

DYNAMIC BUSINESS START-UP  
**OPODO** HIRED AN INTERIM  
 EXECUTIVE TO INSTIL SOME  
 COMMERCIAL AND OPERATIONAL  
 DISCIPLINE INTO ITS BACK-  
 OFFICE AND REVENUE  
 MANAGEMENT PROCESSES



# Travelling light

**OPODO, THE ONLINE TRAVEL AGENT**, had grown rapidly since it was set up in 2001 by strategy consultants McKinsey, with the backing of ten major European airlines. It started off selling airline tickets and holiday insurance, and customers could click through to other sites to book hotels and hire cars for their holidays. But it had big ambitions: it wanted to be one of the three main online travel businesses in Europe – a tall order, given the fact that biggest rival Expedia is 35 times the size of British Airways.

A major step along this road was to gain more control over the travel business and become the primary vendor of travel services, rather than passing them on to a third party. So it set about expanding its product range from air tickets and insurance to hotels and cars, along with combinations of those elements – called, in the trade ‘dynamic packaging’ – in the way that traditional tour operators have done for years. It also wanted to expand its geographical range from the UK, France and Germany to the rest of Europe.

As with any fast-growing dynamic start-up, Opodo focused on the ‘front end’ – the services it provided – while

paying rather less attention to the less sexy back office accounting and operational systems. That was OK while it did the bulk of its business with airlines, which it paid according to a well-established international system. But when it came to having to negotiate deals with hotel and car companies, and maintain records, as any normal business does, it found itself on the back foot, and called in Steve Marchant, a qualified accountant and experienced finance director, to help instil some operational and commercial discipline.

Marchant embarked on what was a classic interim assignment. “My remit was to understand the business requirements of new products and new countries, and to procure a system to manage those activities,” says Marchant. “The assignment was to last between six and 12 months, and I completed it within eight.”

He delivered on the assignment’s objectives and, as is so often the case, was asked to tackle another project – to produce a revenue management strategy (essentially defining the right price for the right person at the right time) for Opodo. He completed this second, four-month, assignment in September 2004.

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Marchant reported to financial controller Rob Pimenta on the first assignment. The chief executive had given Pimenta liberty to use either strategy consultants or an interim to do the job, but despite – or perhaps because of – the company’s close association with



**“In theory you can take time off, and this job allows me to indulge my fondness for going on month-long cricket tours to different parts of the world.**

**There is no shortage of assignments. I maintain a network of several hundred contacts that I have made over**

**the years in several different countries. Some people think interims pick up most work by being a generalist, but the opposite applies in my case. I now specialise in revenue management, yield management and pricing – a discipline that seems to be in constant demand.”**

McKinsey before they were replaced by permanent Opodo staff, he had no difficulty in choosing the interim option, though he had no previous experience of interims.

“I quickly dismissed the idea of consultants, on grounds of both cost and the fact that I wanted to retain control of the process,” says Pimenta. “I had a view and a vision of what I needed, but we needed to build something for a process that didn’t yet exist. If you give that sort of brief to a strategy consultant, they turn it into a life’s work.”

Pimenta continues: “I knew what we needed to do, and the biggest challenge was getting someone who could bridge the gap between what I thought I needed and what they knew I needed. I didn’t know what I didn’t know.”

Some of the candidates Pimenta interviewed were, he says, “frighteningly over-qualified.” He explains: “I needed someone with broad and deep experience who would be hands-on, who would get on and do it, rather than establish committees and forums.”

Marchant was that man, and Pimenta is delighted with the outcome of his work. “It left me further ahead than I thought I would be at that stage, at a fraction of the cost of using a consultant. Steve was there all the time, he held all the cards, and kept us moving forward. He also brought the reassurance that comes with grey hair and experience. But he never tried to keep people at arm’s length, he was never possessive about the job or in any sense suggested he was indispensable. He made it clear at the outset that he would give 110% to the task for as long it took, and then go off and watch cricket.”

Marchant created a small team of his own contacts and secondees from the finance function. That meant that not only was the project completed within time and budget, there was a ready-made succession when he left.

“This was a big project and I was quite prepared for other areas to suffer as a consequence of having to divert people onto it, but that did not happen,” says Pimenta. “As a result of Steve’s work, we have built a best-in-breed online travel company back office that is cheaper and more efficient than any of our European competitors.”

On his second assignment Marchant reported to the commercial director, and the outcome was a strategy proposal about how the organisation should be structured and prices set. These recommendations are now being implemented.

Says Pimenta: “Steve’s achievement with this second assignment was to identify the gaps we had as a business in an area that no one really understood, and explain to us in layman’s language why revenue management was important and why we needed a plan. He then set out a roadmap to take us into the more complicated issues.”

Marchant encountered less resistance from people in Opodo than is usual during an interim assignment – partly because the company was still going through such rapid change. During his year with the company Opodo doubled in size to around 250 people.

“There was a big momentum for change, and pressure to do things all at once. I think people were pleased to see someone with real loyalty to the company and a will to get the job done, rather than representatives of another big organisation,” says Marchant.

“What’s more,” he adds, “Rob trusted me to get on with the job and gave me lots of autonomy.”

Pimenta says: “I viewed Steve as someone who, in different circumstances, would have been my boss. That’s why you bring interims in – they are not slaves or expensive pets to be kept in the corner.”

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## DETAIL

### THE CHALLENGE

**Opodo was growing so fast,** adding new products and countries to its portfolio, that the development of back office systems was falling behind. It needed to produce, install and implement a system that would manage back office activities in different European countries.

### THE INTERIM

#### **50-year-old Steve Marchant**

is an accountant and experienced finance director. He spent eight years as Group FD of multinational freight forwarding and container shipping business Worldfast Holdings and then ten years at Eurotunnel as director of management services. Since starting to work independently in 1999, his interim assignments have included getting the systems up and running for the Millennium Dome, helping to prepare Stoll Moss Theatres to be sold from Janet Holmes à Court to Lord Lloyd-Webber, and implementing revenue management systems at Thomas Cook Group.

### THE SOLUTION

**Marchant achieved the objective,** within time and budget, in a way that left Opodo at a more advanced stage than it expected to be. It now has a best-in-breed online travel company back office system that is being rolled out across its various European businesses.

