



## COLLABORATIVE INNOVATION SUMMIT

OCTOBER 10<sup>TH</sup> & 11<sup>TH</sup> 2007

PROVIDENCE, RHODE ISLAND

### SPEAKER: WILLIAM HERP

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#### SERIAL ENTREPRENEUR PURSUING DISRUPTIVE INTERESTS

William Herp is a serial entrepreneur flying high with his latest venture, Linear Air, an air taxi service for business travel based in Lexington, Mass. For the past several years, Herp has been touting his car service with wings by flying a fleet of Cessna Grand Caravans while waiting for his Eclipse 500 very light jets (VLJs) to arrive. Now that they have, Herp's business has taken off as the first company to offer personal jet service with business travel prices.

A personal interest in aviation — he's an instrument rated commercial pilot — gave Herp a window seat into big market and growth opportunity with VLJs.

Expectations for the VLJ industry are high — some pundits go so far as to say it will revolutionize business travel while others are predicting that by the next century, VLJs will blanket the sky. Linear Air alone expects to have 300 in service by 2012.

Commandeering opportunity has become a pattern for the Louisville, Ky., native since he was in college. After graduating from the University of Notre Dame in 1984 and then Harvard Business School in 1989, Herp envisioned his first big break.

Cellular phones were making their way out of automobiles and becoming more portable. He borrowed \$5,000 and launched Event Cellular Communications.

The brick-size phones made his mind spin, and the recent grad wanted to leverage the emerging technology. He began renting handheld phones to people who had short-term needs for them.

"We rented handheld cellular phones for \$4.95 a day and \$1.35 per minute," he says. "That was my first exposure to a business that involved tapping into a new market from the back of a disruptive technology in a period where there was going to be a real growth spurt."

It was clear to Herp that the business was a classic arbitrage, and after 18 months he sold it to Shared Technologies Fairchild.

His next notable venture had its start because of an interest in wine.

A connoisseur of sorts, Herp watched the uptick in wine consumption in the early 1990s. And when a buddy needed some help with a wine shop, he couldn't say no. He raised friends-and-family capital and became a wine wholesaler.

Intrigued by direct mail literature from direct-to-consumer winery Geerlings & Wade, he contacted co-founder Phillip Wade who was looking for a wholesaler in Massachusetts.

"As luck would have it they wanted a relationship to clear the wines they had in Europe," Herp says.

After the deal was sealed, investors forced Geerlings & Wade to hire an executive. Herp seized the opportunity to become vice president and chief financial officer and supervised the company's 1994 IPO, which raised \$10 million.

While thousands of entrepreneurs on both U.S. coasts saw the opportunity of the giant Internet wave, Herp was not going to give up the chance to ride the perfect barrel.

Herp now sees the pattern he was creating of building businesses as a result of shifts in the market.

In the mid-1990s, as the web reached widespread prominence, Herp got busy and launched his next baby, e-Dialog, a venture-backed business that used the Internet and e-mail as a direct-marketing tool.

"We were building a business around the opportunity to bring what we knew about database marketing to this new channel," he says.

Unfortunately, when the Internet bubble reached its breaking point so did e-Dialog. The company went from 130 employees to 50.

"The biggest challenge as an entrepreneur that I have faced is when e-Dialog had to downsize—there was nothing we could do," he says. "We were at the mercy of the marketplace." (Thankfully, after raising \$20 million in venture capital, today e-Dialog employs more than 200 people across the United States and G.)

That downsizing though took a toll on Herp physically, emotionally and spiritually. Yet the most challenging time for him was also the most educational and experiential. If the environment throws something at him now, Herp says, he is prepared.

Looking back Herp says he can draw a straight line through all of his very different ventures because within his personal network, universe or perspective he has always been able to identify an opportunity that matches his interests and capitalize on it.