



Brent Handler (left) and Brad Handler (right)

EDITORS' NOTE In 2002, Brent Handler, along with a friend and his brother, Brad, co-founded Exclusive Resorts, a destination club industry pioneer. Brent was the company's president from 2002 through 2009.

Brad Handler worked at Apple at the beginning of his career. He later served as eBay's first attorney and also held the positions of Chairman, CEO, and Vice-Chairman of Exclusive Resorts. He is also a lecturer at Stanford Law School.

In January 2011, convinced that they could improve on the model they helped establish, the Handlers and two partners founded Inspirato, which provides luxury travelers with the benefits of a traditional destination club without the six-figure, upfront fees previously standard in the industry. In March 2013, the company announced a partnership with American Express and the company's new name is Inspirato with American Express.

COMPANY BRIEF Inspirato with American Express (www.inspirato.com) is a private destination club that provides the space and comfort of a personal vacation home combined with the five-star service and amenities traditionally found in luxury resorts. Inspirato members and clients enjoy exclusive access to more than 140 awe-inspiring homes in some of the world's most coveted destinations, all at members-only rates. They are also treated to dedicated trip planning, on-site concierge service, unique club benefits, and the luxury of certainty that comes with knowing Inspirato is committed to making each club vacation extraordinary from start to finish.

Has Inspirato evolved as you expected? Where has the growth come from?

Brent: Families and companies are interested in vacations that are highly experiential. Recently, there has been a seismic shift in people's vacation preferences from them wanting to stay exclusively in hotels – where a typical room is only 450 square feet – to wanting to stay in private residences, where the setting is far more conducive to spending quality time with friends and family.

When we launched Inspirato in 2011, we knew the market was large for people who wanted to vacation in a residential setting. The challenge was how to get that setting while avoiding the six-figure, upfront membership fees previously standard in the industry. It was once believed that a company had to own the properties. We realized we could instead take long-term leases on properties.



An Interview with Brent Handler, Chief Executive Officer, and Brad Handler, Chairman, Inspirato with American Express

We still manage and control the entire experience but we didn't

have to ask our customers to also be our financing source. In this way, we could build our portfolio, which is now valued at half a billion dollars, and pass on dramatic savings to our members.

How have you avoided losing your innovative edge as the company has grown?

Brent: Our philosophy has been to be different and not just to create a big market, but to create a company that offers truly seamless, holistic luxury travel experiences. We have been lucky over the past 11 years to follow a much larger macro trend, which is one of people wanting to vacation in homes rather than hotels exclusively. We have chosen to address that through a club structure that is highly serviced.

We continue to innovate with initiatives like Inspirato for Business, which provides a solution for companies interested in using private vacation residences for incentive travel, as well as off-site company meetings and retreats. We can very effectively cater to this market with the same infrastructure, quality, and service we offer our consumer membership.

Brad: There are three reasons why we have consistently been able to innovate: the first is that we don't come from this industry. Therefore, we look at problems differently than people who have been trained in hospitality.

The second reason is that we come from innovative backgrounds, which allows not only us but also our employees the opportunity to explore a solution without the fear that they will be penalized for failure. We test and see what works because we'll only achieve true innovation if we dare to try new things.

The third reason is that our business is based in Denver. We're in a great environment where people like where they live and enjoy coming to work. The result is a happy workforce that is dedicated to serving our members.

Is the true value of this concept really understood?

Brent: With Inspirato, it hasn't been difficult because we have been able to attract over 4,000 members, who have fully embraced our platform in two-and-a-half years.

Our partnership with American Express speaks volumes about the trust they have in us. As one of

Sugarcane on the Kōhala Coast on the Big Island, Hawaii

the most respected brands for service and travel in the world, they are the ideal

partner and together, we're perfectly positioned to let more people know about our solution. We have invested tens of millions of dollars into our infrastructure and there is no other option outside of Inspirato that offers this caliber of vacation.

The potential market for our product is infinitely larger than our existing member base. In many ways we are still a relatively new offering.

Brad: Every time someone who suggested they were a competitor came into the market, they looked at the market as purely a business and would try to figure out a way to make money. No one ever approached the concept the way my brother and I do, which is that we like to travel with our friends and family, and we needed a solution. The fact that we can build a business from that personal perspective has undoubtedly helped our success.

What do you look for to determine if a property is right for Inspirato?

Brent: It depends upon location and upon factors that have to do with what our membership needs. If it's a typical resort residence, we want the home to be ideally located within the resort, so we tend to have close proximity to the resort amenities. Our sweet spot in terms of the value of homes tends to be in the \$4-million range. Also, because we manage and control the homes, we invest in refurbishing and improving them.

Brad: What also makes an Inspirato home unique is that it has to be in a location where we can offer the wraparound services for our members, like on-site destination concierges.

In terms of the type of services you can offer, does that limit your membership?

It doesn't limit the size. It forces us as the curators of these experiences for our members to make sure that we remain consistent to our principles.

It's easy to hang out a shingle and say, I'm going to take any house that is available even if it doesn't really serve our purpose. Instead, we really focus on providing members with amazing luxury properties and experiences, and we make that the number-one priority.

Retaining these high standards doesn't limit our ability to grow and scale. Being selective helps us find the places that will be truly unique and memorable for our members. ●