

Have John Doerr and Kleiner Perkins Invested Too Much In Cleantech as Part of Their Plan To Rig The Obama White House?



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There's an interesting story here at Reuters about the investments, led by John Doerr, that Kleiner Perkins has been making in various cleantech companies. The not so subtle underthread is that they've made a strategic error by investing in the sector rather than in the booming internet business. Given that I work and invest in cleantech I obviously can't say that Doerr and Kleiner are wrong to look at the sector. However, I think I would argue that they've [invested too much](#).

The market changes have left Kleiner, the most active venture capital firm in cleantech, with dozens of investments that may never pay off, threatening its image as the gold standard of venture capital.

Doerr, 61, remains bullish on cleantech and in an email to Reuters called Miasole a well-run company that "was caught in a perfect storm." He did not respond to questions about his personal investment.

"Certainly the cleantech sector has challenges, but it would be a mistake to underestimate the size of the opportunity," Doerr said in the email, adding revenues in Kleiner's cleantech portfolio rose 70 percent over 2011, to \$2.4 billion in 2012.

I wouldn't argue about the sector itself either: there really are great fortunes to be made out of changing the way the world powers itself. Rather, I'd argue that they've invested too much money in specific companies. For I've had dealings with one of the companies they funded. And the experience was, well, not terrible, but not good.

OK, yes, obviously, it would be possible to call everything I'm about to say sour grapes. They didn't employ me, take me seriously, I'm just being a grump and slugging them off as a result. So I'll not actually name the company.

And the basic idea of what the company is trying to do sounds just absolutely great. I can't tell you what that is because it will immediately identify the company. But take my word for it: the basic

idea is entirely peachy and dandy. It may or may not work of course but the basic theory is entirely plausible. Even an obvious method of dealing with energy production.

As one input into their manufacturing process they need a specific material. That material being on in which I am the global expert. Yes, that's right, I'm being extremely bumptious here. *The* expert, not just an, one of many, but the guy who knows more than anyone else about it. It's purely happenstance that I do but someone does have to be said expert in anything and in this particular flavour of our universe I am the expert for this. I know who makes it, from what, in which quantities, who they sell to, where you might look for new supplies, which minerals contain it, where they can be found, how you would process them, what it would all cost.....the expert. Further, I've been in this market for decades.

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So, knowledgeable guy, that's me. And this company really does need this material: it's the secret sauce that makes their machines work. Over the years I've tried to make contact with the company. You use this stuff, I know where to get it so that you can use it sort of thing. And it's at that point that I begin to think they've got too much money for a start up company. They've just got too much money to burn.

For usually with a start up you can find out and get in touch with the right person pretty quickly. "Oh, yeah, it's Jim or Bob who deals with that, let me put you through." It's very unusual to find a whole department, with a heirarchy, handling something as simple as raw materials procurement. It's unusual to find that even in a large company these days, given the effort everyone's been making at flattening the management structure. But that's what I did find. And several attempts to get through never did lead to a contact back.

Then I did get a contact from the company. From an external consultant who seemed to have no real knowledge of the field. Entirely unconnected with my previous approaches. And instead of wanting to talk about where they might get their necessary materials, they were offering some research work. Into an area that neither I nor they had much idea about and even then not something that they really needed to know. Yes, I know this reads like a whinge: but I am trying to get across the point that they just haven't been acting like the lean and hungry start up one might hope they would be.

For even when I pointed out that I had at my fingertips the answers to the real questions they needed answers to, I once again got radio silence.

I've continued to watch what they're doing and to my amazement they've signed up with one particular potential supplier. The one potential supplier out there that has very little chance indeed of ever being able to make a go of producing the material they want. The one supplier that no one in the industry would point them to. Indeed, would generally advise people to avoid. Again, I can't give the technical reasons why, for this would reveal who it is again. But the essential point is that if this mooted production method can actually be made to work then there are three extant plants that you could bolt it onto: instead of building an entirely new, from scratch, plant as is being suggested.

Agreed this is only personal experience, anecdotal if you like. And I'm sure you can construct an argument that this is just me angry at not being listened to: or paid perhaps. But my takeaway impression of this company is simply that they've got too much money. Too much to be cute and quick as a start up needs to be.

And that's why I think that Doerr and Kleiner have invested too much in cleantech. Not that the total amount of money is too large, nor that the sector isn't worth investing in. Rather, that they've put too much into this one company I know about. So much that it just isn't acting like the nimble and new company it needs to be to succeed.

Yes, it's an entirely personal view: but that's still what the view is. At least one of their investments just seems to have too much capital.