

## Where are the NanoMarketers?

Last month I wrote about the paucity of the promised blockbuster nanotechnology products in 2005. I clearly touched a raw nerve. What a spectrum of response. I've received letters and email from many saying "right on" and from the others asking, "Why are you knocking the industry?" (I wasn't. I was trying to light a fire.) A few listed all the nanoproducts they could find (an exciting but not very meaningfully economic group) and said I had asked the wrong question. Funny ... the VC's and other major investors were noticeably silent while some of the nanomanagement I spoke to reluctantly admitted that they hadn't done their jobs as well as they should have. I believe such discussion is very healthy for the nanoindustry so I'm going to go a step further this month.

Anyone who has read my newsletter, NanoClarity, or heard my talks, knows I am a great believer in the promise and future value of nanotechnology. What I am concerned with is the lack of immediate impact from a complacent nanotechnology executive inventory. We cannot wait for current management to become market focused because the rest of the world is not waiting. I don't get a sense of urgency wherever I look. Companies receive mega millions in C rounds of financing (the commercialization round) and they casually approach the market with test products or very conservative rollout plans without comprehensive and vigorous marketing plans. Others put their products out there and see who buys them. Domestic nanotechnology is not, at this stage, an up-tempo market and product driven industry. I think that is both a long and short-term problem.

When I see that Samsung this month is launching an entire new line of silver coated appliances ... from ovens to dishwashers to refrigerators to clothes driers...in the Middle East, no less, with the EEC to follow, I ask myself, "Where are Amana, Sears, GE and the other US appliance manufacturers? Where are the PPG ads for "self-cleaning plate glass? And more." Why are other country's major manufacturers introducing "big stuff" while we are playing around with non-specific and non-branded "nanodot" research kits or golf balls?" Are we really ahead of the rest of the world after all the money we have spent?

There is just something too complacent about the domestic nanotechnology industry today. This last quarter has been very uneventful in an economic sense. The industry (except for the semiconductor business) does not seem real and it does not seem practical. Nanotechnology is missing an "excitement" element, despite recent good press from NPR, Business Week, and other media, that is affecting the perception of impactful progress. It is that perception that is holding back Wall Street from truly embracing the industry as the critical element in the 21<sup>st</sup> century US/World economy.

What is my recommendation? I have met some of the brightest people in the world in our nanotech industry. There is no lack of smarts. More Ph.D's focus on nanotechnology than on most industries. Today, this is a technology driven industry and you need Ph.D's to do the basics. Many of the nanocompanies are even headed up by groups of Ph.D.'s.

To me, that seems to be the major problem. Most Ph.D.s are not entrepreneurial in the business sense and are very bad marketers and sellers of their creations. Ph.D's look down on marketing and sales types. They are an afterthought. But right now, marketing input is almost as important as additional scientific development.

As I look across the industry (and I've just completed a preliminary examination of over 900 companies) you have Ph.D's trying to market and sell. You have Ph.D's determining business strategy and policy without professional marketing input. You have corporate structures missing VP's of Marketing and/or VP's of Sales. You don't have professionals in most nanocompany organizations that have strong market and product focus and who have had broad industry experience selling and supporting large customer bases. You don't have marketing professionals that know how to name and build brand franchises for nanoproducts or to introduce and roll out useful products to multiple markets (in the case of platform technologies). Moreover, you do not have to take my word for it ... look yourselves. Find any nanocompany on the web and go to their "about us...organization" pages. The odds are high that you will not find a professional marketer in most nanocompany organizations or on their Board. That fact is shocking with all the money spent on nanotech to date.

My recommendation this month is for every VC or institution that has invested in a Nanocompany to examine the organizational structure of their investment and slot in one or two marketing professionals with enough corporate status to be heard and listened to. Then may be we will get this industry to begin to approach its promise.

Alan B. Shalleck  
President  
Nanoclarity LLC  
[www.nanoclarity.com](http://www.nanoclarity.com)  
[alan@nanoclarity.com](mailto:alan@nanoclarity.com)