

Talking Technology **Redefining the world of travel**

By Steve Burns, Capital News contributor

Imagine planning your trip around the world, with 18 stops, being able to book this trip online and at a price that no one else could match. That is what Airtreks does for its clients.

Airtreks Inc. is the leading provider of discount Multi-Stop International and Round-the-World air travel services.

It has developed the first and only technology, named TripPlanner, that allows users to create complex, customized MSI and RTW air itineraries with an unlimited number of destinations and get instant price estimates.

Airtreks (www.airtreks.com) has established relationships with more than 200 airlines and air ticket vendors world-wide.

This network provides access to numerous favourable, but often narrowly specified fares, from which TripPlanner creates trip prices that are usually significantly below those quoted elsewhere.

Airtreks' patent-pending Java-based software has been extended to the Web for use both by consumers and the travel industry, enabling the company to become the world's first automated global "super-consolidator" of MSI travel products and services.

Airtreks is the oldest and largest Multi-Stop International air travel specialist in North America.

The company was founded in 1987 in California as High Adventure Travel Inc. to sell organized treks and safaris in India and Africa, but quickly became a specialist in MSI air travel.

In 1995, recognizing the power of the Internet, founder Jim Pilaar assembled a team of technology and air travel experts that allowed his company to become the first to market Round-the-World air fares online.



Today, Airtreks has 32 employees and continues to grow its revenue and customer bases.

Airtreks distributes its MSI products and services directly to consumers as well as through travel agencies.

The company's direct retail channel includes the Airtreks.com Web site (<http://www.airtreks.com>) and a revenue-sharing program for online travel services and travel-related Web sites.

In 2001, the company placed passengers on more than 150 airlines world-wide.

Airtreks has coined the term "air trek" to define this type of travel.

Combining mass-customization capabilities with its global inventory of low-cost air ticket products has allowed Airtreks to capture the highest margins in the air ticket segment of the travel industry.

Why Kelowna?

According to Pilaar, who is a dual American and Canadian citizen, locating his technical team of three engineers since May of last year in Kelowna was an obvious choice .

"After September 11 we were looking for ways to reduce our costs. We became aware of Kelowna as a potential option through Robert Fine and the economic development commission," he said.

"The closer we looked at Kelowna, the more we liked the location, the lifestyle opportunities and the lower costs of operating."

As an example, Pilaar cites the significant amount of money saved by sharing development resources with RackForce here in Kelowna.

"They were able to meet all of our needs at a much lower cost what we were paying in San Francisco."

The CEO of Airtreks, Lee Marona, and the chairman of the board, Bob Leppo, have also already visited Kelowna.

As a result, the company has committing to moving their technical team here, which they plan to grow to more than 15 people within two years.

What differentiates Airtreks?

According to Pilaar, there are four things that differentiate Airtreks.

"Firstly, we have assembled an awesome team of travel industry and technology experts that are focused on exceeding our customers expectations.

"Lee Marona and Bob Leppo, bring a wealth of travel industry and business knowledge to our company.

"Our chief architect and director of software development, John Taylor, developed our proprietary software using very complex mathematical algorithms.

"He is the lead engineering genius behind our technology.

"Secondly, no one has been able to even come close to the technology we have developed. With our TripPlanner product, we allow the customer to drive the experience rather than the airlines and their restrictions.

"We use destination driven pricing, which involves having the customer chose a number of destinations first, without dates, and then being provided a very accurate price range for the trip.

"Thirdly, our solution has the ability to allow travel agents to work closely with their customers in a very different way and earn a much higher commission than they would normally be used to."

"Fourthly, we have established key partnerships that allow us to reach customers in new markets.

"For example, Sabre, the world's leading provider of booking software to travel agents, agreed work with us to provide a co-branded version of the Airtreks' service."

In addition, he says www.lonelyplanet.com, which is the world's leading Web Site for international travelers, has recently agreed to do the same.

"We are very optimistic about these partnerships as they have the potential to grow our customer base exponentially."

What are the key challenges ahead?

Pilaar believes Airtreks is agile enough to be able to respond to an issue when it arises.

For instance, although 9/11 presented a key challenge because of its dramatic impact on the travel patterns of customers, he says his company was able to quickly form new partnerships and alliances and to reduce their costs by moving its technical team to Kelowna.

" Further terrorist attacks and/or wars could have a negative impact but we believe that we are well positioned to weather any turmoil that comes our way."

With the current investment climate in the United States, Airtreks is definitely looking to raise financial capital in Canada, through a new new Canadian company Airtreks Technologies Inc.

"We are also working closely with the National Research Council to look at ways to partner with them on our innovative software development projects."

What were Airtreks' most vital decisions?

Pilaar says deciding to develop a technology solution for my clients was a huge step.

"I had very little software development experience so going ahead was a leap of faith for me. Also, surrounding myself with the best talent available in the travel industry and in the software development industry, has proven to be invaluable. Without doing this there is no way we would have the solution that our customers now love."

Pilaar's advice for others

Never lose hope: "There will be many times that you wonder why you ever started a technology business. Never lose hope as your people look to you to be the visionary, that passionate believer in what you are doing. If you get discouraged, so will your people."

Never stop innovating" "It is important to always be innovating within your company. Encourage your people to think of new ways of approaching problems. Innovation will be the key to keeping your people and helping them grow their skills."

Have fun: "We work long hours and drive ourselves really hard. Take time to have fun. It helps to keep things in perspective."

Next Week: We take a look inside of Quantech Software.

Steve Burns, CA, CMC, CFP, is the president and CEO of The Burns Innovation Group Inc. If you would like your technology company profiled in the column, contact Steve at 763-4716 or e-mail:

<mailto:steve@burnsinnovation.com> or steve@burnsinnovation.com