

## FOREWORD

The terms greentech, cleantech, sustainable technology, renewable energy are often used as synonyms for a common sector that is currently a major focus of public, political and economical interest. Yet amidst the euphoria, surprisingly little attention has been paid to the issue of innovation, sector emergence and their financing from a firm level perspective.

Philipp Hoff's Ph.D. dissertation, published here, tackles this issue head on. Taking a broad, interdisciplinary approach, he investigates the related areas of innovation, growth and financing. In so doing, he attempts to determine whether the diffusion of green technology is constrained by the financial situation of greentech firms.

This is a remarkable study, for three reasons. First, the review of literature presents an outstanding analysis of the debate about innovation in the area of greentech and the diffusion of new technology. This forms the starting point for developing a conceptual framework that is solidly grounded in theory and practical in its application.

Second, by applying the familiar innovation and organizational lifecycle concept to greentech firms, the author achieves interesting – and somewhat surprising – insights into the impacts of "pull" and "push" instruments. In particular, he finds that while extending existing push instruments would reduce the financial constraints on young firms, pull instruments do not necessarily foster investment in more developed firms.

Most studies would stop at this point. Not so this book. Instead, the author undertakes an empirical analysis based on a survey of more than 500 German greentech firms. This is the first time that a study has been carried out in this field on such a scale. The author also uniquely employs the variable "capital endowment" in his analysis. By this means, he is able to find answers to many practical questions that have puzzled previous investigators.

This study is not only an excellent reference work for regulators and financiers in the greentech industry. It is also a highly valuable source of inspiration and material for further research. I heartily recommend it to anyone working in the field of corporate finance – not just specialists in venture capital, but others, too – to CEOs and CFOs of greentech companies, members of regulatory bodies and other researchers. Its excellent structure, many illustrations, clear figures and precise summaries make it a treasure-trove of information. It is my sincere hope that this book has the practical influence and achieves the broad readership that it deserves.

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