



Disruption in the Wind: Talking with FloDesign's New CEO, Lars Andersen

[Wade Roush 1/21/10](#)

On Tuesday, [FloDesign Wind Turbine](#) of Wilbraham, MA, announced that it has [raised \\$35 million in Series B funding](#) from a list of marquee venture capital firms and hired a new CEO to go along with the new money. Both moves are aimed at setting the company on the path to commercialization of its unusual wind-turbine design, which resembles a jet engine on a stick much more than a conventional windmill.

Yesterday, I caught up by phone with Lars Andersen, who's spent all of two weeks in FloDesign's CEO chair. (Andersen replaces company founder Stanley Kowalski, who has become a vice president.) If the startup was searching for a wind industry veteran, it couldn't have found one with more experience than Andersen, who's been in the energy generation and wind business for 20 years, and has spent the last five building up the Chinese division of [Vestas](#), the Danish wind company that manufactures nearly 30 percent of the world's wind turbines.

Below is a compressed version of our conversation. As you'll see, Andersen was evasive about the details of FloDesign's technology, but he says the approach is a "disrupting" one that could change the way the world looks at wind energy.

Xconomy: Tell me a bit about how you connected with FloDesign, and why you decided to leave Vestas to lead a much smaller company.

Lars Andersen: I think, first of all, that the time with Vestas has been a fantastic time. I've had many good opportunities, not least during the last five years, which I spent building the business of the company in China. It's been a good and exciting journey.

I connected with FloDesign through a series of interviews. I was approached, first of all, by a headhunter, and went through a series of due-diligence studies of my own, and interviews with the investors and the company and the founders and the team that is there today. And I got very excited about the technology and also the team they have there that has done all the research and the innovation.

From a high-level perspective, this is a very good opportunity in the wind industry. There has been a lot of innovation in the industry, but it has been very stepwise innovation, with gradual improvements here and there. Here is a totally different and disrupting technology that could make a breakthrough in the industry and in the way we look at wind energy today. That's really what got me interested—being part of that development and that journey.

X: What excites you so much about the technology? For example, does it offer a realistic way around the Betz Limit [a physical cap on the efficiency of open-fan wind turbines]?

LA: Well, I hope you understand that there are a lot of things about the technology that I can't talk about. And I've only spent two weeks on the job, so there are a lot of details I still have to learn. But from a high level, it's really applying jet engine technology in the wind space. That is taking it to a whole new paradigm. It's like going from a propeller machine to a jet engine, which increases the performance. That's the benefit it brings to the table—an increase in performance and efficiency.

X: FloDesign has indeed been very guarded in what it has said about its wind turbine designs. Why all the secrecy?

LA: We are in a very early stage, and are still a startup company. We still have a lot of work to do. So I think when the time is right, we will definitely say more about the details. But right now, there are just a lot of things that we really don't want to talk about. What we need to do now is look ahead. My days right now are filled with recruiting talent from around the globe—engineers and scientists who can help us commercialize this product. As we get more into the details, we can tell more, but right now there is not a lot we can talk about.

X: What stage is FloDesign at in the engineering and commercialization process? Have you moved from simulations to testing actual prototypes?

LA: Again, we are still very early stage, but we are looking ahead already. What I'm starting to do now is see how we're going to commercialize this product. So the foreseeable future will be [dominated by] a lot of engineering work, taking the technology as it is now through design and engineering and actually making a product. Then, of course, the next step will be commercialization. As we grow and learn and get smarter, it will evolve. Right now the top priority is for us to build this world-class engineering team that can bridge the gap between the technology and the market.

X: Speaking of the market, I wanted to ask you about FloDesign's competition. Do you think there will be a battle between FloDesign and manufacturers of conventional open-fan wind turbines, such as Vestas, or do you think demand for wind energy is growing so fast that you'll have a wide-open field?

LA: I think it's too early for me to say, but I look at it this way: the wind market has been growing very substantially now in the U.S. for some time, and also on a global scale. It's actually getting so high on the agendas of many countries around the world because wind power, right now, is the only commercial alternative to oil and gas on a big scale. So I think the opportunity is out there, but may not in the conventional segments. I think the whole industry, as it is now, is still in the early stages. If you look ahead to 2020 and look at the demand in China and other parts of the world, the market has a long way to evolve. I think there will be a lot of things happening in this time, and also the industry itself will mature. So hopefully FloDesign will be a player in that. We look at it as a big opportunity, and we will find a space where we can compete.

X: The company just raised an additional \$35 million in venture capital. What will be your main priorities for spending that money?

LA: The main objective for us for the next phase is really to design and engineer and commercialize the product, so what we are doing now is spending all of our resources on building that part of the company.

We're very excited about this, and the investors' names speak for themselves—they are very prominent investors who have done this kind of thing many times.

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