



ADVENTURES of an ENTREPRENEUR

George Deeb, BBA '91, Seeks Big Thrills in Small Firms

By Terry Kosdrosky

GEORGE DEEB, BBA '91, HAS ALWAYS HAD A SENSE OF ADVENTURE. Good thing, since it was that sense of adventure that took this fast-rising investment banker at Credit Suisse First Boston (CSFB) down a career path fraught with twists, turns, and hazards. And it was that sense of adventure that transformed him from corporate financier to entrepreneur.

Deeb first embarked on his wild ride when he was booking a trip to Mt. Kilimanjaro with friends. He soon discovered how challenging it was to identify actual tour operators, let alone reputable ones.

"Man, it was hard," he says. "I kept wishing there was an easier way to plan this."

There would be — once Deeb created it. And what started as a favor to his friends led to Deeb founding, nurturing, rescuing, and ultimately selling iExplore.com, a leading adventure travel site.

Once he got a taste for the entrepreneurial rush Deeb knew there was no way he could return to Wall Street. Instead he accepted a position at another startup in a completely unrelated industry.

"Once you've lived in an entrepreneurial environment for 10 years it's hard to go back to the corporate world," he says.

Today Deeb is CEO of MediaRecall, an enterprise that digitizes, organizes, and monetizes professional video archives.

FROM DEALS TO DOT-COM After earning his BBA, Deeb joined CSFB, rising to vice president in corporate finance during his eight-year career. His clients included retailers like The Home Depot, Babies"R"Us, Pep Boys, CompUSA, and Linens 'n Things. But once he ventured into the world of exotic travel he discovered a few interesting truths. The industry was fragmented and growing at a pace of about 10 percent a year, roughly double the rate of the general travel business. It was the late 1990s, so e-commerce was taking off and travel was the top segment.

"I asked myself: 'What niche of the online travel industry will the major websites like Expedia and Travelocity ignore over the next three to five years that I can dominate and then ultimately sell down the road to one of these major players?'" Deeb says. The answer? "Adventure travel."

In March 1999, Deeb left CSFB, cashed his last bonus check, and used it to start iExplore. He moved from New York to Chicago,

convinced his funds would go further in the Midwest. The location also placed him closer to key industry players and trade shows.

But while Deeb had plenty of experience raising capital and examining executive teams, he soon learned startups require alternative financing and different skill sets. So he took a few detours before reaching the final destination.

“My experience at CSFB helped me understand the financial markets, deal making, and valuing companies, but it sort of tainted me in terms of what type of money I should be going after to fund iExplore’s growth,” Deeb says. He knew the big-name, late-stage investors best but realized later he should have pursued earlier-stage venture capital firms more familiar with getting businesses off the ground.

Hiring a management team became a similar learning exercise. Deeb realized the top names at Fortune 500 companies may look great on a press release but it’s better if they know how to turn an abstract concept into a functioning company. Still, iExplore launched as planned in February 2000 as a one-stop shop for researching and booking adventure travel.

“We thought, ‘If traffic is going to be down, let’s focus on margin,’” Deeb says. iExplore also tapped a new source of revenue and profit by selling advertising on its website. In 2004, iExplore finally turned a profit.

“The phoenix had risen from the ashes,” Deeb says. “We should have gone out of business after Sept. 11, and instead we turned into a profitable growth business.”

THE NEXT FRONTIER By 2006, iExplore’s investors were looking to make good on their bet. After a bidding war, U.K.-based travel giant TUI Travel bought the company and delivered a healthy return.

Deeb stayed on with iExplore for two years after the acquisition to get the experience of transitioning the startup into a division of a big public company. But then he chose to explore a completely different field when he learned of an opening for CEO at digital media firm MediaRecall. The company, also in metro Chicago, had just hit its stride, digitizing and tagging video content faster and cheaper than many other services. It relies on a huge distributed workforce of 2,000 U.S.-based contractors



INTO THE WILD

As the founder of adventure travel company iExplore, Deeb’s own travels have taken him around the world, including Egypt, Antarctica, and Machu Picchu.

CHANGING ON THE FLY A month after iExplore launched, the dot-com bubble burst and Deeb faced new perils and unforeseen risks. He had to revise the business plan *and* the capital plan. Funds for marketing were limited, but it was critical for iExplore to establish itself as a trusted name. The solution: Piggyback on the coattails of another trusted brand.

In August 2000, iExplore partnered with National Geographic. That allowed the startup to cut its marketing budget by 90 percent and increase its sales conversion rate by 25 percent. Deeb says the pact was far from perfect, but the association with National Geographic did provide a much-needed revenue boost and trusted stamp of approval in the minds of consumers. It also enhanced iExplore’s credibility with lenders.

The deal set up a strong 2001 until the Sept. 11 terrorist attacks. Travel screeched to a near halt, credit was hard to come by, and iExplore was in danger of being grounded. But Deeb quickly rerouted his business plan. He pared the staff from 33 employees to nine. He settled with creditors and restructured iExplore’s debt at reduced terms without filing for Chapter 11. Then he shifted his core strategy. Instead of collecting commissions from booking other operators’ trips, iExplore began branding its own expeditions.

who can execute clip selection, metalogging, and transcription services from anywhere via Internet connection.

The demand for MediaRecall’s service is hot right now as companies look to archive, organize, and monetize existing visual media currently not accessible online. Despite his lack of experience in the digital video realm Deeb immediately understood the big picture of the company’s mission, says Robin Rutledge, MediaRecall’s founder and executive vice president.

“We went through a three-month period of looking at candidates, including people with Harvard and Wharton pedigrees,” Rutledge says. “There always was something or other that wasn’t a fit. George’s experience at iExplore and his knowledge of M&A and banking were complementary to our skills and exactly what we needed.”

So Deeb is off on another business adventure, which is exactly how he likes it.

“I could never go back to a big company again and be a cog in the wheel,” he says. “I moved from being a deal guy to being an actual operator. And I learned that I like small companies a lot better than big ones. It’s easier to see the fruits of your labor in real time.” ✕