



2024 ClimateTech CEO Insights Report

A Fall 2023 State-of-Mind Survey of
ClimateTech Startups and Scaleups CEOs

Contents

Introduction	02
Key Insights	03
Recommendations	07
About this Report	08
About CS Partners	09

Introduction

Despite a rough 2023, ClimateTech CEOs ended the year with an overall positive feeling for the upcoming year with the majority surveyed more optimistic about the future of their company than they did this same time last year.

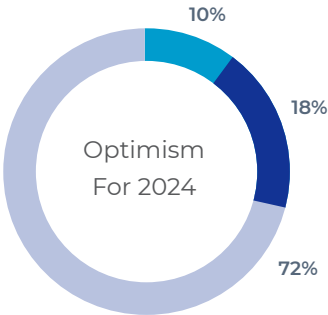
However, most acknowledged key challenges, especially around the time and complexity to advance key company milestones and needs.

Lessons learned and cautious optimism were frequent themes of late 2023, with CEOs looking to leverage the struggles and wins achieved in a difficult year to smart, achievable growth in 2024.

Optimism For 2024

How Optimistic are You for Your Company for 2024 Compared to this Same Time Last Year?

More Optimistic	72%
Same Level of Optimistim	18%
Less Optimistic	10%



Key Insights

Top 3 Challenges Currently Facing ClimateTech Companies

What do ClimateTech CEOs currently feel are the top three challenges their startup or scaleup faces?	1) Finance
	2) Commercialization
	3) Global Uncertainties

1) Finance <p>Raising investment capital is both harder and is taking longer than in previous years. Investors are cautious, requiring significant, time-challenging, due diligence and new investors are hard to find, especially lead investors to spearhead new investment rounds. There is often a mismatch between what investors are prepared to value a company versus what CEOs feel is the right valuation.</p>	2) Commercialization <p>Building a sales pipeline and generating revenue are taking longer and requiring more steps and layers than anticipated. Markets are complex, and in some cases, startups over estimated achievable sales targets. Investors want to see stretch targets for growth but, conversely, customers and partners want a history of product delivery and reliability before they will sign long-term agreements.</p>	3) Global Uncertainties <p>CEOs have a high level of concern about future risks outside of their control impacting the company's growth trajectory. With the recent history of significant macroeconomic and geopolitical crises top of mind, CEOs are struggling to align their company's growth strategy with future unknowns. Confidence that the current economic and political climates will improve, or even simply remain stable, has been disrupted, making it difficult to project short and long-term business potential as well as attract new partners and investors.</p>
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Key Insights

Must-Do Company Milestones for 2024

What do ClimateTech startups and scaleups CEOs feel their company must achieve in 2024 to be successful?	1) Manufacturing and Scaling
	2) Close Large-Scale Deals
	3) Prioritize Product Development

1) Manufacturing and Scaling

Transitioning from R&D to becoming a manufacturing organization with a consistent, quality, and affordable product is a high priority. However, companies often underestimate what it costs and how long it takes to build highly efficient, reliable manufacturing operations. Plus, building a manufacturing facility and operational pipeline requires a different company skillset and knowledge base within the company. Contract manufacturing operations are in high demand and costs can be uncertain and subject to change at short notice.

2) Close Large-Scale Deals

Collaborations and strategic partnerships are essential for startups and scaleups to succeed. However, companies underestimate how long these deals take to negotiate and close. Successful deal-making requires high-level negotiation, strategy skills, and the ability to identify win-win solutions for both parties. CEOs are looking to invest in high-level business development talent to ensure success in this pivotal area.

3) Prioritize Product Development

CEOs are prioritizing key products with a clear line of commercial success within the next three years and cutting projects that need more runway. Results and revenue need to be achieved faster to satisfy current and attract new investors, create new opportunities, and build a customer base. Hitting key product development milestones is crucial.

Key Insights

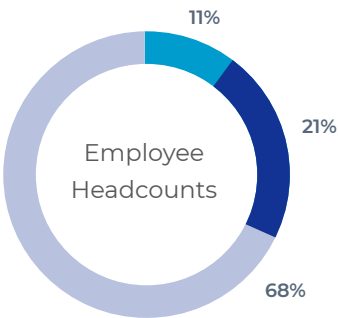
Employees, Salaries and Hiring Challenges for 2024

What do CEOs anticipate 2024 to look like when it comes to their company team and employees, compensation packages, and hiring objectives?

1) Employee Headcounts
2) Bonuses
3) Hiring Challenges

1) Employee Headcounts

CEOs planning to grow their team	68%
CEOs planning to downsize	21%
CEOs not planning to grow or downsize	11%



While 68% of CEOs said they plan to grow their team in 2024 and only 21% said they plan to downsize, that number was tempered by how much they expected to hire.

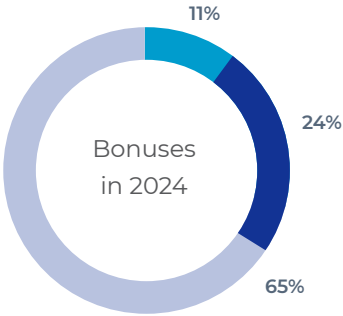
Most CEOs say they plan to add just a few, key new hires specifically aimed at helping the company achieve target milestones. Overall, CEOs emphasized the need to keep teams as lean as possible, while recognizing their team is stretched

for bandwidth. CEOs plan to upskill from within their current employee base.

Key Insights

2) Bonuses

CEOs say their bonus scheme will be less than last year	65%
CEOs say bonuses will remain the same as last year	24%
CEOs say they plan to increase bonuses	11%



After a challenging year, most CEOs are looking to conserve cash and say they are less likely to offer bonuses to executive team members than in years past or plan to keep bonuses at the same level.

- 65% of CEOs say their bonus scheme will be less than last year
- 24% say bonuses will remain the same
- 11% say they plan to increase bonuses.

Out of all CEOs surveyed, 35% said they do not offer a bonus scheme at all.

3) Hiring Challenges

CEOs are focused on hiring the right mindset to fit the startup mentality. New hires need to thrive within small, fast-moving environments with limited resources and can create processes, rather than simply run them.

CEOs also need new hires to become productive faster. CEOs are often frustrated that It takes on average 4 months in the US and 6 months in Europe from launching a search to the candidate starting. This time lag needs to be factored into recruitment plans. Finally, creating an attractive compensation package

for top talent is difficult. CEOs are struggling to stay lean while recruiting within a small, highly competitive tech talent pool.

Recommendations

2) Bonuses

1) Set Achievable Milestones

Whether it's growth projections, timelines for closing deals, infrastructure development, or market penetration, slow, steady, and achievable may not make for flashy headlines, but wins the race in this economic climate. Unrealistic goals are demoralizing for your team, scare off potential partners, and disappoint investors. Make sure to allocate adequate time and financial runway for new objectives, including building the talent team you need to implement your goals.

2) Invest in Relationships

Take the time to build relationships, both internally and externally. Listen, be humble, take advice, and expand your network. Look outside the constraints of your technology for complementary collaborations, opportunities, and inspiration. Foster relationships and a strong company culture within your team. Support your talent to increase their skill set, bringing more value and innovation to your company.

3) Stay Focused

Remember your mission. Stay focused on your company's value proposition, staying lean and true to your objectives. Set clear priorities and build a strategic roadmap to achieving them, making sure to routinely measure your progress and reprioritize if needed. Extend the same focus to your talent and team-building strategy. Prioritize what talent you need and when. Prepare and plan for bringing in key talent at the right time, but also hire for talent that can grow and thrive within their role, evolving with your startup as it does.

About this Report

This report is based on interviews with nearly 150 CEOs of ClimateTech sector startups and scaleups conducted in the last quarter of 2023, including companies in the AgTech and Food Tech, Sustainable Materials, Renewable Energies, and CarbonTech sectors. Companies interviewed ranged in size from privately funded, early-stage to those in the process of scaling and commercializing their technologies.

To access previously published CS Partners survey, insights, and hiring resources see:

<div>Agri-FoodTech Jobs Data Insight Report</div> <div><u>2022</u></div>	<div>A 12-month look at the average hiring and job stats for Agri-FoodTech early-stage and growth startups.</div> <div>VIEW ></div>
<div>Agri-FoodTech Salary Survey</div> <div><u>2021</u></div>	<div>An industry-specific, data-driven look at how Agri-FoodTech companies compensate their executive level employees.</div> <div>VIEW ></div>

About CS Partners

CS Partners connects executive-level talent for mission-driven startups and scaleups building a healthier world. With an extensive network across

the ClimateTech ecosystem, we understand the unique nature of executive search recruitment for companies in the mission-driven world.

Contact CS Partners for your ClimateTech startup or scaleup executive team and board recruitment search needs.

AGTECH & FOODTECH | SUSTAINABLE MATERIALS | RENEWABLE ENERGIES | CARBON TECH

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