

One-man growth industry

Nick Gerritsen is focused on getting New Zealanders to recognise and value the potential of business – with a little help from his overseas friends. BY JOANNE BLACK

In two years, celsius.com has gone from being an idea for a blog discussed over a coffee in Picton to being described by the *Times* as one of the world's top five climate-change websites.

Even by the standards of Nick Gerritsen, who happily points out the cafe table at which he helped hatch the idea, the change has been extraordinary. "It's been like an explosion and it is massively satisfying."

Gerritsen calls himself "an enabler". In particular, he enables ideas, discoveries or start-up companies that he likes to further develop by bringing in other people, often financiers, who can help small companies to grow.

"If I see a scientist for the first time, I ask, 'What's your real dream here?', because there is no point having different philosophies, or goals I might consider unrealistic ... by asking that, I have made hard-arsed, fantastically talented scientists burst out crying. They've been struggling away, and no one has asked them what they really want to do.

"A lot of the time what I do is give someone with an idea time to tell their story, and get to the point where I say, 'Yes, I believe you.' Often, I'm the first guy with a flag in his hand saying that, and it's very powerful. What I'm seeing is that the real enablers here are the shareholders in the various companies I'm involved with – they are the people who are actually taking risks.

"The first thing I say to them is, 'Don't put money into any of these things unless you're prepared to lose it, because it's risky, and I don't have control over all the variables.' But those people are the key, and the profile is right through from 87-year-old grannies to young guys starting out. I want shareholders who believe in the philosophy, because the more people you have in alignment, the more the

centre of gravity grows. Effectively, we're building our own market.

"I have five start-up companies under way and collectively I have the most fantastic time working with them because, as an individual, you can only do so much. It's not about me, it's about us. It's starting to feel like a movement."

With a background as a lawyer, Gerritsen has developed personal contacts with people representing some of the world's biggest merchant banks, richest industrialists and major global venture capital funds. But perhaps what is most remarkable about the reach of his contacts is that his base remains the Marlborough

"I've had hilarious conversations with people who say, 'Show us your data', and I say, 'It hasn't been done before.'"

Sounds, and often they come to him. It is where he grew up and his home is now a converted church in Picton which he shares with his wife, Barbara Speedy, the director of the Diversion Gallery at Grove Mill Winery in Renwick.

Gerritsen spends a lot of time in the US, including Silicon Valley, where some of the companies he has helped nurture are now based, and his travels give him a perspective on New Zealand business that is sometimes less than heartening.

"I don't think New Zealand understands the gap between it and the rest of the world. We're drifting. The analogy I use is that if you're putting the flounder net out in the bay, and talking to someone on the shore, you can keep having the conversation up to 100m offshore, then you need only move another 2mm out and suddenly they can't hear you any more and you have to use sign language. That sensitivity around whether you

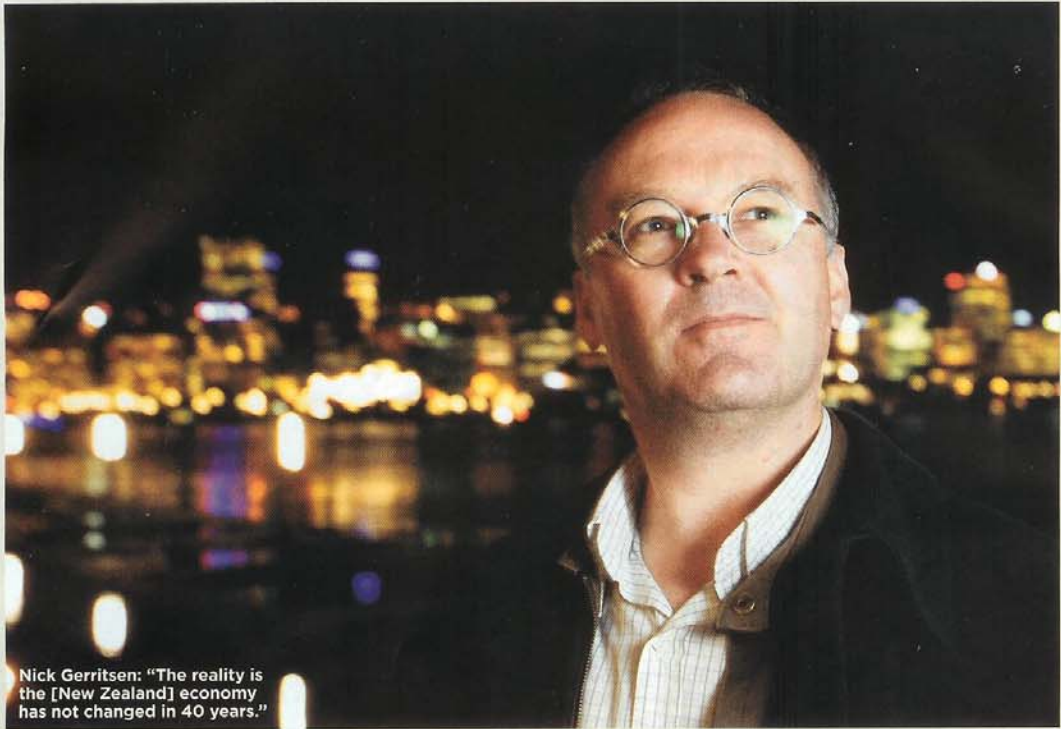
can speak, or use sign language, is tiny. And the reality for New Zealand is we are desperately trying to communicate with the world through semaphore. The world has changed so much, and we haven't."

He is amazed the primary sector still accounts for 72% of New Zealand's revenue. "Despite everything, the New Zealand economy has not changed since 1965 ... let's just cut the crap, the reality is the economy has not changed in 40 years. Yes, we're using technology in these industries, but it's being used to maintain price competitiveness.

"We are using technology to keep our price point low, so we sell the best wine in the world cheaply. Research shows people expect to pay more for the best wine, so our message is incorrect. I can buy a bottle of New Zealand wine cheaper in downtown San Francisco than I can here at a winery in Marlborough. There are effectively subsidies here from the public and one of them is on water. Why are we running out of water? Because people aren't paying the true cost. Yes, I believe in the free market, but let's have transparency about it."

Gerritsen, 40, grew up in Kenepuru Sound, attending a school so small that he was the only boy his age. "There were a couple of boys a year or two older than me but, even with three, you can't really play cricket or rugby, and there was no concrete for skateboarding, so we made huts, fished, and shot possums.

"I look back on it now as a fantastic space to be in. And I look at where New Zealand is now, and I think it has seriously lost its dream. We're stuck in a nostalgic bubble, thinking that it's still an idyllic childhood, but where I live now kids are not allowed to walk between school and the jetty without carrying a wee Chopper-guard flag.



Nick Gerritsen: "The reality is the [New Zealand] economy has not changed in 40 years."

Little anecdotes like that show me how wrong we've got it. I discovered recently that swimming is not even in the school curriculum now. So, here are kids not being taught to swim, yet some arrive by boat, get off at the jetty and have to carry a little flag to walk up to school. It's almost like Monty Python. The No 8 wire thing is becoming a fallacy."

Gerritsen boarded at Marlborough Boys' College and found it difficult. "My dad said, 'Don't expect to like everything, but try it all and find what you do like, and also take the view that it's about finding your own space to do things and building your own concept.'"

It was advice he seems to have carried over to his professional life, forging a career out of taking ideas or developments – sometimes his own, sometimes other people's – and building them into businesses.

He says he does not know what success or failure is, although sometimes things have not worked out as he expected. "But equally, if you're doing things that have never been done before, then perhaps what happens is what you should have envisaged. Success is about letting an idea find its space and voice. Celsius started in one space and where it will end up hasn't been comprehended.

"Over the years, I've had hilarious con-

versations with people who say, 'Show us your data', and I say, 'It hasn't been done before', and they say, 'Show us your data.' Sometimes, you just have to believe in it.

"One of the most exciting things is that internationally there are a number of people with money behind them looking for the next best things. And they are prepared to talk to Nick from Picton if he rocks up with something interesting. So you start with the idea of having something transformational that could change the world, and there are people hungry for that type of thing."

One such thing is Aquaflow, which Gerritsen started after recognising there was a lot of money available internationally for investment in "clean-tech" developments, but not enough happening. This is one project he wants to see realise its potential, unlike others he has on-sold.

"It's no use coming up with a great idea and not getting it into the world. Every minute that's lost in a proposition like Aquaflow has massive ramifications for not only small economies but big ones, too."

He thinks New Zealand is not good at recognising and valuing the potential of businesses. "We say we believe in the market, but actually we're more comfortable selling cubic metres of logs or tonnes of mussels or litres of wine. But it's not

about that, it's about potential.

"I've been pretty involved with the innovation space since 2000, and the question I am starting to raise publicly is, 'Okay, after all the energy and all the policy papers and all the millions of dollars and all the expectation and all the media, what has been produced?' And you can probably count the decent deals on two hands. We've failed to build it into the system."

If there is a theme to Gerritsen's projects, it is either a simplicity in the basic concept or because they are – to use one of his favourite words – "elegant".

"I look for elegant technologies that try to understand or replicate natural processes. Whether it's metaphysics or biofuels, the stream I see linking all my deals together is that they are much along those lines.

"Money is important, but I've had Bank of New York, Nasdaq, and friends sit where we are now and look at this view and they are mesmerised by it. Actually, they can't believe it exists. How much is that worth? I might not make \$2 million a year paid in regular pay cheques like they do, but equally I can have a lifestyle and do what I do from a wonderful place like this. What is a knowledge economy about? It is exactly what I'm doing." ■