

The Best of Both Worlds

An Interview with Rich Keith, Chairman, and Jim Tousignant, President and Chief Executive Officer, Ultimate Escapes



EDITORS' NOTE Rich Keith has 15 years' experience launching successful start-up companies. He was the Founder and President of Private Escapes; the Cofounder of Center Partners, Inc.; and the Chief Operating Officer of Private Retreats destination club.

Jim Tousignant has been building fast-growth companies for 20 years. He was the Founder of Ultimate Resort and previously served as President and Cofounder of Multex; Managing Director, Global Sales, at Thomson Financial; and Managing Director, Business Development, at Morgan Stanley.



Rich Keith



Jim Tousignant

COMPANY BRIEF Based in Kissimmee, Florida, Ultimate Escapes (www.ultimatescapes.com) is a collection of luxury destination clubs, providing clients with distinctive vacation experiences in beautiful locations. Offering the comforts of home combined with the service and amenities of a luxury hotel, the company gives members access to 140 exclusive club properties in more than 50 destinations around the globe, through three distinct clubs and affiliated properties: Premiere Club, Signature Club, Elite Club, and The Ultimate Collection.

How do you plan to build brand awareness for Ultimate Escapes?

Tousignant: Building brand awareness starts with the market's recognition that the destination club is a great concept. We believe that most people will eventually discover that this is a great alternative to other luxury travel options. A relatively small number of people know about the clubs at the moment, and an even smaller number have become members, so we foresee a lot of growth ahead of us.

We're already seeing great uptick in our brand awareness. In creating Ultimate Escapes, we leveraged two existing brands that were well known in this space: Ultimate Resort and Private Escapes. Our members love the new brand, Ultimate Escapes, as they've seen the doubling of assets and a lot more locations. It was the best of both worlds brought together. The transition into one brand has been fairly smooth and easy for us. It's going to be exciting to continue developing the brand and the club and adding more homes and more services.

While you offer club memberships at different price points, does the club remain a top-tier product, or do you see it as somewhat broader than that?

Keith: We think this product has the potential to appeal to the mainstream market, as well as to the superrich. It's already happening with various core products, including our Premiere Club product. Consider that someone can join the Premiere Club for approximately \$70,000, and that buyer might, alternatively, also be looking at buying a \$500,000 condominium in Breckenridge, Colorado, as a second home. When you add all the associated costs up, that buyer is very much in the mainstream. The reality is that we're attractive to people who would not be considered superwealthy by many people.

How important is it to have a broad range of destinations?

Tousignant: We have three clubs – our Premiere Club, our Signature Club, and our Elite Club – and within each club, there are five different membership plans: Bronze, Silver, Gold, Platinum, and Corporate. These plans give users anywhere from two to six weeks of use a year, plus the ability to use a phenomenal hotel offering with concierge service.

The goal of this model is to give people a great value proposition relative to other choices. Our members can access 140 homes and more than 130 luxury hotels for a price that is less than the cost of owning a single second home. The upfront cost of membership is a fraction of the cost of full home ownership. The ongoing annual dues start as low as \$8,000 for two weeks of use, including all the services. If you want three or four weeks, you could start off in our Premiere Club and quickly utilize some of the other homes for very little up-charge.

Our platform has multiple clubs and multiple plans, but they're all family oriented, so you can go accompanied by your wife and/or your friends and family, but you can also designate family members to go without you, as long as

they are older than 21. This is the next evolution of the large and successful time-share and fractional market, offering a whole different level of experience.

What is your approach to service, and how do you provide the ultimate travel experience your clients are looking for?

Keith: Five years after we began, we continue to be pleasantly surprised by members saying that they now travel more than they ever have before because of the ease of travel and because of their confidence in what they're traveling to. We certainly don't have an interest in being everything to everybody, and we don't want to have a choice-of-the-day services umbrella.

We have two very important service touch points, one of which is the role of the Escape Planner. That's the person who helps to demystify the location of the home, explaining what it's going to be like, what to expect, and which purveyors are performing at the highest level. They ensure that there is none of the angst that normally occurs when you travel with your family for the first time to Punta Cana in the Dominican Republic, for instance. That's invaluable to members, even if they're traveling to a domestic location.

The other important service we provide is a smiling face when you arrive at your destination. That person makes sure that the home is impeccably cleaned before your arrival. We get some of our very best marks on the cleanliness of our properties, and that continues to be a focus for us. And, depending on your arrival time, there might be a pizza in the oven for the kids, who have just spent seven hours in airplanes. You're greeted with a fresh, smiling face that says, "If I can be of any further service to you during your stay, I'm available by my cell phone. Here's that phone number."

We will develop other amenities over time, but those two are must-haves in this club and are an important part of our value proposition.

Tousignant: I think about it in very simple terms: our members want the best available luxury home; a lot of space; a lot of amenities; access to beach clubs, golf courses, skiing, restaurants, and concierge services, and, if need be, chefs or masseuses to come into the home. Even at the entry level, people love that access to amenities, and they also like to go back to a beautiful single-family home in a great resort or adjacent to it. So you get the best of both worlds. ●

An Ultimate Escapes property in Rigo, Tuscany