



Rob Hersov is a living example of the phrase 'entrepreneur'.

Rob Hersov is a true entrepreneur riding the rough with the smooth. Lately there has been more rough than smooth, but he is on his way back.

The true entrepreneur

By Christian Sylt in London

Aviation is in the blood of Rob Hersov's family. His father, brother, uncle and cousin are all qualified pilots and his latest venture is Marquis Jet Europe – a company selling packages on private aeroplanes.

The early success of Marquis is a welcome antidote after having seen his dotcom creation Sportal sold for just €1 after once being valued at around €300 million.

Hersov's life in business has been anything but a smooth ride, although few doubt the 41-year-old South African is a very talented entrepreneur.

Hersov puts a lot of his skills down to time he spent working alongside 'the two Ruperts' as he affectionately refers to Rupert Murdoch, founder of media conglomerate News Corporation, and Johann Rupert, creator and chief executive of luxury goods group Richemont.

That he has been able to work closely with these two men he puts down to extreme good fortune.

Hersov is a personable man, who exudes disarming charm in huge quantities. Heading for his fifties, he is youthful and tall and clearly knows how to sell things. Although his career is as much associated with failure as success, he undeniably knows what he is doing. Whilst most dotcom entrepreneurs failed and went bust, Hersov managed to wind Sportal down pay off the staff and creditors and leave a clean situation.

After two years' national service in his native South Africa, Hersov went to Wall Street and did a spell at Goldman Sachs. He was a natural entrepreneur and decided to get some formal training at Harvard for an MBA. When he graduated, Rupert Murdoch spotted his talent in 1989 and hired him as his assistant. To get the job, Hersov told Murdoch: "Give me six months to prove myself, then if you don't like what I am doing, you can give me the shittiest job you've got."

He stayed for three years and was there at the difficult times when bailiffs were trying to repossess Murdoch's printing presses after his debts got out of control, and banks who had lent billions wanted their money back. Hersov was at Murdoch's side, fending off the creditors. He remembers: "I was there when the share price went into slump and when it recovered. I saw him through all of that." He

says: "He was one of the most incredible men." Murdoch later took a stake in Sportal.

After having cut his teeth in the media industry, Hersov joined Morgan Stanley to head up its European media investment banking team. However, it was only a short while before Hersov had made enough waves in the industry to be headhunted by another chief executive in need of his skills as a start-up specialist.

In 1993 Hersov was hired by Johann Rupert to work for his Swiss luxury goods group Richemont, which is home to such brands as Cartier, Piaget and Montblanc. Hersov was a director of the company and his job was to take Richemont into the media sector. Remembering Murdoch's success with Sky's pioneering satellite service in the early 1990s, in 1995 Hersov launched the first European digital satellite service and became chief executive of Telepiù, Richemont's pay-television company.

He took Telepiù to the top slot in Italy.

Hersov moved to the pan-European pay-TV company Nethold. In building up Nethold and Telepiù, Hersov created an Italian institution which also became the third largest pay-TV company in Europe. He made a good contact with Italian Prime Minister Silvio Berlusconi, who was a shareholder in Telepiù and also later became a backer of Sportal.

But when Nethold was sold to Canal Plus for US\$2 billion (€2 billion) in 1996, Hersov's life took a different

direction. It has been a 'roller-coaster ride' he says. "From then on I have been an entrepreneur and I have launched a number of businesses," he adds, but quickly qualifies that 'some have worked, some have not'.

His first deal after leaving Richemont seems like the stuff out of a nationalist's nightmare. Hersov bought Vicenza, the Serie B football team, and became the first foreigner to own an Italian soccer club. He says that the Italians 'thought it was ridiculous that I was the president of the football club and a rugby fan', and it brings a broad smile to his tanned face when he recalls that he is still known as 'presidente' in Italian restaurants in London and Milan. But Hersov didn't buy Vicenza for the love of the game. He says that he sold it 'for a great profit' and it was actually a gateway into his sports-media master plan – Sportal.

Hersov puts a lot of his business knowledge down to time spent working with 'the two Ruperts' as he affectionately refers to Rupert Murdoch and Johann Rupert, CEO of luxury goods company Richemont.

Rob Hersov

GRAHAM FUDGER

Hersov is a personable man, who exudes disarming charm in huge quantities. Heading for his fifties, he is youthful and tall and clearly knows how to sell things. Although his career is as much associated with failure as success, he undeniably knows what he is doing.

◁ Hersov spotted that in the US, 25 per cent of viewers watching sports on television used the internet at the same time to check sports statistics. Hersov hoped to cash in on this growing niche by launching an internet portal that would integrate all sports coverage including video, commentary, news and chat rooms. Through owning Vicenza at the time of the start of the dotcom boom, he also noticed the need for sports clubs to have and promote their own websites, even though most teams did not have the resources for this. So amidst a flurry of media-mania in 1998, Hersov launched Sportal as the total solution for sports fans.

Sportal was financed by €85 million raised from high-profile backers such as Nomura, 3i and Bernard Arnault's Europ@web vehicle. The site screened Formula One, football, horse racing and rugby in the UK and provided the all-important news and statistics for the sports junkie. It also created, managed, promoted and commercially developed websites in partnership with major sports entities. The Sportal network included the official sites for some of Europe's top teams including Bayern Munich (fcbayern.de), Paris Saint-Germain (psg.fr), AC Milan (acmilan.com) and Juventus (juventus.it). And while Sportal's quick expansion into Europe and Asia was symptomatic of dotcom fever, Hersov had drawn on his contacts from the media industry to accelerate this.

In 1999 Berlusconi's Fininvest investment company entered into a cross-promotional deal with Sportal in Italy, as did Murdoch's BSkyB the following year in the UK. BSkyB even acquired a 5.4 per cent stake in Sportal in early 2000 in a deal worth €15 million. And at the peak of the dotcom boom, Sportal scored an important goal as it won the contract to be the official website producer for Euro 2000. 'The apex', says Hersov, was being voted best e-company in Europe in a survey by the London *Sunday Times* at the time of the Euro 2000 final. Hersov says he said to himself then that 'it has got to be downhill from here'. It was. He suspected the dotcom boom wouldn't last, and cast around for a float or sale. But he was just too late and just too unlucky.

French pay-TV group Canal Plus was interested and agreed to buy Sportal for €303 million in March 2000, but the deal remained to be signed and the money paid. It was the very peak of the boom and Hersov was nervous. He camped out in Paris trying to get the deal signed. Canal Plus got nervous and started to question the price as dotcom shares began falling. Then Canal Plus was taken over by Vivendi for a very high price. Canal's newly-appointed COO Denis Olivennes froze all new deals. Canal, it was discovered, was in negotiations to buy over 100 companies, including Sportal. After the dotcom bubble burst, with Canal's share price dropping by a percentage point per day, it pulled out. Hersov remembers: "You know the last helicopter out of Saigon?" Hersov says sombrely, "We were the one after that." "We fought a good fight," he continues, but his good humour can't hide

his remorse when he explains that he 'had the deal negotiated' and 'was so close'.

Sportal seemed to lose every game after that. But the possibility of getting into online gaming meant a possible reprieve from oblivion.

Online gambling gripped the internet in 2001 and this was a crucial growth area in a 'sport' that Sportal had overlooked. Hersov announced a 3G wireless and high-speed video service for Sportal to enable users to bet on live sporting events, but delays in the roll-out of broadband blighted this. "We misjudged the growth of the market, the development of the revenue streams and the competition," says Hersov rather conclusively. Soon reports were rife that Sportal was barely staving off the bailiffs, and it was even rumoured that, if funding or a sale were not secured, Sportal would close its European business and relaunch from Asia.

Hersov was looking for €11 million to save Sportal, and the ultimate insult came in May 2001 when BSKyB announced that it was not even interested in buying the business for the nominal sum of one dollar.

Sportal's short-lived lifeline came in the form of €8 million of funding from existing shareholders and from a new venture capital company, Dawnay Day Lander. Hersov stepped down as chief executive to become non-executive chairman, and had to rebut rumours that his new role was a condition set by the investors. But by then Sportal was all

but knocked out. In the previous six months it had already wound down its workforce from 350 to 120 and the downturn in advertising had hit it hard. Then, soon after 11th September, it was game over.

Ever the optimist, Hersov says that Sportal was due to sign a big sponsorship deal with Siemens, which was pulled in the wake of the terrorist attacks. But even he realised then that

'The apex', says Hersov, was being voted best e-company in Europe in a survey at the time of the Euro 2000 final. He said to himself then that 'it has got to be downhill from here'.

Sportal couldn't be kept alive any longer. Sportal sold its main business to ukbetting, the AIM-listed internet bookmaker, for just €293,000 and its shareholders were left with egg on their faces after having poured around €100 million into Hersov's carefully nurtured websites. Hersov, however, can still look on the bright side and says that 'we found all of the employees jobs and there were no debts'.

But Hersov is almost legendarily tenacious and rightly so. While one of his other internet ventures, PeopleNews, a celebrity news web-

site, called in the liquidators after burning €8 million of funding in only eight months, his internet incubator antfactory was a real dotcom darling and got taken over by London-based stockbroker Seymour Pierce in January this year for more than €77 million.

Antfactory was co-founded by Hersov but he was neither chairman nor chief executive of the company. It was set up as a global investment group with a specific interest in hi-tech ventures, and its success is even more marked because it was launched in 1999 during the twilight hours of the dotcom boom. Since then, it raised funds of around US\$190 million (€192 million) and had a cash balance of US\$118 million (€119 million) when it was sold. Naturally Hersov enthuses about this success, and so he should. In the online industry, few have been lucky enough to find any fortune.

If anything, Hersov may be too confident. On 12th September last year he was bold enough to launch Etcetera Networks and The Wireless Content Company – two businesses in the wireless technology sector – and he has recently found his feet again at the helm of Marquis Jets Europe, which took off in London only five months after the terrorist attacks. But by selling the safety, privacy and convenience of private jets at Marquis, Hersov is hitting on another niche at the right time. So it seems that having left the online industry behind him, Hersov is once again clear for take-off. **EB**



Event Marketing Support

Assisting high-profile clients at major international events

Event Management :: Hospitality & Catering :: Logistics
IT & Communications :: Mobile Exhibitions :: Remote Digital Video



Call or email for a free brochure

Tel +44 (0) 1420 471000

Email mail@msiglobal.com

www.msiglobal.com