



Stanford eCorner

Competitive Strategy for Solar Energy Start-ups

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Larry Bawden discusses the competitive strategy in solar energy start-ups lies in bringing vertical integration to your product mix. He believes that there is a huge potential for any viable technology in the value chain. He notes that continuous improvement of technology is key to the success of a company in this field.



Transcript

So you ask yourself: How you can compete against the big guys? How can you, guys, or myself compete against Sharp? That's how I look at that. Sharp, the biggest solar panel supplier in the world. Well, if you look at some of the things in the past, it wasn't the wagon makers that made the cars. Right? You get in this paradigm mode and you can't break out of it. So the guys who built Sharp panels are going to continue to build really good Sharp panels the same way; continuously to build it. Are they going to really take third generation, fourth generation and fifth generation seriously? Probably not. So it's meant for startup companies. I've seen that now for the last five years. It's very interesting. I'll just pick another one.

Semiconductors, they come back in twos. No one was even near that. It was right in their backyard. This whole different way to solve the problem in a different paradigm. So that's creating the opportunity for young companies and successful startups. Another thing I'd like to think about is that 10 years ago, there were 70 million internet users. Today, 1.2 billion; 20 % of the world's population. It has not been around that long. It's an amazing statement if you think about that. Amazing.

Google wasn't even around. Look how big they are. First Solar was only worth \$100 million 2-1/2 years ago. Now is the time to start your own company. It's amazing what's happening out there. Then, the solar space was nothing besides a very small niche market. It has quadrupled in size in just months. So I predict that will happen across all the clean techs out there. It's has been happening for a while and will continue to.