

The Clean Technology Startup Management Flight Simulator

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Teaching Purpose

Used in the MIT Sloan course "Sustainability Lab" during the Spring 2009 semester to learn:

(1) What are the dynamics of clean technology startups and how can their odds of success be improved?

- Long sales cycles
- Engineering vs. sales force focus
- Valley of death

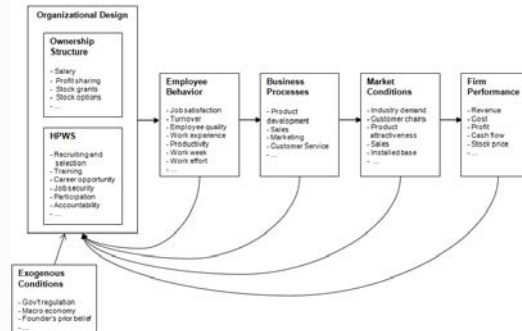
(2) How can different ownership structures affect employee behavior and firm performance?

- Traditional external funding (e.g. VC financing)
- Employee ownership (partial or full)

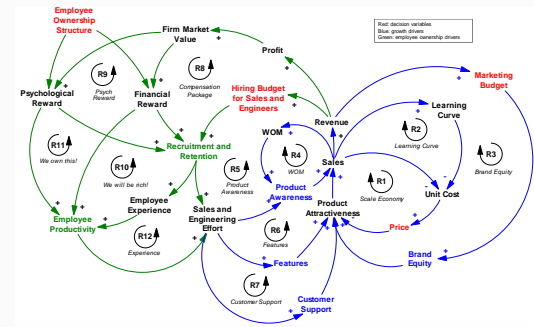
Game Scenario

- You are the CEO of a startup specializing in energy efficiency systems facing competition from the existing dominant incumbent.
- You have developed a superb technology that may cost more than the existing technology up front, but saves energy costs in the long run dependent upon carbon taxes.
- You need to promote your product to customers through your own sales force, while keeping up product development by hiring, motivating and retaining engineers.
- You have initial founder funding of \$1 million to grow the company successfully.

Overall Model Framework



Causal Loop Diagram: Overall Model



Causal Loop Diagram: Job Attractiveness

