

Bringing dynamism to Diners

At only 26 years old, Patrick Liotard-Vogt has already achieved more than many men twice his age. Following his success founding "The World's Finest Clubs", he has now set his sights on reviving the flagging fortunes of Diners Club, the grandfather of the credit card industry. He takes time out of his busy schedule to talk to *Swiss News*.

By Matthew Beattie | With his flaming red hair, stubble and stylish-but-casual clothing, Patrick Liotard-Vogt doesn't conform to the stereotypical image of a businessman. Yet the 26 year old has become one of the rising stars of the Swiss business world. From founding The World's Finest Clubs – an exclusive access programme to member-only clubs across the globe – to his investment in Silkmed (a hand-sanitizer gel) shortly before the swine flu epidemic, Liotard-Vogt seems to have a natural talent for picking winning businesses.

“I always had an interest in business in general,” he explains. “I was also influenced a lot by my grandfather, who at the time was chairman and CEO of Nestlé, and the stories he used to tell. My first practical foray into business was when I was eight: I remember being at this market and selling my old comic books, and thinking of ways to attract my friends to my stall.”

Schoolboy businessman

The young Liotard-Vogt's budding entrepreneurial skills developed further during his years at boarding school.

“My first real business was when I was 14 and I set up selling mobile phones to my school friends. I had a contact at a mobile phone shop in Lausanne. The employees there could buy phones at a discount; I would buy these phones from them and sell them on for a profit at school.”

Just three years later, with his school diploma yet to be completed, Liotard-Vogt had a flash of business inspiration that would prove the catalyst to his future career success. As with many of the best business ideas, The World's Finest Clubs was born out of personal necessity.

“At the time [my friends and I] were travelling a lot to London and Paris over the weekends; we found that in many of the clubs we visited, we were never treated as well as we were at our regular club in Geneva. This gave me the idea to create a passport that would give access to the best clubs ... A scheme that would ultimately benefit the clubs – in that they could attract more of the type of customers they wanted – as well as offer a service for customers and make some money for me. So, The World's Finest Clubs was born, starting very small – basically with me working from home.”

A pass to success

Nowadays, with four full-time employees working from offices in Zollikon, Canton Zurich, The World's Finest Clubs is a long way from those humble beginnings. In the six years it has been operational, it has attracted over 3,000 members, and boasts arrangements with many of the most exclusive clubs, discotheques and hotels in Europe, Asia and the United States. The current membership base is predominantly in Switzerland; however, Liotard-Vogt has his eye firmly set on expansion.

“We have really built up a strong Swiss base, so now we are focussing on the UK, the United States and Turkey to develop the brand there.”

With The World's Finest Clubs now a firmly established enterprise, Liotard-Vogt was keen to add to his business portfolio. The enterprise he chose to do this was a surprising one: hand-sanitizer gel is about as far as it is possible to be from The World's Finest Clubs concept, yet that didn't deter him from investing in Silkmed. Unusual as this decision may have seemed at the time, it would prove to be both timely and extremely lucrative.

Unlikely help

“It really was a lucky punch,” Liotard-Vogt admits. “I was visiting a medical friend in Küsnacht and he showed me this hand-sanitizer product [he had developed]; it worked well and smelt great, but it really was purely functional and very unattractively packaged. It was only later, when I started thinking about it, that I began to see the potential. Hand sanitizer is part of everyday life in the United States, with most women carrying it around in their handbags – but generally, it is unappealingly packaged and unstylish. I thought, why not create something high-end from the product? And so, two weeks later, we had established a company.”

Silkmed, with its stylish chrome-topped clear bottles, certainly stands apart from the market competition, but the product's success would come from an unlikely twist of fate as much as anything else. As Liotard-Vogt and his business partner struggled to establish retail contacts to sell their product, newspaper headlines around the world reported the arrival of the swine flu epidemic: suddenly, everybody wanted to protect themselves from infection. Demand for sanitizer products exploded.

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“Swine flu was our driver,” Liotard-Vogt tells *Swiss News*. “We really got traction with Silkmed, as existing products on the market sold out. We were in the position where there was the demand, we had the product and we were ready to deliver. It was a miracle of perfect timing.”

Fresh hands ready for fresh horizons

Although the swine flu risk has since passed and demand for hand sanitizer has fallen back to more conventional levels, Silkmed continues to enjoy steady sales. Liotard-Vogt maintains his keen interest in the company and is optimistic that innovation and product development will continue driving its growth.

Despite achieving success so early on in his career, Liotard-Vogt is refreshingly modest and is not afraid to say when luck has played a part in it. He also doesn't underestimate the role his family – and especially his grandfather – played in nurturing his passion for business.

Although he dropped out of school in 2004 to pursue his business ambitions with The World's Finest Clubs, he later returned to finish his education at the *Privat Hochschule für Wirtschaft* (PHW) in Zurich (now part of the *Kalaidos Fachhochschule*), graduating with a bachelor's degree in banking and finance: a qualification that will no doubt serve him well for his latest, and possibly most challenging venture to date – reviving the fortunes of Diners Club in Switzerland, Germany and Liechtenstein.

Plastic phoenix

In 1950, when the Diners Club card was launched in the United States, it was nothing short of a payment revolution. Suddenly there was a new and convenient alternative to cash, and the world celebrated by going on a 60-year-long shopping spree. Fast forward to 2011 and the world is a very different place. Not only has Diners Club long since been knocked off its perch by competitors such as Visa, MasterCard and American Express, but global economies are still reeling from the inevitable recession that followed our credit-driven orgy of hedonism.

It seems a far from ideal backdrop against which to attempt to reverse the fortunes of any business, least of all a credit card company. Despite this, Liotard-Vogt is convinced that his acquisition – together with a Swiss consortium – of the Diners Club Swiss and German franchise was the right move.

“Obviously, the crisis was the reason for Citibank having to sell Diners Club. Their need to sell probably helped us to get a good deal ... But for me, the reason for the acquisition was a strategic one,” Liotard-Vogt explains. “I have Finest Clubs, I also have A Small World [an exclusive, invitation-only social networking site] and with Diners as well, I can enhance these.

“I think Diners has a very strong brand. It was the world's first credit card; it enjoyed huge popularity in the 1980s and still maintains some of this reputation. The reason it hasn't performed in recent years is that Citibank didn't know how to handle a premium product like Diners Club. The worldwide brand was recently taken over by the U.S. card provider, Discover, and they have been very supportive of our re-launch of the brand in Europe. With such a strong partner in the United States, I think we can make it.”

Quality has its price

Certainly, if anyone can re-establish the kudos of the Diners Club brand, it's Liotard-Vogt. His access to a high-earning and exclusive base of customers through his existing ventures – and his innovative approach to providing them with the premium products and services they are looking for – make him ideally suited to the challenge. He is undeterred by the plethora of low-cost and fee-free credit cards on the market, as these are aimed at a very different clientele.

“I think everyone agrees that for the right product you are willing to pay. A good example of this might be a flight from Zurich to Berlin: you can fly with SWISS, or you can fly with Air Berlin. Some people will choose SWISS because they like the type of premium service it offers. It's about tailoring packages to suit the market segment you are aiming for and adding value that will appeal to those people.”

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