

The **Small Business** Issue

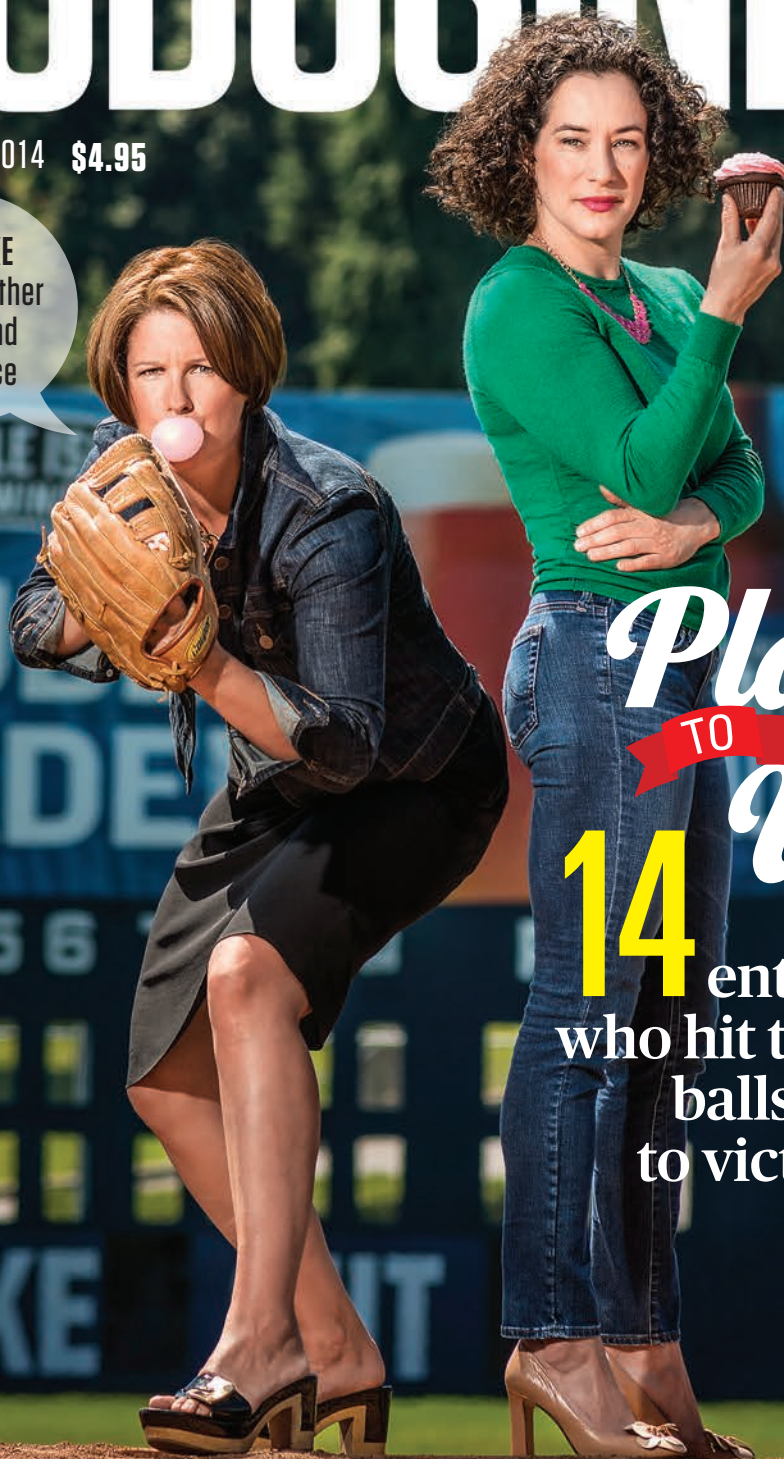
Put Away the Calculator: The Tip Is *Dead* p. 52 UBC's New Boss p. 34

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*Playing
TO
Win*

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who hit the curve
balls on the road
to victory p. 42

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Darren Huston, the family farmhand turned CEO of \$60-billion Priceline Group Inc., is arguably one of the most successful C-suite exports to come out of this province that you've never heard of. Born in Hope, B.C., and equipped with a Master of Economics from UBC and an MBA from Harvard, Huston quickly climbed the corporate ladder at Starbucks and Microsoft as a senior VP, including a three-year run as president and CEO of Microsoft Japan. In 2011, he landed at Amsterdam-based travel website Booking.com as CEO; in less than three years' time, he tripled the size of that operation, and in January of this year Huston was named CEO of the parent company, Priceline. In addition to Booking.com and its eponymous website, Priceline's other online properties include Kayak, Rentalcars, Agoda and Villas. This June, Priceline expanded into a new digital realm, purchasing table-booking app OpenTable, the preeminent restaurant reservation site, for \$2.6 billion.

Is it true that even you had never heard of Booking.com before you became a candidate for CEO?

Yes. That was partly due to the fact that the historical focus of both the Booking.com business, as well as the brand awareness, has been in Europe. I was attracted to the growth potential, but Booking.com also suited my passion for technology, travel, consumer-oriented business and leading people. In the Netherlands, it was always their biggest fear to have an American come and run Booking.com, as the culture is very European. When they knew I was Canadian, it was a real positive and they were relieved.

TOURISM

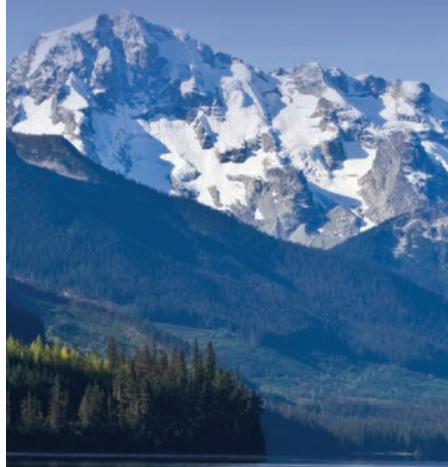
Darren Huston

The B.C.-born CEO of travel behemoth Priceline Group wants to emulate his ex-boss Bill Gates and completely dominate his industry, one website at a time *by Shannon Melnyk*



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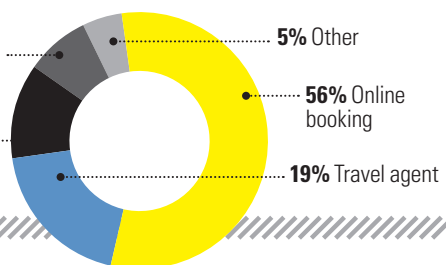
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TRAVEL BOOKING HABITS OF CANADIANS

SOURCE: 2012 RBC Travel Rewards Survey

8% Ask someone else to book for them

12% By phone



There are countless other travel websites nowadays, from Expedia to Travelocity. What's your competitive edge?

We plan for the moment. I run the whole business on a quarter-to-quarter basis. We have an annual plan, but it's for our board and not really how we think about things. A lot of our success is: how do we innovate against the customer's needs and can I keep the team hungry enough and humble enough to move forward? Everything we have in terms of opportunity is largely sitting in front of us. When I hear people asking who's going to unseat us—honestly, we'll do that to ourselves. We'll blame it on something else, but it will be our doing. I learned that when I was at Microsoft. Bill Gates told me once that he's never won a market share battle; the competitors have only lost, because it's about staying steady with your principles, executing well and innovating constantly, and then keeping that focus.

Can you give me a sense of how much market share the Priceline Group has in the travel arena?

Travel is a \$1 trillion business. Last year, Priceline did three to four per cent of this in gross bookings. So, an important player, but still small with lots of room for growth.

Priceline relies heavily on Google ads to drive traffic to its sites and is one of Google's biggest customers. Are you worried about putting all your eggs in one basket?

We're very data driven. We work with Google very closely and we're really proud of the business we built with them and frankly paid for; this isn't organic, we're buying marketing and engaging. I don't worry about our dependence on Google because that's how we spend our money and we are building a bigger and bigger business over time because we've got a great

product. You can't do well on Google unless you have a great product because you won't get the clicks, you won't get the conversion.

About 90 per cent of Priceline's business is outside of North America, much of it in Europe. Are there opportunities in North America or elsewhere in your sights?

We still have proportionately more to do to build our business in North America than, say, Europe. In Canada, this means growing the use of Booking.com, Kayak and Priceline.com—and now OpenTable—with Canadian consumers, and increasing the depth of our relationships with Canadian travel service providers: hotels, B&Bs, hostels, airlines, rental car providers and now restaurants.

OpenTable seems to be a strange fit, given it's the only property you have outside the travel realm. Why the acquisition?

OpenTable is a natural extension for us. The work they do day-to-day with restaurants fits well with the day-to-day work we do with accommodations. Our dream is to make OpenTable a truly global business, allowing our travellers to easily book restaurants wherever they are and to help restaurants build business with people from all over the world.

You've called Bill Gates one of your role models. What did you gain from working with him?

I spent time with him when I was running Microsoft in Japan. I just really respect the fact that he's such a curious person and how much he reads. He's already solved one set of issues and now he wants to go solve global health issues. I think it's so impressive for him now to live two lives—it's pretty amazing. He's a man with very high values and a lot of very firm beliefs, but also just a very nice person. □