

Building An Inclusive Green Economy

March 15, 2010



SJFAS

Durham, NC
New York, NY
San Francisco, CA
www.sjfadvisory.org

Anne Claire Broughton

SJF invests in and assists high-growth companies that positively impact the world



SJF Ventures

- Growth stage venture capital fund, founded 1999, a CDFI
- Cleantech, web & business services, consumer products
- Positive impact entrepreneur focus, \$45MM in two funds
- 30 investments – aggregate revenues of \$500 million, 5,500 employees, 128 facilities
- Offices in NC, NYC & SF, invest nationwide



SJF Advisory Services

- Services to accelerate positive impact enterprise growth, founded in 2001
- Entrepreneurial assistance, showcasing events and convenings, research
- Cleantech CEO panels, Green Economy Summits, GRE™
- Impact assessment – portfolio and assisted companies



SJF ADVISORY SERVICES

- **Providing entrepreneurial assistance** to high-growth companies in distressed or underserved areas, from one-on-one assistance to Getting Ready for Equity™ training events and SJF Cleantech Mentorship Program – Metro NYC
- **Showcasing innovative cleantech and other companies** via events and other publicity to encourage the adoption of excellent cleantech and workforce practices widely in the economy (*Annual SJF Summit on the New Green Economy*)
- **Providing in-depth workforce and cleantech assistance** to SJF Ventures portfolio companies to show that excellent workforce and cleantech strategies go hand-in-hand with strong financial results



- **Building the field of socially-responsible venture capital** via research reports, presentations, and participation in industry initiatives (*Beyond Paycheck-to-Paycheck*)

ENTREPRENEURIAL ASSISTANCE

- Targeting LMI and underserved areas in the Northeast, Southeast and Appalachia
- In 2009, SJF assisted 290 companies, 60 in-depth (coaching, showcasing at SJF events, participation in Getting Ready for Equity™ training)
- Providing one-on-one technical assistance, including business plan feedback, financing strategy and referrals, strategic partner referrals, coaching, and workforce development & employee engagement and ownership assistance
- **SJF Cleantech Mentorship Program:** Launched in New York Metro in 2009 to provide high-value assistance, mentoring, and connections to ten potential high-impact cleantech entrepreneurs.



SHOWCASING INNOVATORS



- CEO Panels: Cleantech Companies in Mainstream Markets, Winning Workforces
 - CEOs describe the innovative green and/or employee engagement strategies that have driven their companies' growth; \$130 MM+ in VC



 SJF Summit on the
New GREEN Economy:
How to Make it Work



➤ SJF Summit on the New Green Economy held June 2009

Over 45 leading national practitioners convened in Durham, NC, sharing ideas and best practices in green job creation, cleantech investing, and impact investing with an audience of over 350 entrepreneurs, investors, economic developers, and community leaders; second annual Summit planned for September 14-15, 2010.



BUILDING THE FIELD OF DOMESTIC IMPACT INVESTING

- **Beyond Paycheck-to-Paycheck** published by SJF in 2004, documented asset-building tools for entry-level employees in venture-backed co's; conducting follow-up research now
- **Industry Collaborations:**



- New Horizons in Workforce Development: Adding Value to Portfolio Companies by Meeting Human Capital Needs, published by CDVCA in 2003

- Measuring Impacts Toolkit published by CDVCA in 2005

- **Technical assistance** to other funds in formation, students and professionals entering the field
- **Engagement** on panels, boards, steering committees, venture fair selection committees, venture capital competitions





'Positive Impact' investing, such as clean energy and cleantech, is a strategy for maximizing financial and impact returns

- **Market drivers:** Energy and commodity prices, globalization, climate change, aging infrastructure, healthy and natural consumer demand, corporate sustainability strategies
- **Positive impact business advantages:** Recruit, retain & engage best talent, win more loyal customers, achieve higher margins, displace inefficient, wasteful incumbents
- **Positive impact venture capital:** Deal access due to alignment with management teams, industry and market expertise, synergies with LPs and portfolio, strong investment team



CLEANTECH: MORE WITH LESS

- Ubiquitous
- Global Applications

- **CLEANTECH** encompasses knowledge-based technology products/services that:
 - Provide superior performance at lower costs
 - Greatly reduce or eliminate negative ecological impact
 - Improve the productive and responsible use of natural resources



•**ENERGY:** Includes Energy Generation, Storage, Infrastructure and Efficiency



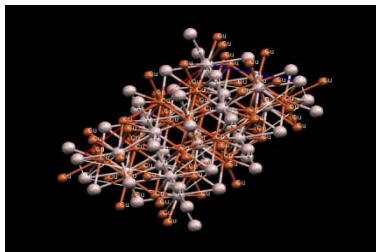
•**TRANSPORTATION:** Includes vehicles design, fuels and logistics



•**WATER:** Includes filtration, purification, water conservation and wastewater treatment



•**AIR & ENVIRONMENT:** Includes remediation, emission control, trading and offsets



•**MATERIALS:** Includes environmental friendly nanotech, biotech, chemical materials



•**MANUFACTURING/INDUSTRIAL:** Includes monitoring/control appliance and smart production industries



•**AGRICULTURE:** Includes land management, natural pesticides, natural fertilizers, irrigation



•**RECYCLING & WASTE:** Includes various recycling services and waste treatment services.



SJF PORTFOLIO COMPANY: RECYCLING COLLECTIONS



Locations:	Seattle, WA, Portland, OR, San Francisco, CA
Business Description:	Provides Beyond Waste™ Collection Services to municipalities as well as dumpster free alley streetscape services
SJF Investment:	SJF invested \$1.9MM in \$11.3MM Series A round on Oct. 2008 and Jan. 2009
Cleantech Innovation:	Integrated recyclables, organics and waste collection; partner with municipalities on incentives for homes and businesses to minimize and divert waste; fleet of 50 CNG trucks; have raised bar for other regional waste haulers to improve sustainability practices
Highlights:	<ul style="list-style-type: none">• Won Seattle and Shoreline contracts with \$45MM annual revenues• Recruited strong management and collections team from large waste management firms, entrepreneurial spirit• 80 jobs at investment; 263 current jobs; engaged, unionized workforce, truly excited about partnering with new, green company



SJF DOWNSTREAM SOLAR
PORTFOLIO COMPANY



Locations: VT HQ; MD, OR, CA, NY, MA, CO

Business Description: groSolar is a national integrator, installer, and distributor of solar photovoltaic and hot water systems.

SJF Investment: SJF led \$2.25MM A round with Calvert, Allco Financial in 10-06, closed \$22MM Series B & C with NGP Energy Technology Partners in 07 to 09

Cleantech Innovation: National brand, install and distribute multiple solar technologies, building loyal national dealer network with marketing, supply chain logistics, training and technology advantages, acquiring in key mkts

- Highlights:
- From \$10MM in 2006 to \$70MM 2009, major US solar integrator
 - Closed acquisition of Energy Outfitters in OR, 12/ 2006 and Chesapeake Solar in MD, 7/2008, Borrego Solar res. 2/2009
 - Now have more than 150 employees, have built top industry mgmt team

•SJF advantage: solar credentials, mgmt recruitment, M&A help, LP involvement, persistence



SJF CUSTOMER CONTACT PORTFOLIO COMPANY



Locations:	Kennesaw, GA
Business Description:	Ryla provides customer contact services for major corporations such as D&B, Verizon, AT&T, EarthLink, AON, and others
SJF Investment:	\$875,000, August 2002
Positive Innovation:	Great team culture and benefits help retain top talent

- Highlights:
- 4X return to SJF in 2007 on shares sold, still retain at 10% stake
 - Ryla recently won two major contracts accelerating growth
 - SJF helped recruit Frontier Capital as new investment partner
 - Ryla typifies a strong workplace culture combined with technology to allow for strong margin performance in a highly competitive sector
 - Ryla has grown from 20 employees in 2002 to 2,600 employees in 3 centers in Georgia and Alabama

• SJF advantage: Only VC that aligned for A round, PR partner, workplace strategies, board development, financing



SJF Portfolio Company: Ag and Water Efficiency



Locations: Darlington, SC and Palmetto, FL

Business Description: Designs and installs high efficiency drip irrigation, fertigation, and on-site waste water systems.

SJF Investment: \$1.1MM, Nov. 2004 and Nov. 2007

Cleantech Innovation: Southeast leader in serving providing systems for high value crops & nurseries, increasing yields while reducing water and fertilizer inputs

- Highlights:
- Delivers water and nutrients efficiently directly to the plants
 - Growing through expansion into new geographic markets
 - 35 quality jobs in distressed rural areas of Southeast
 - Strong benefits, implementing broad-based profit-sharing plan

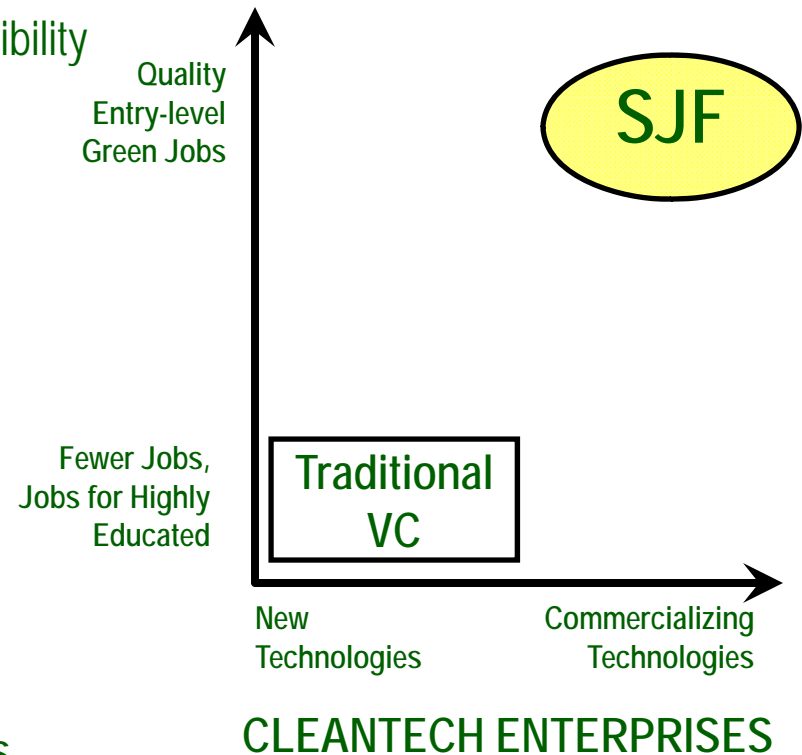
SJF: OPPORTUNITIES

Supporting Influences

- Increasing demand for corporate social responsibility
- Increasing global warming and energy security concerns
- Capital infusion to cleantech markets
- Green jobs seen as key to economic recovery

SJF is uniquely positioned...

- cleantech experience & green jobs expertise
 - technical & employee assistance
 - showcasing opportunities
- ... to accelerate growth of cleantech enterprises
that are creating quality green jobs



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