



Think Green: Entrepreneurs are Turning Environmental Problems into Opportunities

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Walk past a BigBelly trash can on the street, and you might not immediately notice a difference between it and a typical garbage receptacle. Wait around a while, though, and you'll notice.

The BigBelly works just like any other public trash can, only it uses solar energy to automatically compress trash when the can gets too full, thus reducing the volume of waste. "Most important, it reduces the collection frequency," notes BigBelly inventor James Poss, who counts the borough of Queens in New York City and the U.S. Forest Service among his clients. That means fewer diesel-burning garbage trucks on the road--and a drastic decrease in the estimated 1 billion gallons of fuel burned by garbage trucks every year.

Poss, founder of Seahorse Power Co. <<http://www.seahorsepower.com/>> in Needham, Massachusetts, is just one of a growing number of entrepreneurs taking environmental concerns into their own hands rather than leaving the task to lawmakers--and creating or growing entire industries out of a need to enact environmental change. The potential is huge. In fact, the Center for Small Business and the Environment in Washington, DC, identifies green industries--ranging from providing products and services made in an eco-friendly manner to supplying renewable energy--as a multibillion-dollar market.

Even venture capitalists are jumping onboard. The CSBE reports that clean-tech startups accounted for 6.4 percent of all North American

venture investments in 2003, up from 4 percent the previous year. The numbers aren't surprising, given the CSBE's contention that entrepreneurs--not lawmakers--are the ones who can solve most of the environmental crises affecting the globe. Their innovations compel large organizations to change--"or force them to die," says Byron Kennard, executive director of the CSBE.

Now with 65 BigBelly units in 20 locations nationwide, Poss has garnered attention from big companies--like Toyota, which paid for a BigBelly commercial--looking to align themselves with Seahorse's objectives. "[Being green] doesn't make BigBelly easier to sell, because it's more expensive than a garbage can. People have to get the economics of our product," notes Poss, 33, who founded Seahorse in 2003 and expects sales of \$2 million for 2006. "But we don't have to spread the word much. People come to us, and it's usually people who have a trash-collection problem."

Indeed, market demand is what dictates entrepreneurial success, whether you're offering a product with obvious environmental benefits or you're simply trying to integrate green practices into your business. "Market demand is a powerful driver of corporate behavior," says Jacob Singer, program director of the Green MBA program at New College of California in San Francisco. "We're seeing the power of markets and consumers [driving] these positive changes."

The program, launched in 2000, is one of many Green MBA programs cropping up nationwide--further evidence of the growing demand for environmentally focused business practices. Sonora Beam, a 2004 graduate, started San Francisco-based Digital Hive EcoLogical Design <<http://www.digitalhive.biz/>> with fellow Green MBA grad Janet Pomeroy, 43. Providing design and marketing services for everyone from natural foods companies to green building clients, Beam sees a pressing need for green businesses to properly market themselves. "They don't believe in marketing, so to speak," says Beam, 40, who expects 2006 sales of \$350,000 for Digital Hive, founded in 2004. "But without marketing, nothing's going to happen."

Green marketing veteran Jacquelyn A. Ottman agrees. "A lot of consumers are very conscious of the companies behind the products and will reward businesses that make greener products," says Ottman, founder of New York City-based J. Ottman Consulting. "And in turn, they'll punish the companies that don't."

It's a philosophy that Eco Lips <<http://www.ecolips.com/>> co-founder Steve Shriver has taken to heart. The Cedar Rapids, Iowa, maker of organic lip balm focuses on winning consumers over while taking market share away from chemical-based lip balm companies. Placed "anyplace that has a cash register," the product, which is made using solar energy, is an easy sell to consumers who not only want to buy green, but also want a quality product. "It's so inexpensive, and it's a gateway organic product-- people will try Eco Lips and maybe have such a good experience that they'll want to try organic orange juice or organic cotton sheets," says Shriver, 33, who started Eco Lips in 2001 with his wife, Andrea, 35, and husband-and-wife team Jim King, 37, and Maxine Irving, 33. The company estimates sales of \$1 million for 2005--roughly double 2004 figures.

Like for Shriver, all the traditional makings of a successful business are present for Michael S. Jones, founder and president of Hartmann & Forbes <<http://www.hfshades.com/>> , a maker of organic, hand-woven window coverings launched in 1998 near Portland, Oregon. The focus is simple: Offer high-quality, eco-friendly products people will want to buy, while looking at the environmental implications of the product from start to finish. Made with materials like bamboo, grasses and river reeds, Jones' window coverings are completely renewable through a take-back program dubbed Project Green, which allows consumers to return their used window coverings to Hartmann & Forbes for recycling. "As companies see dollars attached to [green business practices], they find reasons to innovate," notes Jones, 35, who brought in \$5 million last year and expects 50 percent growth for 2006.

No doubt, entrepreneurs are the ones enacting change. "The small guys can run rings around the big guys," says Kennard, who helped organize the original Earth Day in 1970. "We didn't have to encourage entrepreneurs to enter the fray; they were already there--entrepreneurs see an environmental problem as a profitable opportunity."