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Meet Me in St. Louis

By Stephanie AuWerter
August 26, 2005

BRIAN DIMARTINO, 54, HAS a sign behind his office desk that reads: "Nothing Happens Until Somebody Sells Something."

As president of 21st Century Group, a Hawaii-based meeting-location planner, DiMartino takes that credo to heart. To date, he has made thousands of cold calls to companies, asking them if they need help planning their next corporate meeting. He has carefully documented those leads into a database that now contains roughly 40,000 names of meeting and event planners around the globe.

"You have to be thinking of sales every day," he says. "From the day you open your doors until the day you stop."

Stopping is the last thing on DiMartino's mind. In fact, he's in rapid-growth mode. Over the past few years in particular, his business has changed in ways he never would have imagined when he launched the company in 1995. Back then, the only thing DiMartino knew for sure was that, after spending 15 years in sales and marketing at various Hyatt hotels, he was ready to strike out on his own.

Beyond that, however, little was certain. Even the name of the company — 21st Century Group — was selected in part because it could be applied to all sorts of business models, he recalls.

With \$15,000 of start-up money, DiMartino and two partners who have since left the business spent their first few years exploring different concepts. They did some consulting gigs. They toyed with selling hotel-branded trinkets that sales reps could give to clients. They thought of taking retainers from local hotels as payment for drumming up leads of companies that were thinking of planning meetings in Hawaii. No idea was quite right.

"You start out and you say, 'This is what we're going to do.' Well, once you start doing it, things change," says DiMartino. "And then the opportunities come in."

After about three or four years of meandering, the partners realized that the most promising niche was in hotel-site-selection planning. The idea was to help companies and groups pick the right hotel to host their major meetings — and earn a 10% commission from the *hotel* for the service (based on the number of rooms booked). Employing a middleman paid off for both sides, DiMartino explains. The clients got better rates, since they were going through a volume buyer. And the hotels were happy to land a major piece of business.

During the late 1990s, DiMartino worked mostly with Hawaiian hotels. But Sept. 11, 2001, and the corporate scandals of WorldCom and Enron forced him to rethink his strategy. Suddenly, people weren't that keen on hopping on a plane for a long flight to Hawaii. And some corporate bigwigs, worried about shareholder backlash, decided that lavish meetings held in Hawaii were too decadent. As a result, clients began asking for help in other locations, like Chicago. DiMartino and his crew complied.

"We were very successful with that," says DiMartino. "It really opened my eyes and made me think that it's time to expand."

Today, 21st Century Group has six offices on the mainland — its most recent opened in New York just weeks ago — and DiMartino plans to open more. The mainland offices are run by independent contractors who take a "generous" slice of the commissions earned, says DiMartino. The company now helps plan up to 150 meetings a year, some in locations as far flung as Germany and Australia. Thanks to email and the Internet, time differences and distance have become meaningless, DiMartino says.

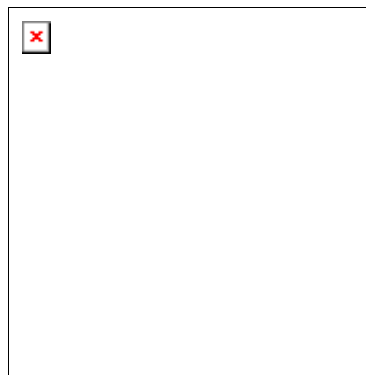
One of the difficulties of DiMartino's business model is that payment comes only after a meeting takes place — and some meetings are planned as far as six years in advance. That made for some lean times when the company was getting off the ground. Even today, there's always the risk that a client that has booked a large number of rooms could wind up using significantly fewer, cutting into DiMartino's fee.

Drumming up new business is another constant challenge. "Any time that you're making cold calls or making sales, you're going to call 100 people, and if you get one good result you're happy," says DiMartino. "It's a numbers thing." The company also books clients on its web site.

Despite the challenges and 12-hour workdays, DiMartino loves being an entrepreneur. "It's easy to say, 'well, if this doesn't work out, I'll go back [to corporate life],'" says DiMartino. "But the reality is you wake up and you're like, 'I'm not going back. I don't care what it takes.'"

As we end our interview with DiMartino, he closes with a line we suspect has been uttered so many times it has become rote: "If I can ever help you out with a meeting, let me know." We'll keep that in mind.

Let's Get a Room



Your name: Brian DiMartino

Name of business: 21st Century Group

Year founded: 1995

Business type (industry): Meetings Industry

Location: Hawaii

No. of employees: 12

Web address: www.21stcenturygroup.com

Please tell us a little bit about your business. What is its purpose? Who are your clients or customers? What is your mission statement?

We are a hotel site-selection company and we work with meeting planners. Our role is to find the right meeting venue for any organization — usually corporations and associations for an off-site event. Organizations book their programs anywhere from six months to six years in advance, and finding the right location for the program is critical to its success. Our mission is to match meeting planners, incentive travel buyers and conference organizers with the best properties for their programs, and do it in an expedient and efficient manner.

Why did you choose to go into business for yourself?

It was time. I had spent 15 years in the corporate world working for a major hotel chain as a sales and marketing specialist, and ended up in what at the time was its premier property. I knew after that assignment that it was time to go out on my own. There were too many constraints in the corporate environment and I wanted the opportunity for unlimited income potential. The 15 years of experience with the hotel chain were invaluable in terms of business and industry knowledge.

What was your biggest challenge during the start-up phase?

Determining exactly what it was we were going to do. At the time there were three of us as partners and everyone had a different idea on what we should be doing.

What's the smartest move you've made regarding your small business?

Using the Internet and email to expand our business out of Hawaii. We started out as a site-selection company focused solely on Hawaii hotels. This was in the mid 90s. At the time, phone and fax were the primary means of communication and the time zone differences between Hawaii and the mainland were a huge barrier. When the Internet and email came along, all of a sudden we could communicate instantly with anyone in the world. Using the electronic tools of the information age we opened an office in Phoenix that became immediately successful and since then we have opened five additional mainland offices and now market ourselves as world-wide site-selection specialists.

What's the most foolish?

Starting out without a firm business plan in mind and being distracted by every "opportunity" that appeared. Our plan was, "Let's just get started and see what develops."

What do you know now that you wish you had known when you started?

First, you have to be prepared to go for a very long period of time without making any money. It could be years. Second, your employees will make or break you. In a small business you have to choose your employees very carefully and make every attempt to keep the good ones for the long term. A bad or dishonest employee in the start-up phase can seriously damage your business, and you might not know it until it's too late.

What keeps you up at night? (Which costs and expenses are you most worried about? What do you see as the biggest threats to your business?)

Cash flow. Our business is irregular and we are paid only after a meeting takes place and the bill is paid. Some months are better than others. So we need to budget our cash to meet monthly expenses during the months when cash flow is light. Insurance is a big concern. Medical insurance alone has more than doubled over the last few years. The biggest threats to our business are the state of the economy and the costs of travel — which of course means oil prices. Any type of world disaster — man-made or natural — can also affect us, but these are things you just plan for and can't worry about. You just deal with them.

Where do you look for business advice? (Mentors? Industry or trade groups? Family and friends?)

Two sources. I read all of the major business publications. They give me a good sense of which sectors of the economy are doing well and highlight new potential clients. I also read most of the meeting-industry trade magazines. There is a wealth of information to be uncovered there. I attend various industry trade shows for the same reason.

Who is your favorite entrepreneur and why?

Bill Gates, because he changed the world. In just over 20 years he played a major part in putting a computer on every desktop, and changed forever the way we work and communicate.

What is the best business book you've ever read? What did you like about it?

"First Break All the Rules," by Marcus Buckingham and Curt Coffman. Their premise is to find good people, determine their strengths and let them use those strengths. Too many organizations take the opposite approach and try to correct weaknesses. This is counterproductive for the organization and the individual. I also enjoyed "The Millionaire Next Door," by Thomas Stancy and Bill Danko. It showed me that you should never judge people by the clothes they wear. And that there are a lot of people with a lot of common sense, and that's very reassuring.

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