



# Green ENERGY

Fonroche Energie isn't interested in looking at sustainability as a fad; it is committed to being in the renewable energy business for the long term.

Images courtesy of Fonroche Energie

**S**pecialising in solar, biogas, and geothermal energy sources, Fonroche Energie is a recognised and growing industry leader in the European market. It manages the entire energy value chain, from sourcing, design and manufacturing, to financing, installation, testing, operation and maintenance.

Thierry Carcel, CEO of Fonroche Energie, was appointed to the position to help make the business a major player in the French photovoltaic industry, as well as partner it with other organisations that want to commit to green energy. He has 20 years of management experience in the areas of auditing, finance, and industry.

"I studied finance and then worked with Ernst & Young for more than seven years," Thierry recalls. "It was a fantastic experience because they did teach me a lot. After that, for three years, I was a banker in France. I did appreciate my time doing that because it was interesting but it was not my way.

It was good because I learned a lot but it was not me."

Following that Thierry worked for a tier-one supply company, which gave him the opportunity to work internationally in places such as Spain. "I think that the past has informed my leadership today," Thierry says.

"I've always had good teachers. When I was in finance I would have contact with the CFO and the CEO and I was able to learn a lot about the strategic vision of a business. I have always been in a very reduced management team and that's been great. Today I do the same thing with my team in Fonroche Energie, which is classified as a mid-sized company.

"I think sharing information and having a very tight and united management team is the key to success. It has been the key to success for me personally and it has taught me a lot, which I have passed back to my guys today."

Fonroche Energie was established in 2008 and over its existence it has diversified and expanded its

business operations. Thierry explains, "At the very beginning we were depending on the one country—France—and the one energy—solar. It was good because the market was booming up until about 2011 so we were happy. But from day one, Yann Maus, our president and founder, and I had the idea that it is not good to depend on just one country and one energy type.

"We wanted to be multi country and multi energy so once the market started slowing down in 2011 and 2012 we thought, 'Okay, now it is time.' Before, we were rushing around building the company, so when things slowed down we could really pay attention to this new path.

"We recruited some people who specialised in different areas such as biogas and geothermal energy, set up an office in Madrid and became an international player. We did that with success."

Fonroche Energie started building its first biogas plant in 2014 and is set to start constructing a geothermal facility towards the end >

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of 2015. It has more than 20 projects under development with these two types of energy.

Thierry says the business is committed to being highly productive and efficient, while producing goods which are great quality. “The most important thing for us is to cover the entire value chain because we think that’s the way we can optimise and make the plants perform at their very best. We are very quality orientated.

“Another benefit of doing this is that each step of the value chain breathes some money, or some margin, into the company. This means we make more money, but we do not re-invest it into dividend, rather we re-invest it into the product. So by controlling the whole value chain we are adding value to the group which we can re-invest into the plants.”

Thierry’s leadership style is honest and loyal. He only works with managers and directors he trusts and makes an effort to always stick to his word. He is incredibly dedicated to his role and describes himself as somewhat of a workaholic.

“I don’t force my people to be workaholics because I understand the need to be balanced and everything, but we’ve got a culture where I say I don’t want excuses like ‘I was busy’, or ‘I didn’t want to do it’—my guys know that what I want is results. We’re very flexible in terms of agenda but we work hard.”

As well as having good relationships with his staff, Thierry also recognises the importance of having strong collaborations with key suppliers and partners. In a dominant industry like renewable energy, everyone depends on each other to achieve success.

“We have a long-term process,” he says. “It’s not like we are buying material to store it and then sell it within a month. We develop the product together over two or three years and then we build it. For example, when I go to the key supplier of my PV boxes, for

my plant or whatever, they are involved from a very early stage with the development. They help me because they’ve got an idea or an innovation. So they share that and then we develop that for a couple of years and build it together.

“So long-term relationships are very important because we are in a market that evolves very quickly and my suppliers have a vision for this that is in common with Fonroche Energie. By working together we are stronger. We see the evolution of the market and we can adapt to the market together.”

In 2010, Fonroche Energie received a capital increase from the private investment firm Eurazeo, which helped it implement its plans to expand internationally and diversify into other renewable energy segments, namely biogas and geothermal. Thierry says this transaction was important as it led to a new strategic vision for the company.

“They invested €25 million in 2010 and an additional €15 million in 2011 and €15 million in 2012. They support us, which is necessary because energy is a market where you always need more time. Of course you need technical skills and those sorts of things, but you also need time, and when you save time you save money.

“This is because you need to support the development, the structure, and the building to make a margin and have a return. So you have got a timeframe that you cannot shorten. Eurazeo has supported us with that.

“When Eurazeo came in we were a young company and not yet totally structured. However, we had a lot of ambition. We were not a start-up, but we were in a state of development. They did their job in helping us to progress.”

Renewable energy sources are being embraced by Europe, which has set a target of having a 20-per-cent reduction of greenhouse gas emissions by



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2020. Thierry believes that it is on the right track; however, he doesn’t think it will achieve this ambitious goal in the given timeframe. He says the market often slows down in particular countries, while it picks up in others.

“If you look at Europe as a single entity it doesn’t work because it depends on the country. If you look at Spain, France, the UK, and Germany, they’ve done quite a lot but there are not a lot of other countries that are doing as much, to be honest.

“I think 20 per cent is a very ambitious goal; however, it is necessary and we do need to go this way. I think that is very important. I think we’ll be late but the attention is there. We still have time because if we decide on it strongly in the political world and all the countries commit to it then it will happen. We might not be at 20 per cent in 2020 but if we get there in 2023, or 2024, or 2025 that may be good enough. What is important is to go in this direction.” •