

# CLEAN TECH: NEW PARADIGMS AND COMMUNICATIONS CHALLENGES

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## ABSTRACT

As clean technologies move into even greater prominence in the minds of consumers and on the screens and pages of the media world, the noise level surrounding the clean tech environment is rising as well. How will companies find their authentic voice? How will they reach their true target customers in ways that are impactful and with messages that resonate and encourage action?

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This paper focuses on applying proven communications techniques—telling stories in ways that create memorable and differentiated communications—as a way to boost and enhance the profile of innovative clean-tech and nanotech companies.

## INTRODUCTION

In recent years there has been a rising call from businesses, governments and consumers for the development of a diversified global energy future. The dynamics driving this are well known: a combination of the rising cost of fossil fuels, the finite nature of high quality hydrocarbons, environmental issues stemming from greenhouse gas emission and the geopolitical need to diversify energy resources.

With this in mind, investors, governments and environmentalists are eager to explore all avenues of energy and its creation. The search for the most cost-effective, most efficient, and most inexhaustible methods is on — will your communications help you lead or follow?

## ENERGY – A SHIFTING PARADIGM

Energy as we know it — how we define it, where we get it and what we expect from it — is undergoing seismic changes. The energy market is facing new challenges as they work to market, distribute and protect their products. Indeed, energy companies, whether new or old, alternative or traditional, are experiencing a significant transformation. We need only look as far as global news headlines and policy developments to understand how the energy marketplace faces a daily churn of interest and exposure.

In a phrase, the energy industry is in the midst of a paradigm shift: a period characterized by upheaval, change, innovation, uncertainty, competing visions and diverse priorities. As clean technologies move into even greater prominence in the minds of

consumers and on the screens and pages of the media world, the noise level surrounding the clean tech environment is rising as well. How will companies find their authentic voice? How will they reach their true target customers in ways that are impactful and with messages that resonate and encourage action?

Communications challenges confront clean and nanotech companies—from start-ups to industry leaders—at every corner. Considering the high level of interest and media coverage on cleantech and nanotech, and its impact on investors, consumers and partners, the importance of effective communications has become even more critical.

So, what are you going to do about it?

## AN OPPORTUNITY TO LEAD

Some companies are driving innovation and change, others are reacting to it and some are caught between these two extremes. Whatever your position, enterprises that exist in this tornado of innovation (we call it the Innovation Context™) are faced with market uncertainty, industry shifts, rapid evolution and breakthrough opportunities.

Through over 20 years of work with innovators across different markets, Waggener Edstrom Worldwide (WE) has observed that while critical innovations themselves are necessary, they're not sufficient for crossing the chasm. Thriving in the Innovation Context is also a communications opportunity: it spurs dialogue and debate and requires explanation and persuasion. Therefore, it also necessitates a special understanding of communications predicated on how audiences are influenced and the value of a story well told.

Innovative companies generally fall into one of the following scenarios within the Innovation Context:

**Established Leaders** — “Big oil” companies tend to fall here, with all of the attendant opportunities (big resources/big stakes/big respect) and pitfalls (assumptions about complacency and defensiveness, big surface area for the challenger to attack.) Leaders have to aggressively reinvent themselves: For example, Shell Oil’s “Renewables” division is forging ahead with strategic alliances in new cellulose ethanol technologies.

**Insurgent** — These are the challengers—they can be edgier (everyone loves the David and Goliath story) but they have to prove their staying power in order to be more than a provocative irritant. Community Energy Inc. built America’s first commercial wind farm in Atlantic City, N.J. Ocean Power Technologies (OPT) and the United States Navy are jointly testing OPT’s wave energy technology.

**Competitive** — The challenge here is avoiding the feature-wars and building a sustained differentiation. Jockeying back and forth for market favor, Toyota Prius and the Accord Hybrid find themselves in competitive landscape. However, in a nod to grassroots inventors and enthusiasts, Toyota will begin to manufacture a “plug in” model of their flagship Prius hybrid.

**Paradigm Shift** — Paradigm shifters are the disruptors. Their role is almost entirely “alternative.” Their communications imperative is articulating a compelling vision of a big destination, of course, but they can’t look like mad scientists; they have to demonstrate an achievable path if they are to build an ecosystem, and persuade existing players to come along with them. In April of 2006, UBS AG and Diapason Commodities launched the first Global Biofuel Index, a way to introduce alternative fuel to investors in an entirely new way, validating both the category and their position as thought leaders in the category.

Regardless of innovation scenario or status as a large enterprise, small company or trade group, your success in the cleantech sector hinges on effective communication of your approach. Those who set the energy agenda and own the global conversation will do so by facilitating and driving the adoption of new ideas.

What we’ve learned is that when paradigms shift, both confusion and opportunity result. Eventually, a leader steps forward to fill the vacuum and becomes a leading voice in the new paradigm, are you ready to speak up and guide your customers, partners, governments, suppliers and employees to a new future?

## SHIFTING SANDS: INTEGRATED COMMUNICATIONS & STAKEHOLDER INVOLVEMENT

Meanwhile, the media landscape that is so integral in your communications is changing – and quickly. The age of information means the democratization of information; it is more plentiful and accessible than ever before. Connected by the Internet, individuals can discover, process and share information across thousands of miles in a matter of seconds without having to “recheck” assumptions by what is published in mass media outlets. Now, a more unstable model of influence has emerged, a model that reflects how disparate people — from your partners to your employees to your legislators and regulators — interconnect to tell your story.

Although formal media institutions continue to wield considerable power, they are no longer the *only* sources of information and influence. The profound changes in the energy marketplace are catalysts for an explosion of information and participation by consumers in the information process. Recognizing the shift from a predictable communications model with sequential process and phased timing to a real-time, networked and relationship-driven model is the first step toward controlling the new influence model by understanding commonalities among each of these new influencers.

This new, fluid model of influence necessitates a holistic approach to communications: one that considers employees alongside customers, one that brings academics and public officials to the table early and often and one that employs real-time communications to offer transparency and engage

stakeholders. Audiences now expect to participate and then experience and decide for themselves.

Tomorrow’s leaders will involve myriad stakeholders (e.g. customers, partners, governments, independent organizations, etc.) in the energy paradigm shift, hear and include their voices and never underestimate the power of their involvement, particularly when introducing new ideas.

Thus a strategic approach to influence has to play out against this evolving backdrop. It requires a broad influence approach—we call it Integrated Influence—including media relations encompassing traditional media outreach and factoring in how traditional media themselves are morphing as well as new social media. And it also includes public affairs, analyst relations, investor relations and employee communications, and a deep conversation about business and social responsibility at the front end.

The ensuing conversation will influence of policy and perception. This process will be challenging; the influence model for the energy sector is truly unique, with interrelated influencers, from members of the mainstream media and government elites to academics and grassroots bloggers.

However, the potential rewards are rich for the company or organization which starts and extends the conversation globally, enabling connections with the influencers that matter most, changing perceptions and building trust and acceptance for new ideas and innovations — *their* ideas and innovations.

## THE POWER OF INNOVATION COMMUNICATIONS™

Launching innovations goes way beyond publicizing, beyond thought leadership, beyond ecosystem building—it is all of those things and more. A comprehensive approach to driving acceptance and adoption of an idea or concept, involves helping diverse audiences:

1. Discover, to build awareness
2. Learn, which helps individuals and organizations understand the basics—i.e., some construct for “how it works”
3. Envision, during which the future relevance of the innovator should be ensured (What does this mean to me? How does it work? Is it safe? Does this new thing work with my old thing? Where do I get supplies? Who will support it? etc...) and finally:
4. Inspire, building trust while encouraging action and the adoption of the new idea.

The sheer breadth of technology and competing forces in the clean tech sector can make this four-step process seem very daunting. Clearly some of the core elements of ANY good communications story are at play here—authenticity of voice, including key partners and customers in your communications outreach so that influencers hear voices of validation

around your direction—they are communications constants. But in an environment where scientific awareness amongst broad consumer audiences is not high—and detailed information can be focusing, how can companies stand out?

## ACTION

Ironically, perhaps, in the face of all this complexity, simplicity in the form of a great story is absolutely essential. Stories reveal a company's characters, their values, and at the core of Innovation Communications™ is a commitment to Storytelling. So what are some ways you can start to tell your story better?

1. Stage your communications- Who are you trying to reach and at which stage? Think about your audience plan as concentric circles: each audience requires a different influence plan and timetable and approach.

2 Who cares? - It is vitally important to not only have a clear sense of which media you need to have mindshare with, but who's driving the dialogue that influences them. In a time of uncertainty and disagreement about who's got the best vision, media will turn to a few critical voices to help them sort it out. For each audience segment you need to engage with, there are key opinion leaders, and they're not necessarily elites: they may be simply "the voice of" the little guy. Know who they are and make your communications all about influencing the influencers.

## CONCLUSION

The lessons we've learned from our years of service with a broad range of innovators ring as true for clean technology as they do in deep technology – stories of innovation aren't enough. They need to be

3 Join the Dialogue - Bringing your own voice into the discussion builds trust and allows you to socialize your ideas, explain your process, discuss your tradeoffs (innovation is always hard: people need to see the sincerity of your effort).

4 Framing Your Story: Georges Polti wrote that there are only 36 plots represented in every story ever told. How do you apply the universal concepts of storytelling to your communications? Do you have a typical "quest" plot, triumph of good over evil, sin/judgment and redemption?

5 What Does Green Mean? – More and more people are asking what does "good business" mean these days and most are responding by integrating Corporate Social Responsibility programs into their overall business model. Even when being green IS your business, know the burden and opportunity of being expected to walk the talk. In fact, the greener your proposition, the more opportunity for transparency (for better or for worse).

emboldened with powerful, thoughtful and strategic story-telling methodology in order to cut through the fray, separating your company from your competitors while establishing your voice as an industry and category champion.