

# Fast-mover Kent spots room for new concept

Youtravel.com chief executive claims to be first to take accommodation-only business model to the Continent by selling direct to operators and agents. **Tom Williams** reports

**L**ONG BEFORE Youtravel chief executive John Kent entered the industry, he changed his name. Later, Kent says banks weren't able to resist asking if this Athenian with a thick Greek accent really was as his name suggested.

But adopting the incongruously English name of a relative has never stopped Kent, 42, from attracting serious amounts of cash. Last month, private equity firm Barclays Ventures, a one-time investor

in Kent's earlier pioneering venture, Medhotels (which he sold to

lastminute.com), backed Kent's launch of Youtravel. That £15m deal has enabled Kent to take his resort-focused accommodation-only concept, selling only to operators and the trade, from the UK to the European market.

#### ORIGINAL CONCEPT

"Although it is still growing in the UK market, this model doesn't exist in any other country in Europe," Kent says. "Four weeks ago we took a stand at a travel fair in Rimini

and many online firms assumed we were a competitor - we're not. People are confused by what Expedia and the other online agents do and what we do. They are focused on cities but ours is 'B2B-resort-only' and that model doesn't exist in Europe, which is years behind the UK."

Before travel, Kent was a marketing manager in Greece for Smirnoff, the United Distillers vodka brand. But Kent has never had much time for big companies or corporate speak. After two years at Gemstone Travel negotiating contracts to sell operators' packaged holidays, Kent was poached in 1999 to be Virgin.com's sales director. After setting up Virgin's travel call centre, Kent was on the move again, setting up Travelbargains.com and then Medhotels.com with his former Virgin boss Ian Brooks. Medhotels was sold to lastminute.com in December 2003. Kent remained with lastminute as UK managing director for a little under two years, staying on as a consultant after Sabre Corporation bought lastminute in August last year.

#### CORPORATE ANTIPATHY

When asked if he has some inbuilt antipathy to working with large organisations, Kent replies bluntly: "Yes. It's not fast enough."

And when one of the advisers who sits in on our interview tries to finesse this with a vague point about entrepreneurial spirit being stifled, Kent warms to his theme.

"At Gemstone Travel if we decided to do something, it would happen in one minute," he says. "In a big corporation it would happen in one month, or two, or never."

Later, Kent seems to disagree with his colleague about the financial impact of Youtravel's decision to adopt principal status and therefore take on liability for its products. Kent is quite open about his belief

that the additional VAT cost incurred from making this move has been expensive.

#### PRINCIPAL STATUS

And it is with some reluctance that he submits to his colleague's claim that the impact on the business has not made a significant difference.

However, after a little prompting, Kent says he is convinced that adopting principal status is one of several things that will drive Youtravel forward; that, and its exclusive accommodation and the functionality of its website. He has

also recruited industry veteran Paul Riches from Libra Holidays as sales and marketing director.

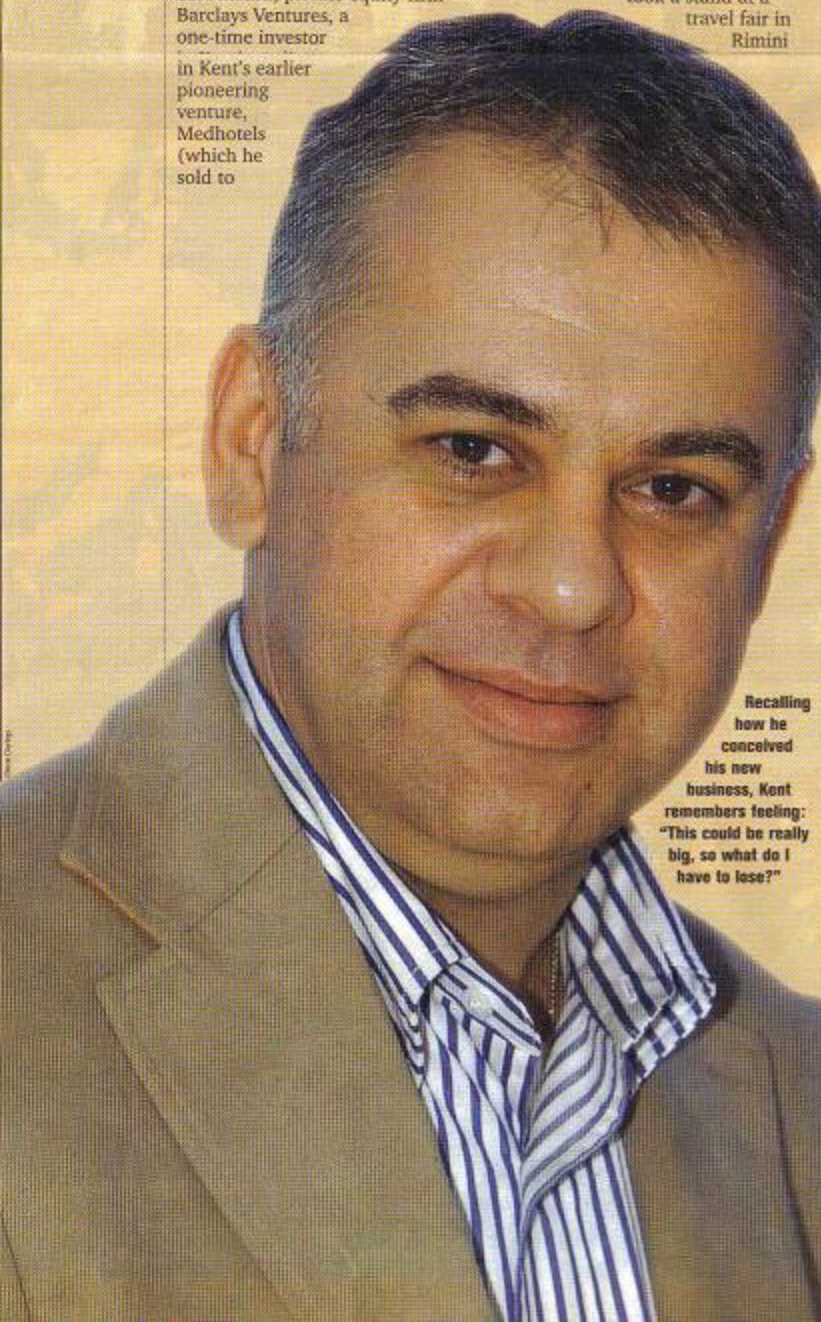
Youtravel already features about 3,000 properties, largely in areas such as Greece and Cyprus. The company is now about to add properties in Mauritius and the Maldives, and expand in the Caribbean. It hopes to reach 4,000 units by the end of its first six months. Kent says about 10% of those are exclusive to Youtravel.

Youtravel has made its site quick and easy to use, and squarely aimed at the high street agent.

Kent believes the agent's evolving role is a driving force and one of the factors that will help Youtravel achieve its target of a £45m turnover in its first year. He has also used his call centre experience to make sure that call centre staff can track their bookings while their line managers track them.

Kent's enthusiasm for his latest project is evident. And few may doubt that his simple yet undoubtedly successful ideas will run in Europe as well as they have in the UK. But if Kent should tire of it, there will no doubt be investors keen to bet on his next move.

**"Our business-to-business model does not exist in Europe"**



Recalling how he conceived his new business, Kent remembers feeling: "This could be really big, so what do I have to lose?"

## HOW B2B-RESORT-ONLY WAS BORN

John Kent says it was a desperate hotelier in Crete who prompted him to come up with the simple but lucrative concept of business-to-business resort-only accommodation. Kent was running Travelbargains at the time and was asked to find British punters for the hotel market. He recalls: "I knew there was flight availability, so I thought if I got some hotels of my own, I could be very competitive with the agents and operators."

Kent quickly found that he could sell hotel packages into the UK at the same price or less than operators were selling self-catering packages. Kent realised he could sell direct to operators instead of competing with them.

He was worried the new strategy was a risk and that he could damage Travelbargains, but he remembers thinking: "But what if this goes so well and I generate a whole new model? This could be really big, so what do I have to lose?". It seems it was absolutely the right call.