

Staying Relevant

An Interview with Michael Holtz,
Founder and Chief Executive Officer, SmartFlyer

EDITORS' NOTE In 1990, driven by his love for air travel, Michael Holtz founded SmartFlyer upon graduating from Washington University. In the travel industry, he is known as Mr. 2A. Named after his choice seat on every plane, he is sought out by VIPs to design once-in-a-lifetime itineraries. Holtz is consistently recognized among Travel + Leisure A-List agents and sits on both the Starwood and Park Hyatt Advisory Boards.



Michael Holtz

COMPANY BRIEF SmartFlyer (smartflyer.com) is a full-service travel agency catering to high-end corporate and leisure travelers worldwide. The company was founded in 1990 by Michael Holtz to offer clients a better, smarter way to book air travel. SmartFlyer's agents specialize in luxury hotels and resorts, and their extensive industry network allows them to negotiate amenities, upgrades, and VIP status for their distinguished client base.

What was it about the airline industry in 1990 that made you feel there was an opportunity for SmartFlyer in the market?

In 1990, we were mainly focused on airline tickets, which is why the company is called SmartFlyer. At that time, one could not buy a ticket online – they had to go to a physical travel agent and everything was on paper. If someone had to make a change, they had to bring a ticket into the agent and re-issue and re-validate it.

We decided to first focus on business-class airline tickets, a product that we knew well. This was back in the age when Continental was still flying DC-10s with their Golden Jet service and pianos on board. TWA had a hub at JFK and had flights to Europe every day, serving lobster and shrimp with champagne offered in the lounge.

The other interesting thing about the early '90s is that there were more "hub" and "spoke" flights – for example, the regional jets weren't as popular as they are now, so in certain markets like New York to Savannah, there might now be five flights per day on regional jets. Back then, only DC-9s and 727s were coming through Atlanta, and there are a lot more options now.

As far as aviation points back then, the hot spots were Acapulco, Hawaii, and St. Barts, which never went out of style. Now, because

regional jets have so much connectivity, one can fly just about anywhere on the planet. At one time, to fly globally, one had to go through Frankfurt, London, Paris, and more recently Dubai, before arriving at their final destination. Today, the Arab airlines allow one to fly almost anywhere on the planet with only one stop.

What makes for a successful travel agent and how relevant is the travel agent in today's digital world?

Since starting 25 years ago, our goal has always been to be relevant to the client and to help personally guide that client. Today, there are so many more opportunities in the world.

Airline tickets are still critical to our business and we continue to book them. We know that product well and we know, for instance, which airlines have flat seats and which have Wi-Fi because, for some clients, that is critical.

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We also have to know the rest of the world. We need to remain aware of new destinations, like Chengdu in China. United is flying there nonstop three days per week from San Francisco. Israel also is becoming very popular because it's a safer place now.

Is your market predominantly the high-end traveler and how broad is your focus?

We handle all different niches but it's predominantly high-end. We do a lot of business in China. People can stay at five-star hotels in China for \$300 per night and at four-star hotels for \$200. We're also leading members

of the Virtuoso network, so there is a \$100 credit that can be used at the hotel as well as complimentary breakfast and potential upgrades and experiences. This raises the offering compared to what someone could book on his or her own.

Are those advantages from partnerships you've built?

We work with many brands and individual hotels. For example, Leading Hotels of the World (LHW) has a few hundred stellar hotels where we can utilize our SmartFlyer perks. However, in certain properties, the SmartFlyer brand recognition could mean even more to VIP clients than the perks.

We have 150 agents throughout the world and many of them are very active on social media and understand the importance of creating their own content. They're well known in their communities and have clients all over the world. Many of those client relationships stem from referrals. When a SmartFlyer client checks into a hotel and the General Manager or Director of Sales comes down and says, "It's great to have you with us, we love working with SmartFlyer," that is more valuable than a spa certificate or cocktail.

When you recruit agents, what do you look for?

We recruit based on culture fit first. Culture fit is important because we're a community of like-minded individuals selling travel. By collaborating, we make the collective group better. As a result, that creates a great client experience.

Do you need to have a certain level of size and scale to survive today?

If an agency is good and plugged in, they can do very well. Bigger is not always better.

As the company has grown, has it been challenging to remain connected at the client level and how important is it not to lose that connection?

It's very important to stay in touch. We work with clients on a regular basis and plan to continue working with them directly. We have a very deep bench of talent and the advent of modern technology makes it so easy to communicate, so no matter where we are in the world, we're just one click away.

Did you know early on that you had the entrepreneurial spirit?

No, but sometimes the best plan is to have no plan and see what opportunities turn up. Then, of course, capitalize on them when they do. ●