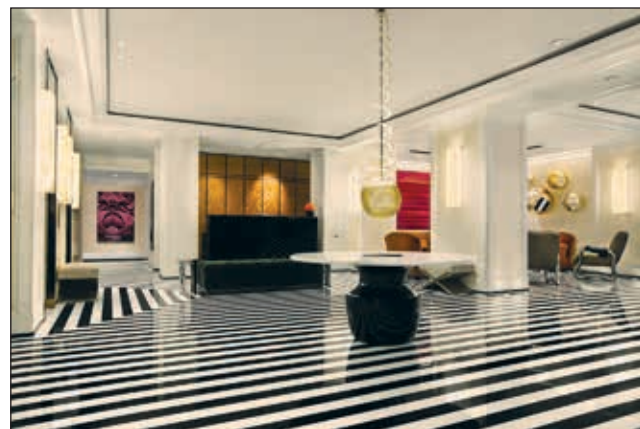




Marchay's Mission

An Interview with
Jon Ein, Owner and Founder, Marchay LLC



Lobbies of The Langham, Chicago (left) and The Mark in New York (above), which are examples of hotels working with Marchay

EDITORS' NOTE Jon Ein is the co-Founder, financial backer, and principal shareholder of Marchay. Ein is also CEO of Paris- and New York-based special situation investment and advisory company, Foundry Capital, focused on value-oriented investments globally. He started his career as an M&A specialist at DLJ (Credit Suisse) and then SG Warburg (UBS) in New York. He has long been involved in philanthropic work mainly focused on development and humanitarian work in Africa. Ein earned a B.A. magna cum laude at the Honors College at the University of Michigan and an M.B.A. from Harvard University.



Jon Ein

COMPANY BRIEF Marchay has re-engineered executive travel for its exclusive membership. Created for business leaders and innovators, Marchay leverages the members' collective power to provide unrivaled access, incomparable service, and exceptional value. Marchay was founded on the idea that, by connecting like-minded individuals through a private travel collective, the group can create significant value while enriching its members' lives. Marchay negotiates highly discounted private rates with select world-class hotels, provides access to value-added amenity packages at luxury properties globally, and has the ultimate flight team charged with securing savings on first- and business-class tickets. Members receive curated travel intelligence for each location, access to select private clubs, and a dedicated in-house team who acts as a fiduciary for, and in the exclusive interests of, each member. As a members-only community, prospective members must apply and be accepted to join. Each member is interviewed. Marchay is focused on maintaining a diverse, high-quality membership base, with a particular emphasis on growing through referral.

What did you see in the market that made you feel there was an opportunity for Marchay?

Marchay was derived from my personal needs as a frequent executive traveler and revolved around two basic things: First, I used to work for a big company, and that company was able to leverage their volume in the travel

market to secure better-than-market rates from key vendors, especially hotels. I noticed that my friends and colleagues who were becoming entrepreneurs or running their own firms were now paying retail, like I was. There were some who missed those rates so much that they pretended they still worked for their old firms to secure them.

The second realization was that work travel can be tough. I spend many months of the year traveling for work. Even if I am traveling somewhere for a couple of nights, I want to make that time count and add an element of fun into work travel.

Those two things came together when a close friend of mine arrived in Paris for a board meeting, and asked if I could recommend a hotel and if I had a rate. I thought about how common that need is among my peers. I created Marchay initially so I could say "yes" to those two questions.

How do you create value for members?

Marchay is both a members' community and a travel solution, and we create value in many ways. First, we select and negotiate proprietary hotel rates that are significantly better than what you find in any public venue. This alone saves our members thousands of dollars a year. More than our volume, we have a prestigious and diverse membership. We take suites and larger category rooms, and we partner with a very limited number of hotels in each location, so we tend to be a group with whom the hotels want to contract.

Second, we aggregate a complete set of travel resources that are relevant for our group and package them into a full solution. For example, we have benefit packages, as good as AmEx Centurion, at over 1,000 hotels and preferred partnerships with most of the leading brands, so we can always provide value to the member whether we have a contract with a hotel or not. We also have net rate airline contracts and an airline desk that can often offer significant savings on first- and business-class tickets. We deliver all of these things as a fiduciary to the member, always working to create value.

Third, our mission is to make work travel more fun. We pride ourselves on finding interesting places for our group to go, and negotiating access when necessary. If you come to Paris, for example, not only do you get a

great rate at our hotel but you get highly curated recommendations on where to eat and what to do near the hotel – our members can go to David Lynch's club Silencio for a drink, have our key contacts in the city, and much more. We are not a concierge and do not execute lifestyle requests, but we do leverage the fact that we have a large group of interesting, successful members that quality partners want to attract.

As our group grows, we're going to do much more on the community side as our members are looking for connectivity within the group. This will create massive value for our members beyond travel.

How does the process work?

We have two processes: joining and using. People who want to join fill out a short application on our website and schedule a mandatory ten-minute interview that ensures both proper fit with the existing community, and that we can add value for them. A majority of our members are referred by current members, so they're pre-vetted, but everyone is interviewed. Once someone joins, we also do a telephone briefing with the assistant to walk them through the program. All members commit to spending a minimum of \$25,000 per year of their work travel through the platform, so it is important that their assistant moves their volume to us.

Using Marchay is simple. We have a phone number, a reservation e-mail, and a website, so members can call, e-mail, or enter in a request. The response time is generally 30 minutes. We spend more time on service than anything else. Our goal is to combine the best travel resources with a detailed knowledge of the member and a fiduciary approach to service, always looking out for the member and acting in their best interest. It is a way of operating and approach that only a user-based travel platform would do.

Why do you think community is important to people joining a travel program?

There are so many reasons that we learn of every day, from what we can do in terms of leveraging our group to what people contribute. We ask our members to think of something they can provide; from a club they are on the board of, a partner that adds value, or a hotel with whom they are close. If everyone adds one thing, they get a thousand things back from the other members. There is true power in community, and that is the most powerful opportunity for Marchay. ●