

## Make Alternative Energy Your Business

With unstable gas prices and increasing environmental awareness, an alternative energy business could put you on the road to success.

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Got grease? Justin Carven of Greasecar Vegetable Fuel Systems LLC does. The 29-year-old founder's Easthampton, Massachusetts, business makes conversion kits that allow diesel engines to run on vegetable oil. "Ultimately, it's the rising fuel prices that are convincing people to get onboard," says Carven. Greasecar sales have grown by more than 200 percent each year over the past couple of years and are expected to reach up to \$2.5 million this year. And the company is jumping into the commercial and municipal markets with enthusiasm.

Some major alternative energy growth areas include solar, hydrogen, bio-fuel, fuel cells and energy conservation technologies. Development, installation and creative application of these technologies are all possibilities for entrepreneurs. "It won't be just one alternative energy source that will be the silver bullet to solve our problems; it will be multiple options," says Nabil Nasr, director of the Center for Integrated Manufacturing Studies at the Rochester Institute of Technology in New York. Research firm Clean Edge expects the worldwide market for clean energy to reach \$167 billion within a decade, up from \$40 billion in 2005. Entrepreneurs will have to find their niches and build flexible companies that can react as the energy market changes. Nasr advises businesses to diversify their marketing and selling sources.

"It's really easy for startups to pop up overnight," says Carven. "This market is larger than people may think."

### Getting Started

Thinking of starting an alternative energy business? Follow these tips:

- **Calculate the risks.** As with any market, doing your homework is the important first step. Alternative energy can be both a rewarding and a difficult area to start a business in. "Make sure you have a good understanding of what is going on in the field itself, what are the competing technologies and the risks you are taking," says Nabil Nasr, director of the Center for Integrated Manufacturing Studies at the Rochester Institute of Technology in New York.
- **Get your funding together.** [Greasecar](#), an Easthampton, Massachusetts, business that makes conversion kits that allow diesel engines to run on vegetable oil, has been entirely self-funded, but the industry has changed since they started. Startups now are more likely to need an outside funding source. "Unless you have just the right funders, it's hard to make it through that initial growth stage," says Justin Carven, 29-year-old founder of Greasecar. Look for investors who are knowledgeable about the alternative energy market.
- **Be conservation-minded.** You don't necessarily have to develop a new alternative energy source or technology to jump into this market. "Conservation technologies are going to have the greater impact down the line," says Carven. If you can figure out a creative way to conserve current energy use, you have an even broader market to work with.
- **Go governmental.** Government subsidies and contracts are helping to boost the alternative energy market. Says Nasr, "In the short term, we see a lot of states are taking leadership and promoting the use of alternative energy and bio fuel." That makes for a large potential market for startups to tap.
- **Be nimble.** New alternative energy sources are being tested and older solutions are undergoing improvement. What is a hot source today could be old news in a year. The entrepreneurs who do well will be the ones who are best able to adapt to new trends and demands. Says Nasr, "Make sure that the core competencies you provide [are] broad enough and can change as the technology needs to change."

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