

## Project Objective

- In 2021-2023, about 30% of all investments were in climate tech, however, investments in this space mainly stem from firms who focus on climate tech and understand the intricacies of the space.
- The Bard team was brought on to research the last three years of investments in the climate space to understand the specific challenges and opportunities the climate tech market faces to equip IPA to expand their climate tech advisory services.

## Methodology

1. Desktop research: The Bard team conducted research on a broad list of 437 potential investors to identify those who have made at least one investment in climate from 2021-2023.
2. Climate tech database creation: The Bard team constructed a database of 99 VC investors based on investors who have invested in climate in 2021-2023.
3. The Bard team then interviewed 18 investors, founders, and accelerators to understand market trends, challenges, and metrics for success

## Main Findings: Challenges & Opportunities

1. *(Challenge)* Market downturn: VC is in a downturn market-wide making investors risk-averse.
2. *(Challenge)* Capital intensity: Climate tech companies are often highly capital intensive, especially in hardware.
3. *(Challenge)* Expertise Gap: Hardware companies fall outside the traditional VC model.
4. *(Opportunity)* Promising verticals: Based on data and expert interviews, energy solutions are poised for growth
5. *(Opportunity)* Hardware resilience: Investments in hardware declined 1/3 much as those in software.

## Strategic Recommendations for IPA

1. Invest in thought leadership to further position IPA as experts in the climate tech market and strategize how to use this thought leadership to generate new business through media channels, events, and conferences.
2. Leverage IPA's network of clients to facilitate pilot programs between early-stage companies and large corporations, particularly in cases where a client could benefit from this type of partnership but does not have an in-house corporate venture department.
3. Innovate compensation structure to include equity-based compensation to help cash-constrained startups access IPA's services.