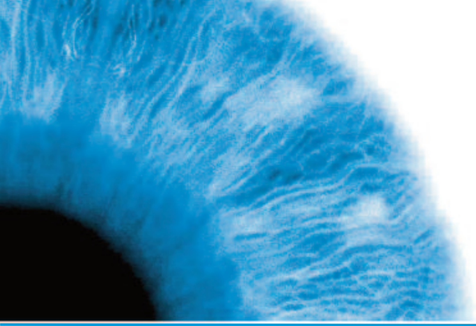

GS-insight

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Issue 14

GILLAMOR STEPHENS

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Running your office from your pocket

How the Web, broadband networks and mobile technology have transformed business over the last decade.

A poll of 300 senior Chief Information Officers by Gillamor Stephens has revealed that CIOs consider the most important business technologies of the last ten years to be the World Wide Web, Wi-Fi and wireless technologies and broadband networks.

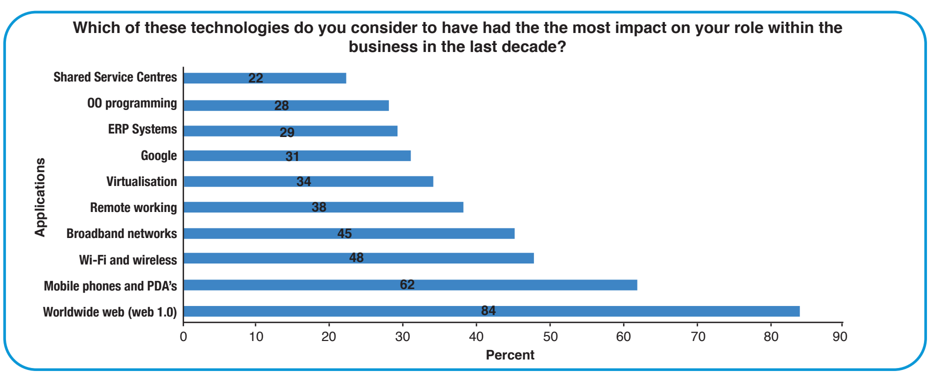
The survey, undertaken to coincide with Gillamor Stephens' ten year anniversary, demonstrates the impact of the Web and the importance of mobility now to organisations' IT chiefs.

Lower down the list are technologies that for some time have tested CIOs' strategic leadership capabilities and are of critical business importance, such as relational databases and ERP systems. The influence of other technologies such as Web 2.0 tools, AJAX development and virtualisation cited by CIOs, is sure to increase. Virtualisation in particular has a key role in the development of 'green' strategies which not only reduce companies' energy use, but can also cut their business costs. *(See John Suffolk, page eleven)*

Interestingly, a number of CIOs also highlighted one company, Google, as having a key impact on their role over the last ten years.

Nigel Clifford, who took over as Chief Executive of mobile phone operating system specialist Symbian in June 2005, reflects that CIOs' view of mobile phones and PDAs simply demonstrates the reality of a revolution in technology and business's adoption of it as a critical tool.

"It's very pleasing that both the Web and mobile phones come out as two strong themes in the CIO survey. Ten years ago, we had a vision that you'd run your office out of your pocket. Now I guess we'd say that over the next ten years, you'll run your life out of your pocket.



Living in a Google-led world

The last decade has seen the IT industry lose key names, focus on software and services, not hardware, and adapt to a Web world led by Google.

In the decade since Gillamor Stephens was formed in 1998, the IT industry has undergone radical structural change, with the dominant influencer now a company that was scarcely a twinkle in the eye ten years ago.

Co-founders Larry Page and Sergey Brin brought Google to life in September 1998 and it has since gone on to revolutionise Internet search, create a complete industry around search engine optimisation and Web advertising, and even challenge Microsoft's very business model.

The last ten years have also seen the birth of the Blackberry in 1999 and the development of a mobile industry which sparked the creation of mobile phone operating system specialist Symbian, and the inexorable rise of Nokia to become Europe's most influential technology company. According to the InformationWeek InfoTech 100 for 2008, Nokia sits in 8th place, three places ahead of Google, and five ahead of IBM.

Alongside the new technologies, the last ten years has seen the departure of some familiar players amid a rash of mergers and acquisitions.

1998 was in the year in which Digital Equipment ('DEC') was acquired by PC clone-maker Compaq, which was itself later snapped up by Hewlett Packard.

Those were acquisitions of two companies which were broadly selling hardware. Now, as hardware costs have fallen, the last ten years have seen IT software and services grow in importance, to the extent that this year, HP was again on the acquisition trail, spending $13.9bn to buy Electronic Data Systems (EDS).

The last ten years have also seen significant acquisition sprees by Oracle, which bought Siebel, PeopleSoft, and J.D. Edwards; by SAP, which acquired Business Objects; and by IBM which acquired Informix, Cognos and FileNet,

In another major deal in 2002, IBM Global Services almost doubled its number of consultants by acquiring the management consulting and technology services arm of PricewaterhouseCoopers. Its IT services competitors now include Accenture, Capgemini, Tata, Infosys, Wipro, EDS (now HP) and CSC, with Tata, Infosys, and Wipro emerging in the last ten years based on business processing outsourcing to India.

John Higgins, Director General at Intellect says: "Amongst the countless technology advances in the past ten years, developments in the way citizens and businesses utilise the internet has arguably had the biggest impact on our lives. Broadband adoption has fostered the growth of other technologies such as remote working software, enabling citizens to break out of traditional work and social patterns. Mobile devices have also become more compact and powerful and now offer the user a host of communication connections."

Some fact and figures and highlights from 1998

- 1998 was the height of the dotcom boom, with the bust coming soon afterwards. Among those who failed to reach the heights of Amazon and eBay today were: Boo.com, Webvan.com, Beenz.com, and Go.com
- In 1998, UK IT services companies hired so many extra staff to cope with the surge in work that around half of the UK's IT staff worked for services companies. Much of that work came from companies trying to avoid the so called 'Millennium Bug' date change glitch
- The Top Ten Companies active in the UK IT services marketplace were:

1. Computacenter. Floated in 1998 – the first ever IT company to float on the LSE at £1bn. Revenue: £1.3bn
2. EDS UK. Revenue: £1bn
3. IBM UK. Revenue: £800m
4. ICL. Revenue: £620m
5. Sema Group. Revenue: £475m
6. Andersen Consulting: Revenue: £444m
7. Specialist Computer Holdings. Revenue: £422m
8. Cap Gemini UK. Revenue: £385m
9. CSC Consulting. Revenue: £362m
10. Serco Group. Revenue: £345m

Source: Intellect

A Ten-Year Track Record in Business Critical Recruitment

This year is Gillamor Stephens' tenth anniversary - a decade, during which we have built one of the most successful executive recruitment firms addressing the European technology sector. Since our formation in1998, we've enjoyed the heady growth times of the dotcom period- and the subsequent hangover - survived Y2K, experienced a sustained period of business expansion between 2003 and 2008, and we are now braced for what will no doubt be a challenging business environment as the global economic climate continues to deteriorate.

The Partners in Gillamor Stephens have all been recruiting within the technology sector since the late 1980s so we have experienced the various cycles that the industry goes through. No matter what the market conditions we have demonstrated continued commitment to and recruitment success for our clients. We have built our reputation on delivering and completing business critical assignments - taking the risk out of recruitment for clients and hiring individuals who will make significant positive contribution to their company. Whoever commissions us to undertake a search, whether they are the Board or HR answerable to the CEO, they can be sure that they are working with experienced search practitioners who will ensure a thorough and effective process to find them an outstanding candidate.

We have developed our recruitment specialism, split between our work with VC-backed businesses, where we're recruiting entrepreneurial Board-level executives, and our work with large corporate players e.g. Dell, Sun, Yahoo, Logica, Symbian, and Cable & Wireless, where we've gained an enviable track record in hiring general managers and leaders across key functional areas.

Over the last ten years, we have seen some key trends develop in recruitment, not least the fact that when companies are seeking to fill a critical appointment they require the best person irrespective of where they are currently located. To address this need we created the Mosaic Alliance of five partner executive search firms across Asia Pacific and the US, enabling us to conduct thorough international searches accessing the best talent for a specific role.

Meanwhile, we've built our GS Select brand to address mid-level recruitment and identify the business leaders of the future, and our CIO Practice is working with blue-chip companies such as Apple, AstraZeneca, BP, NBC Universal and Wyeth.

Ten years on from when we founded the business in 1998, it is clear that the market is tighter in the current climate of uncertainty. However, in spite of this uncertainty, we are still seeing significant recruitment demand in the VC arena (we are currently hiring for UK, Finnish, German, Austrian, Spanish, Swiss and Portuguese VC backed companies). In the corporate market there is still a steady demand with organisations undergoing business transformation and looking to strengthen or build new key business areas such as outsourcing and managed services.

Here's to the next ten exciting years in technology recruitment!

Steve Morrison
Partner, Gillamor Stephens

Case study – Symbian EVP Software Engineering

"This was a business critical hire for Symbian - it was essential that we de-risked the hiring process and this is why we chose to work with Gillamor Stephens. We were not disappointed - they delivered on their credentials as a specialist search firm, who understand our sector, understand how to effectively identify and hire a board level executive with the competencies we required and importantly had the global reach combined with the speed and agility to deliver a great result. They understood the impact on our future success of this key role and we have been able to make an excellent hire."

Richard Lowther,
Symbian EVP Human Resources

US: Web 2.0 open for business, but IPO exit route closed

In this series, we examine Europe, Asia-Pacific and the US as regions for VC-based businesses to thrive. In our last issue we considered Europe. This time, Jeffrey Bussgang, a General Partner at Flybridge Capital Partners in Boston, gives the US perspective.

Flybridge Capital Partners' investment interests and entrepreneurial experiences are in consumer, internet commerce, marketing services, software and wireless start-ups.

Jeff Bussgang writes a blog for entrepreneurs at www.bostonvcblog.com which, when he started it three years ago, was one of the first in the VC community. Now it regularly receives between 30,000 and 40,000 visitors a year and aims to make the VC industry more understandable from the entrepreneur's perspective, explaining why VCs make the decisions they do.

In an interview with GS-insight, Jeff indicated some of the key trends he sees in the US market:

A shift to later stage investing

Larger funds accumulated capital in the 1980s and 1990s and still retain funds of upto $1bn, and it's hard to put that to work investing only $2m at a time. However a lot of Web 2.0 businesses don't need huge amounts of capital and this has created a funding gap for Flybridge and others to step into. Web 2.0 is a big focus for us, with investments of $2m-5m at a time, and perhaps $8m-12m over the lifetime, plus an amount of seed funding which many investors don't offer.

Exit window

The typical IPO route for companies is effectively closed in the US because of a mediocre M&A market, which means it is currently difficult for VCs to see returns on their investments.

A robust Technology market

There are two factors that are driving Flybridge Capital's portfolio success. The first is IT spending, which is forecast to grow at 3-5% in 2008. The second is the rapid shift of advertising dollars from traditional media to digital media. Where advertising budgets are being cut, it's the traditional element that's going, not the digital sector.

The Cleantech Market

Cleantech requires a big capital commitment that's not for the faint hearted, where you need to pursue $1bn exits. Putting in $30-$50 million to get a $100 million exit ten years from now is going to be a terrible investment. It's a bit like Biotech in the 1990s. We are bullish in the long run but the challenge is to pick the investments so they are not at risk of being part of a scientific experiment. The role of the government is key. If we can invest $20 million and the government funds another $30 million, then we can potentially have a great return.

Jeffrey Bussgang

Wireless

Wireless is another sector with terrific potential and US carriers have had a stranglehold on this market. But early investments have tended to flounder with a few exits at average numbers, and the mobile advertising sector is still very immature.

Market Outlook

My prediction is that any potential US recession will be shallow due to the large amounts of liquidity now in the market. I predict the capital markets will open up in the second half of 2009, but it is tough going at present.The VC market will shift more towards early-stage and deliver strong returns. For entrepreneurs it's a great time to be starting a company, despite the exit scenario, because the flow of these early stage companies is very robust. From an investment strategy perspective, VCs need to gear their plans to where a $100m to $200m exit is a great outcome.

The banking crisis - is 2008 turning into 2001?

Industry Analyst Ian Spence considers how the current global economic crisis will impact the technology sector.

As I consider the implications for the technology sector of the recent intensification of the banking crisis, one thought looms large in my mind - the second half of 2008 is starting to feel a lot like the second half of 2001.

Consider the evidence. By the second half of 2001, a pattern of more difficult trading conditions was already established in the technology sector as it has been during 2008. Then, consider the impact of 9/11 as a dramatic accelerant of the downturn. The months following 9/11 saw a wave of profit warnings from Software and Computer Services companies as orders were withdrawn and pipelines vanished into thin air.

What followed was at least 12 months where the sector went into survival mode and it was well into 2003 before we saw any green shoots. Up until last week, I had been of the view that 2009 would be tough but not like 2002.

However, it now seems clear to me that the shock created by the events in recent weeks is highly likely to have a similar impact as 9/11 on the outlook for IT spending over the next 12 months. As I expected, the initial euphoria in the market at the US bail-out plan was short lived as, in the real world, the vicious circle of rising unemployment and rising house repossessions gathers momentum.

There is one obvious difference between now and 2001 in that the 2001 recession was largely confined to the technology sector whilst, this time, it is more widespread. But, in some ways, for those of us who make a living in the technology sector, that is an arbitrary distinction. So, whilst I retain the view that IT companies with exposure to secular growth trends will weather the storm better than those that do not, I have definitely downgraded my growth expectations. I now expect all but those with the very best positioning to experience flat or declining revenues next year.

So what does that mean for share prices and valuations? Well, valuations for smaller stocks in the sector have been falling steadily throughout the year and, in my view, do not have much further to fall. However, I now believe that it is the turn of earnings estimates to come under pressure. So, whereas we have seen stable or even rising estimates but falling valuations over the last 12 months, I now expect to see stable valuations and falling earnings estimates over the next 12 months which will of course place further pressure on share prices.

However, larger companies have, on average, seen their valuations climb steadily through this year after a dip at the end of 2007. I therefore see a double whammy for larger stocks where valuations compress and earnings also come under pressure. Only once we have been through a long and painful earnings downgrade cycle will we see a recovery in share prices and my best guess for the bottom is early 2010.

About the author

Ian Spence has been involved in researching and raising money for companies in the technology sector for over a dozen years and was voted TechMARK Analyst of the year in 2004. In 2007, Ian set up I S Research, a niche research consultancy which monitors the corporate and financial affairs of software and IT services companies operating in the UK. The company's research is published primarily through the widely read market intelligence service Megabuyte. For more information, please go to www.megabuyte.com.

A mobile technology Foundation for a new generation

Nigel Clifford
Symbian Chief Executive

Symbian's ten-year anniversary fuels innovation with open source platform.

It is Gillamor Stephens' tenth anniversary this year, and coincidentally, also ten years since the formation of Symbian by Ericsson, Motorola, Nokia and Psion.

Since then, 226 million shipments of the Symbian OS mobile phone operating system have been made across 249 different phone models, including devices from Fujitsu, LG Electronics, Motorola, Mitsubishi Electric, Nokia, Samsung, Sharp and Sony Ericsson.

For Symbian chief executive Nigel Clifford, that reflects a lot of work over the last ten years, and indeed, into the future, with the announcement in June 2008 of the creation of the Symbian Foundation, as part of which, Nokia will acquire Symbian in a strategic move to unite the Symbian, S60, UIQ and MOAP platforms and create one complete, proven and open source-based mobile software platform. This is believed to be the largest ever 'open-sourcing' ever undertaken.

After it launches (expected in H1 2009) the Symbian Foundation plans to fuel innovation and accelerate the availability of new services and Internet experiences on mobile phones. It aims to bring extra growth to the mobile industry and create greater value for operators, developers, service providers, suppliers, manufacturers and consumers.

The Foundation will manage the platform's development process and be responsible for managing the software roadmap and releasing the software platform, with the source code available to all Foundation members. As part of the operating structure for the Foundation, an Executive Director is expected to be recruited over the next month.

The Foundation's work, which will help take Symbian one big step closer to achieving its mission of becoming – 'the most widely used platform on the planet', dovetails with a recent survey of chief information officers by Gillamor Stephens which revealed that mobile phones and PDAs, together with the World Wide Web and broadband, top CIOs' list of the most influential technologies they've used over the last ten years.

Clifford, who took over as Symbian's Chief Executive in June 2005, reflects that CIOs' view of mobile phones and PDAs simply demonstrates the reality of a revolution in technology and business's adoption of it as a critical tool.

"It's very pleasing that both the World Wide Web and mobile phones come out as two strong themes in the CIO survey. Ten years ago, we had a vision that you'd run your office out of your pocket. Now we'd say that over the next ten years, you'll run your life out of your pocket.

"If you look forward over that period, the wholesale collapse of many consumer electronic categories onto the mobile phone will be one theme. Another will be the extension of the Internet to be accessed via mobile networks. If you think about the penetration of the Internet itself, it's now at only 20% of the word's population. Yet mobile phones are used by 50% of that population. And yet mobile networks cover 90% of it."

The ongoing development of the smartphone, a key future development goal for the Symbian Foundation that builds on the use of applications such as near field communications already used in the Far East, signals a less-than-rosy future for the laptop, a product that has become synonymous with IT adoption over the last ten years.

"What's going on in Japan is key to watch," says Clifford. "Commerce on the phone is second nature there. You already see the ability to purchase tickets or have your Oyster card or even your flight boarding pass on the phone, and you can check in using a mobile phone. The bestselling book last year was one that was done as mobile episodes.

"If you look at what's happened in the last three years, who's the biggest music MP3 manufacturer in the world? Probably Nokia. Who's the biggest camera manufacturer? Probably Nokia. Who's going to be the biggest GPS player? One of the mobile contingent. That's something of a spur to innovation because, if you're a laptop maker, you can't rely on a product lifecycle lasting for decades," says Clifford.

Clifford believes the Symbian Foundation will ultimately boost the smartphone's appeal in new geographical areas around the world.

"We have the ability to do more and more on this smaller device, the smartphone, thanks to Moore's Law and other innovations. And so there is now more space and capability for mobile devices to invade the space of consumer electronics products that used to be standalone cash engines for their leaders."

"What the Foundation will achieve," says Clifford, "is to establish the most proven and complete mobile platform available in open source".

Symbian's ten year success-story has already attracted over 4 million registered developers. The future Symbian Foundation platform will be free and open to developers whether they are enthusiasts, Web designers, professional developers or service providers and membership will not be required to develop services and applications on the platform.

The first release of the unified platform is expected to be available during 2009, and offers the means to build a complete mobile device while providing the tools to differentiate devices through the tailoring of the user experience, as well as increasing the availability of third party services.

"It has been a busy time. Creating the Symbian Foundation at the same time as delivering the next update to the Symbian operating system and supporting our customers in their pursuit of bringing 94 products under development to market is like taking an aircraft and refitting it in flight. We also have to continue to motivate 1700 talented Symbian people and lead them into a new chapter in a bigger company. This is an important, bold strategy to popularise the mobile phone and make it 'stickier' by empowering our developers. We want to increase the pace of innovation around smartphones, and get the next Facebook to come and play on this platform."

"Ten years ago, Symbian was established by far sighted players to offer an advanced open operating system and software skills to the whole mobile industry", says Clifford. "Our vision is to become the most widely used software platform on the planet and indeed today Symbian OS leads its market by any measure. Now, the Symbian Foundation promises a bold new step to achieve that vision by embracing a complete and proven platform, offered in an open way, designed to stimulate innovation which is at the heart of everything we do."

The Symbian Foundation Timetable

The establishment of the Symbian Foundation and royalty-free licensing of the Foundation's software follows this planned timetable:

1) The acquisition of Symbian Limited by Nokia is expected to close in the fourth quarter of 2008.
2) Software assets contributed to the Foundation, will include Symbian OS and S60 by Nokia, UIQ technology by Motorola and Sony Ericsson and MOAP(S) by NTT DOCOMO and Fujitsu.
3) This contributed software will be available under a royalty-free license to Foundation members from the first day of Symbian Foundation operations, expected to be in the first half of 2009.
4) The Foundation will work to unify the platform, with the first unified foundation release expected in 2009. The platform is expected to be available in open source by June 2010.

Building on a vibrant ecosystem

The Symbian Foundation by Numbers

- **7 device manufacturers**
- **226 million devices across 249 device models**
- **250 operators**
- **Tens of thousands of applications**
- **4 million developers**

Cleantech, Chutzpah and Capital

Entrepreneur, Library House Founder and former 'Dragon', Doug Richard discusses the Cleantech and mobile sectors, the pull of Cambridge and 'FutureFest'.

Doug Richard
Chairman and CEO of Trutap

As Founder and Chairman of venture and innovation research specialist Library House, Doug Richard is at the fulcrum of technology innovation. Richard, who is also the chairman and Chief Executive of mobile social networking specialist Trutap, and was a member of the BBC's 'Dragons' Den', has a clear vision of the future. And the Cleantech industry is at the heart of it.

Library House has developed its own Cleantech taxonomy, defining "clean energy" to include diverse products, technologies and processes, which through improvements in the clean energy supply chain from energy source to point of consumption, result in a reduction in CO_2 emissions.

Despite the challenging economic marketplace, Richard sees the Cleantech industry being a key driver of technology adoption.

"Although you can't talk about any trend in the marketplace without talking about the elephant in the room that is the global economic downturn, there is a case for some insulation from the downturn for technology-driven companies, because corporations are still actively purchasing technology and the federal markets are still fairly solid. What are the drivers of this technology adoption? The rising price of oil and the clean industries."

Richard adds that it is not only Cleantech but "dirty energy" too that is driving innovation and opportunity.

"New North Sea oilfields are opening up now, and technology that can extract oil is a technology play that people would not have done ten years ago because the marginal economic costs were too high. Cleantech is absolutely the largest beneficiary of an economic crisis that is predicated on two core issues: the rupture in the flow of capital from credit and a core rising price of key commodities, primarily oil.

"Cleantech benefits because more change can be affected more disruptively by alternatives to oil than by cheaper oil, whether they're bad ideas like biofuels or good ideas like total renewables. Cleantech is much more complex than most people realised, yet it stands to benefit enormously from the marketplace. You need it to be trendy, you need it to be real, you need it to be profound, and it's got to have an unimaginable upside dimension. Cleantech has got it all, and a lot of money is going to circle around it."

Richard says it is important to understand that there are elements to the food chain in clean technology.

"You have Discovery, Distribution, Production, Generation and Consumption and all of these elements of the food chain have innovation opportunities. We can innovate in how little we consume, how we distribute, what we discover and how we produce. People tend to think only of Production, whereas the largest waste in fuel is in Distribution i.e. getting the fuel from point A to point B. So any innovation in that area would have an incommensurate impact in the cost of energy."

When it comes to investor exits for VC backed startups, Richard suggests that can be a complex area.

"The challenge to understanding exits in Cleantech is to understand that the term is a rubric and applies across many sectors. The timescales for exits change for different areas of the food chain. Solar power or wind farms are profoundly different from, say, an engineering additive to a fuel tank or a new long-lasting light bulb.

"If you're a true technology based company and you've come up with a new widget or a new process, then the exits are pretty much the same as for new technology start-ups, which means an average lifespan of five to seven years, and a return multiple of 25% compounded growth rate per year. If your exit is caught up in production economics, then no-one knows what the exit periods are. But if you come up with a better light bulb, you can exit in 24 hours. A good widget still has a lot of merit."

Another key research area for Library House is the Mediatech sector, comprising the intersection between Media and Technology, which is where Richard's own investment interest primarily lies. He has high hopes for Trutap, which is creating the first mobile social network.

"If somebody were to reinvent Facebook to take advantage of everything you can do on a phone, then that's Trutap. We're off to a fast start, in 190 countries in our first seven months. Do I have a first-mover advantage? Actually, it's a first-mover disadvantage. The challenge in the mobile business is that it's a complicated and messy industry with lots of very large incumbent companies with entrenched interests. And you're negotiating with a lot of very big players as a small company. They say you always know who the pioneer is. He's the guy with the arrows in his back, while it's the settlers who make the money. It's not necessarily good to be first. But we happen to be very early, so we're in that position. It takes chutzpah and capital, probably in that order."

Richard's other vision, which will see fruition in June next year is the creation of a future technology conference and festival called FutureFest being held in Cambridge.

Richard wants FutureFest (www.futurefest.com) to become "the Davos of innovation", featuring both a conference, with 50 speakers and 500 attendees, plus a festival based on four themes: Earth, Life, Communication and Machines.

"It's picked up a lot of momentum recently, and I expect our audience will draw heavily from both the technology community and also from those who have a responsibility to guide very large entities into the future. There's a whole community of people who care deeply about what's coming next."

Cambridge is a natural city to host the Festival, says Richard, because it is one of the few technology "clusters" in Europe, and one of only two in the UK (the other being London).

"At any given time, by Library House counting, there are easily a thousand companies in the Cambridge cluster. That's a lot for a city of 100,000 people in five square miles. Cambridge defies all normal statistics because it is a very small place doing a very large job. For a while, Cambridge was taking 10% of all VC funding in Europe.

"A cluster is a place where people will choose to relocate to because it improves the odds of success. In terms of true self-standing clusters with all the ingredients, Cambridge is next to none."

Biography: Doug Richard

Having appeared in the first and second series of Dragons' Den, Doug is the Chairman and CEO of Trutap (www.trutap.net), founder and Chairman of Library House (www.libraryhouse.net), Founder and member of the Cambridge Angels, Chairman of the Conservative Party Small Business Task Force and non-exeuctive director of AlertMe (www.alertme.com), VizWoz (www.vizwoz.com), and BeatsDigital (www.beatsdigital.com)

Doug is a successful entrepreneur with 20 years' experience in the development and leadership of technology and software ventures, both in the US and in the UK. Between 1996 and 2000 he was President and CEO of Micrografx, a US publicly quoted software company. Prior to that he also founded and subsequently sold two other companies: Visual Software and ITAL Computers. Doug holds a BA in Psychology from University of California at Berkeley and a Juris Doctor at the school of Law, University of California at Los Angeles. In 2006 Doug was an Honorary Recipient of The Queen's Award for Enterprise Promotion. In 2007, Doug became a fellow of the RSA.

Accelerating the next wave of Cleantech innovation

Richard Youngman has been in place for six months as European Managing Director of the Cleantech Group, having been placed there by Gillamor Stephens' Cleantech executive search practice. In an interview with Steve Lavelle, who leads the Cleantech practice for Gillamor Stephens, he gave us his thoughts on the state of the marketplace.

The hardest thing to get a handle on is where the Cleantech market is from a deployment point of view. We spend a lot of our time tracking companies who are developing technology-based solutions for the Cleantech world, and the investments going into them. We help make them visible to the investor community at large, to venture capital in particular. We think of this as the supply side of Cleantech innovation, and this has been our focus for the last few years.

"But what we're devoting more and more time to now is the question of the demand side. How do we facilitate the interaction between young companies and larger companies? How do they find each other? How does the smaller company get the purchase orders?"

Youngman accepts that despite the interest in Cleantech as an investment sector there have been some concerns about the sector delivering worthwhile returns.

"It is still a young investment category where even the pioneer funds haven't reached their end-dates, so the data on returns is inconclusive. That said, follow-on funds are being raised in much larger amounts to their debut funds, and first-time funds seem to appear each month. So whilst people do talk about a bubble in cleantech, the LP community still seems to have faith in its prospects for solid investment returns

Although Cleantech has now acquired the status of an investment category, in no small part to his own organisation's efforts, Youngman believes the all-embracing name can lead to lazy thinking and generalised viewpoints, especially in respect of how individual sectors are developing.

"I think you have to be thinking about Cleantech as a theme and break it down into sub-sectors".

Youngman sees the role of Cleantech Europe in helping the market accelerate, as varying sector by sector, and country by country.

"Take the Nordic area, as an example. Denmark has never been blessed with natural energy resources, so it's no surprise that they have developed some strong energy efficiency technologies and a very strong wind industry. With that, they've achieved economic growth without increasing their energy consumption. We cannot necessarily help Denmark in those particular areas of Cleantech, but can in others. And we can help make Denmark's Cleantech strengths more visible and more connected to the wider international community – for the benefit of both sides."

What is The Cleantech Group?

The Cleantech Group,which defined and introduced Cleantech as an investment category in 2002, offers a series of services which are helping transform Cleantech from a niche category into one of today's most significant business opportunities. All activities share a common mission: to provide insight, business opportunities and relationships that catalyse and accelerate the growth of Cleantech markets globally. The cornerstone operation remains the Cleantech Network, the world's largest and ever-expanding membership organisation of entrepreneurs, investors, corporations and professional services firms, operating in North America, Europe and Israel, China and India, with more regions to come. In addition, the Group has a retained executive search firm exclusive to the Cleantech sector, to accelerate the flow of talent to the sector, and a Cleantech stock market Index to accelerate the flow of public equity to the market.

Greening Government

How Government CIO John Suffolk is saving money and facilitating a more sustainable and collegiate approach to IT across Whitehall.

Earlier this summer, the Government published a much anticipated strategy to make the use of IT across Whitehall and local government more efficient, sustainable and responsible, driving down carbon emissions through better use of its IT systems.

Government CIO John Suffolk empowered Department for Environment, Food and Rural Affairs' (Defra) CIO Chris Chant to take lead responsibility for Green IT on behalf of the CIO Council, which brings together CIOs from across the public sector to drive through the strategic use of IT across Government.

"The beauty of our strategy is its simplicity," says Suffolk. "It's a short document, and is very specific about what success looks like. But it doesn't try and tell people how to do Green IT in government. We give people the top ten or twenty no-brainers, and then the mixing of what recommendations they want to implement is a local implementation decision."

One of the areas that Suffolk would change is organisations' insistence on three to four year refresh cycles for hardware.

"Why do people persist in this quaint notion of refreshing their PCs every three or four years? The things could quite happily run for five, six or seven years. We must look at the complete sustainability lifecycle. It's not just the 2% of electricity we consume when things are running, it's the additional 2% involved in the production. When I ask at a conference how many people are rationing printers, 75% of hands go up. When I then ask how many of them are rationing the printing of paper, it becomes two out of the whole audience. They should be asking themselves, 'Why are we printing out so much junk?'

For Suffolk, however, sustainability and Green IT is not simply an environmental cause celebre, but comes right down to costs.

"Let's be clear about this. I'm not a tree-hugger. I spent over 20 years in financial services, so I look at this from a hard, commercial perspective, looking for where the money is. Green is a serious money saver. When I speak to organisations like VMware about virtualisation, I pose a question about what average server utilisation they see within an organisation? They usually say sub-10%, around 7%.

"If I were to ask a chief executive if he'd keep a building open if there was 7% utilisation, he'd say 'Of course not. You're stark raving mad.' So why does that CEO keep vast amounts of computer assets open at around 7% utilisation? No-one in their right mind commercially would have such assets if they know how poorly utilised they were.

"So, as CIOs, let us use virtualisation and thin clients. Let us put active power management in and let us extend the refresh cycle for PCs from three years to five, six or even seven years. That saves us money, and makes all our organisations more efficient. To really know what good looks like takes an intimate understanding of cost and value of each asset, whether it is IT or not. Unfortunately the evidence suggests that not enough people have that knowledge. To be green is to be commercial; to be commercial we need to get that understanding."

The Greening Government ICT strategy can be found at www.cio.gov.uk

John Suffolk

John Suffolk was appointed Government Chief Information Officer in June 2006 and has extensive experience in delivering IT-enabled change in the engineering, financial services and Public Sector. Suffolk leads the work of the CIO Council in delivering the Government's strategy for the transformation of public services enabled by technology while providing leadership to the IT Profession across the wider public sector.

The Consumerisation of IT

Corus Chief Information Officer Bruno Laquet recognises the impact of the World Wide Web on the role of the CIO.

To coincide with its ten-year anniversary, Gillamor Stephens recently conducted a survey of 300 leading Chief Information Officers to gauge which technologies they considered have had the most impact on their role over the last decade.

By a long way, the three leading technologies were broadband networks, mobile phones and PDAs, and the World Wide Web (see chart on page one)

Bruno Laquet, CIO of Corus, the Anglo-Dutch steel company acquired by Indian conglomerate Tata to create the world's fifth largest steel firm, admits he is an unabashed fan of the opportunities created by the World Wide Web pioneered by Tim Berners-Lee.

He believes the Web has transformed the way businesses operate, created new business models, and changed the role of the CIO.

"Ten years ago, IT was something that was being managed by a few people in the company. Then, the role of the CIO was to view everything and to tell people what to do. His approach was, 'I know everything about the technology. This is what you should be using.' Nowadays, it's just the opposite. I'll be in my office and people come and say "Can I use this or that?"

Laquet says even the specialist technical knowledge the CIO used to have of his or her 'IT customer base' within the company has been superceded.

"I don't think it's the role of the CIO alone any more to decide what technology will do for the business. We used to organise things from the top down, and to structure everything. But now the impetus is all coming from the bottom up. It's the people that have the information that are doing the pushing, adopting new tools and techniques. That's why I call it 'the consumerisation of IT'. That's difficult for the IT guys, because they are the most structured people in the company."

Laquet has already seen the benefits of the Web in the merger between Corus and Tata.

"In many mergers you normally see the direction coming from the top, with people waiting for things to happen. But we already have people talking to each other, working together, creating energy, organising Web conferences, sharing documents.

"We have been having a big debate at the moment with the Corus architects. The way they were doing their job is incompatible with the speed of the Web. In the Old World, the architects would have defined everything, studied everything, and set up boundaries. But it takes time to do all that. The challenge for the architects – who are still keepers of the integrity of the information within the company – is to find a way of doing that without becoming the blockers."

Laquet sees enterprises in future harnessing the power and opinions of individuals, in much the same way that Wikipedia has developed.

Bruno Laquet
CIO Corus

"People are more enthusiastic, more involved, and more innovative. They work together as entrepreneurs, sharing information as they go. And the Web is the catalyst that has enabled this. Before the Web, you still had a telephone line. But the communication was always one-to-one. Through the Web you communicate one-to-many, to billions of people. And the instant feedback you get has enabled new business models."

"The CIO now has to have a greater, wide-angled understanding of where the business is heading. It's not simply the technology, but about seeing new ways of doing business. That's why both myself and my counterparts in other organisations spend much of our time working with the Head of Strategy to decide what we should be doing to enable this."