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CITIZEN CEO
UnitedHealthcare
CEO Thomas N.
Pappas.
P16



To the scrap heap?
The economy crisis may seal the fate of the SS United States. **P3**



John New (left) and Andrew Decker in one of the conference rooms at the Hub on South 17th Street in Center City.

CURT HUDSON

The Hub offers meeting rooms for one purpose: Meetings

GROWTH STRATEGIES

It's like the old joke about Freud's cigar: Sometimes a meeting room is just a meeting room.

That's the premise behind The Hub. Founded in 2004 the Center City company provides spaces for companies to gather, talk, get business done. Bill Decker and John New don't do weddings or bar mitzvahs. They do business gatherings, period.

With three area locations, the company has built a

It has three sites and is planning for more

ADAM STONE
SPECIAL TO THE BUSINESS JOURNAL

steady following among companies looking to get outside the home office without committing to a hotel ballroom, the typical venue for an outside meeting.

It's a premise that appeals to local hospitality professionals. At the Philadelphia Convention and Visitors Bureau, Executive Vice President Jack Ferguson said The Hub helps round out the area's offerings.

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HUB: Meeting rooms for meetings

FROM PAGE 12

"Hotels are built for many different reasons. Their meeting rooms become social rooms, they become event rooms, where The Hub is built specifically for meetings," Ferguson said.

In practical terms this means spaces that include integrated electronics and telecommunications, along with on-site technical support. In its three locations

— The Hub CityView on South 17th Street; in the Cira Centre near 30th Street Station, and at 3rd and Chestnut streets located in the Chemical Heritage Foundation building — the company offers everything from two-person interview rooms to 400-person banquet facilities.

In promoting their vision of a fully loaded meeting space, The Hub's principals are going head to head with the hotel industry, which has been the traditional default for companies looking to congregate outside the office.

CEO John New points to differences in the business model. Hotels exist to fill beds, they want multiday clients and may not be eager to book one-day business events, New said. Hotels also may not be tech savvy.

Decker and New pride themselves on their technology.

They've got VoIP, WiFi, broadband, and they've got an in-house support team. That's the clincher, Decker said. "People don't just want the technology. They want for it to not be overcomplicated, and for it to work every time," he said.

Though convinced of their product's virtues, Decker and New admit it can be a challenge to speak louder than the competition.

"There are tons of folks we talk to every day who have never heard of us," New said. "The hotels have the advantage of being able to put out a big lit sign along side their towers."

How to bring a new solution to an old industry? Interestingly, Decker and New rely on the hotels themselves to generate new business for The Hub. When a hotel can't offer a suitable meeting space, but still wants to lodge those guests, it often will steer meeting planners to The Hub. "They are always look-

stays," Decker said.

With a direct sales force of six people, "we communicate with meeting planners throughout the region, internal planners and outsource meeting planners. We talk to administrative assistants, paralegals. These are the people who do a lot of bookings," Decker said.

Big growth comes through big wins, he said. Sometimes a single booking with a major corporation can open the

door to a steady stream of new business. "Once you penetrate one large organization, that one contact can turn into 165 contacts in a very short period of time."

That's what happened with Comcast Corp., one of The Hub's earliest clients.

How to score that first big client? Do as the drug representatives do. "You send a sales guy in with a bunch of smoothies in the summer, and you start working from there," Decker said. "It's not really an exchange so much as it is

an excuse to come in and develop relationships on site. We'll look at whatever it takes to do that, as long as it's an ethical business practice."

It's a formula that has worked so far, allowing the partners to steadily open locations in 2005, 2007 and last year. To support that growth they sought venture capital for a while, but became disillusioned.

"You can go to anybody and give away the farm for some money, but that's not what we wanted to do. Then you're just an employee," Decker said.

In the end they took \$450,000 in angel money in exchange for a 10 percent stake in the business. That money has gone primarily toward marketing. "In the first several months of any new concept, you are trying to change the behavior of your customers," New said. "They don't know who you are and they don't know what you are capable of doing."

Looking ahead, the partners say they would like to expand their geographic footprint, but they aren't in a hurry.

"You don't want to push too hard in one market too quickly," Decker said. "We first want to prove the concept in one market, to prove that the system actually works. that it is a replicable model."

UP CLOSE

COMPANY: The Hub
LOCATION: 30 S. 17th St., Suite, 1410, Philadelphia, Pa. 19103
OWNERS: Bill Decker and John New
TYPE OF COMPANY: Meeting facility and event destination
NUMBER OF EMPLOYEES: 20
2006 REVENUE: \$952,000
2007 REVENUE: \$2.9 million
2008 REVENUE: \$3.4 million

LESSONS LEARNED: A highly targeted offering helps The Hub go toe to toe in the battle for meeting space.

'You send a sales guy in with a bunch of smoothies in summer, and you start working from there. It is an excuse to come in and develop relationships on site.'

Bill Decker
The Hub