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Go Big: With inventiveness, hard work, and moxie, Colby entrepreneurs are creating viable and even booming businesses

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GO BIG

With inventiveness, hard work, and moxie, Colby entrepreneurs are creating viable and even booming businesses

By David McKay Wilson ’76

Photograph by Brian Fitzsimmons

The entrepreneur’s path isn’t an easy one. After being developed, funded, and finally launched, a venture could fail at any moment. But the Colby entrepreneurs profiled here are living their dreams, creating value in the marketplace and businesses that have found a niche in the dynamic 21st-century economic system. Their stories are as varied as their disparate majors and interests. Read on.

Problem Solver

Brian Sharples of HomeAway has cornered the world's vacation rental market

After hitting it big in his mid-40s with his first major entrepreneurial venture, Brian Sharples '82 decided to kick back and travel with his family.

But Sharples was in no mood to retire. He was on the hunt for the next big thing.

During his victory lap, Sharples liked to book houses instead of hotel rooms for weeklong family trips to the mountains or the beach. What frustrated him—and ultimately intrigued him—was that those rentals proved difficult to find. There was no easily accessible resource that marketed them globally.

"The best way to come up with ideas is to look at things in your life that are problematic and need to be fixed," said Sharples, cofounder and CEO of HomeAway, the world's biggest vacation rental marketplace.

So Sharples turned to a group of investors who had prospered with the 1999 sale of Intelliquest Information Group. That group, which he had created, taken public, and sold, supplied marketing research to Fortune 500 companies.

"I told [the investors] I wanted to build the expedia.com for the vacation rental market," recalled Sharples. "They came up with millions on the spot for me to figure it out." So he and his partner, Carl Shepard, traveled the world for six months. "We didn't know much about the travel business. But we knew there was no good resource for this."

They launched HomeAway in 2005 on the same day they announced the purchase of five online vacation rental websites in the United States and Europe.

"We did it with a big vision," he said. "If we were going to be an Expedia of a different category, we had to do it aggressively. And we've maintained a focus on being a leader in this business in every major country in the world."

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The company, which went public in 2012, now has 17 websites around the world. When 2014 dawned, HomeAway had listings for about 800,000 vacation rentals in 171 countries. The company's 2013 third-quarter earnings report showed home listings up 7 percent in year-to-year comparisons, with the average income per listing jumping 15 percent to $390.

Brian Sharples '82 in his HomeAway office in Austin, Texas.

At the company headquarters in Austin, Texas, Sharples, a trim 53-year-old, came to work in mid-January wearing a soft cotton button-down shirt and a pair of well-worn jeans with a tear in one leg. He was back from a trip to Aspen, where he has a vacation home that he also lists on HomeAway.

At the Austin office, vacation-themed artwork greets visitors. There's a 3-D installation of travel guides on one wall, which faces a postcard collage that resembles the company's symbol—a birdhouse. Snow globes from around the world line one wall.

The path that led to Austin and HomeAway began in Braintree, Mass., where Sharples's dad was an aerospace engineer who founded a company that, in the early days of digital technology, made devices that converted analog signals to digital. Sharples majored in math and economics at Colby, then earned an M.B.A. at Stanford.

It took extensive research to find the right formula for HomeAway. At first, Sharples wanted to create a "vacation club," in which he'd amass a cache of vacation rentals around the world and make them available to members who would pay an annual fee. Instead, the company took a less capital-intensive approach that appealed to hundreds of thousands of second-home owners looking for a way to rent their places.

HomeAway.com®
let's stay together®

Among the 21 million total vacation rental listings in the United States and Europe, only seven million are rented each year, Sharples says. Hoping to connect more of those would-be renters with vacationers, he created an online classified ad platform for which owners pay an annual subscription fee that averages about $400. Vacationers contact the homeowners to book their weeks and pay them directly.

"We found that the simplest model worked best," he said. "We kept it low-tech. Owners wanted to [be able to] talk to the people who were staying in their homes."

Always looking to expand, HomeAway recently launched a new option for vacation-home owners that allows them to list their homes for free, with HomeAway taking a 10-percent commission.

Sharples says the commission model will appeal to vacation homeowners so far unwilling to plunge into the rental market with a HomeAway annual subscription, and he expects it to be especially popular in the Asia-Pacific market, where, Sharples says, business more often works on percentages.

"It's a way of lowering risk for those thinking of getting into the market," he said. "The goal of our company was to create a system to have every vacation rental in the world available to every traveler. It's a lofty goal. We still have a long way to go."

For Brian Sharples's top 10 tips for the successful entrepreneur, go to colby.edu/mag.

Trailspace
OUTDOOR GEAR REVIEWS

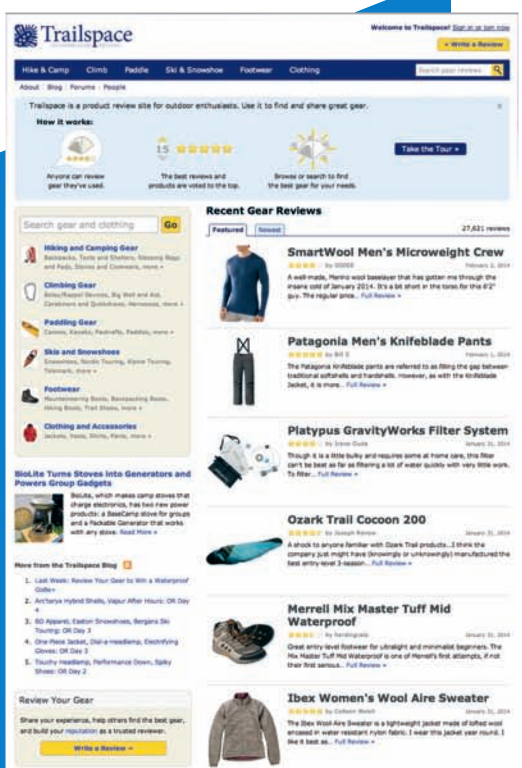
Gearheads

Alicia and Dave MacLeay turn love for the outdoors into a livelihood

Avid outdoor adventurers, the MacLeays weren't planning on quitting their day jobs in 2001 when they launched TrailSpace, an online forum to discuss the latest outdoor gear.

They sold a few ads to cover costs as Dave MacLeay '97 did the site's design and programming while Alicia Nemiccolo MacLeay '97 was working in Colby's Office of Communications. In 2004, when their first child was born, Alicia left her Colby job, and she has worked exclusively on the site ever since. By 2007 Dave cut himself free of other Web-design clients and devoted himself full time to Trailspace, which the couple runs from their home in Rome, Maine.

"When we started it we had no business plan, no loans, and we hadn't quit our jobs with a mortgage on the line," Alicia said. "It was very organic, as our hobby was able to grow. And now that we do it full time, our mission remains the same: to help people get outside and get the right gear to do it."



Now the MacLeays have 200,000 to 300,000 unique viewers checking out the site's reviews each month and 18,000 receiving its weekly e-mail blast. A core group comes to the site each day, and regular reviewers can try out samples of new equipment provided by manufacturers.

Advertisers pay for space alongside the reviews, so purchases can be made with a click. If more than one retail outlet offers a product, readers can compare prices before ordering.

Working from home has been a boon for the MacLeays. They've been around to raise their children—Burke, 9, and Adelle, 5—and they've made time to use some highly recommended gear when they hit the trails.

Marine Layer

The Shirt Off His Back

Worn and comfortable Colby duds lead Michael Natenshon to apparel breakthrough

Michael Natenshon's girlfriend, Kelly, was fed up with his wardrobe, which relied heavily on a Colby tennis polo shirt and three well-worn Colby T-shirts.

Working then as an analyst for a San Francisco hedge fund, Natenshon '01 went shopping, but he couldn't find shirts as comfy as his tattered Colby swag. So, with his M.B.A. from Haas Business School at UC Berkeley, he began investigating textiles. Then he decided to make his own shirt.

"The finance world didn't grab me that much, nor was I that good at it," recalled Natenshon (now married to Kelly with two daughters, Ella, 2, and Alice, 1). "And I didn't realize how hard it was to make a T-shirt."

First he worked with a California mill to create a fabric from recycled beechwood fiber, which looked like cotton but was far softer. He also consulted with pattern makers about shirt design. In 2008 he made the leap: a minimum order of 1,000 yards of the fabric for $8,000, which he put on his credit card.

By Christmas 2008 he had made 100 shirts and launched his company, Marine Layer, through an online store run from his San Francisco apartment. Among his first customers was his Colby chum Evan Reece '01, founder of Liftopia. A year later Natenshon asked a landlord on San Francisco's Chestnut Street if he could rent a vacant shop for two weeks before Christmas to gauge the market.

The shirts sold, Natenshon convinced his best friend to leave his finance job, and in 2010 they signed a five-year lease at $6,000 a month. Four years later, that shop continues to thrive with shirts starting at $35, and Marine Layer has opened additional shops in five West Coast cities.

"The process is incredibly hard," he said. "You make a lot of mistakes, and you learn from them. We hung around long enough to make it right."

Parent Power

Through weeSpring, Allyson Downey spreads the word on what's best for baby

While pregnant with her son, Allyson Giard Downey '01 walked into Babies "R" Us and, she says, promptly burst into tears. There were too many products, too many choices. Downey hadn't a clue what would be best.

"It can feel very high stakes," she said. "When you are registering for a shower, you might have forty car seats to choose among, and these decisions will be tied to the well-being of your child."

So she e-mailed her friends, asking about the best car seats, baby bottles, and diapers. She was stunned when several sent back detailed Excel spreadsheets, annotated with comments and recommendations. At that moment Downey, who had just earned her M.B.A at Columbia University, understood first-hand the power of word-of-mouth recommendations.

"There are literally hundreds of decisions you have to make in a very short time span, and parents were recommending products, and doing it systematically," said Downey, who ran N.Y. Gov. Eliot Spitzer's re-election campaign before his resignation in 2008. "I decided to harness the power of these social recommendations in ways that the brands could utilize."

Four years later, Downey founded weeSpring with her husband, Jack, the company's chief operating officer, and one of his Dartmouth classmates. By February 2014, the website had collected 100,000 product ratings, with 36 percent of all visitors to the site leaving a review. Revenue comes from baby-product manufacturers, who pay for their own pages, which feature reviews of their products.

What makes weeSpring different from other review sites is that visitors log in through Facebook, and the reviews of their Facebook friends show up on their page when they visit weeSpring.

"You see what's popular with your friends," Downey said. "For example, I can see that Lindsey [Damon] Greenfield ['01] liked the Maxi-Cosi Mico car seat because it was lightweight. Lindsey and I haven't talked in ten years. But we were friends in college. I trust her taste and I trust her judgment."

Clearly weeSpring customers do as well.

Mountain Magic

With new ticket-sales model, Evan Reece and Liftopia bring ski resorts and skiers online

In 2005 liftopia.com cofounder Evan Reece '01 was working at hotwire.com, helping develop the discount travel website's hotel business, when he and coworker Ron Schneidermann realized that the ski industry had a very static model for ticket sales. Almost all tickets were sold on the mountain, at a fixed price, on the day skiers showed up.

What if online, demand-based pricing strategies used in the travel industry were adopted by the ski industry? A lifelong skier, Reece was ready to point his professional career down the fall line of e-commerce.

"I was twenty-six, with no kids and no mortgage," recalled Reece, now 35. "Sure, I'd be giving up certain income, but it seemed like the worst-case scenario was that we'd end up with egg on our face."

Nine years later, Liftopia is selling lift tickets for 250 resorts in North America, South America, and Europe. More than 80 resorts, including Sugarloaf, the mountain where Reece skied during his Colby years, use Liftopia's e-commerce platform for their advance online sales.

Liftopia makes money by taking a percentage of ticket sales—a business model that links Liftopia's success to that of its ski industry partners. "Our primary challenge has been building up trust within the ski industry, to show the resorts that we would be a quality partner and we're not people looking to make money off of them," said Reece, Liftopia's president, from his San Francisco office. "It's working. Over the past eighteen months, we've sent our resort partners more revenue than in the previous seven years combined."

Since early 2013 Liftopia has grown from 20 employees (including Reece's Sugarloaf skiing buddies Matt Cohen '01 and Rob Webb '01) to 55 in early 2014—and it continues to grow.

Said Reece, "We still have a long road ahead of us."

In His DNA Riley Doyle '07 earned a master's degree in bioscience enterprise at Cambridge University. Two years later, as CEO of Desktop Genetics Ltd., Doyle is well on his way to developing software that helps scientists manage data from DNA sequencing experiments. For the story, go to colby.edu/mag.