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A BIG FISH IN A SMALL WORLD

A RARIFIED ONLINE COMMUNITY, aSmallWorld IS THE BRAINCHILD OF ERIK WACHTMEISTER, AN INVESTMENT BANKER BY TRADE. THIS BRILLIANT INTERNET NETWORKING CONCEPT CAME TO HIM ON A BOAR HUNT IN 1997.

BY LAUREN PRICE

PHOTOGRAPHY BY SCOTT RUDD



ERIK WACHTMEISTER STANDS AT HIS NEW YORK CITY RESIDENCE

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Internet geniuses such as Steve Case of AOL and Jim Clark of Netscape will go down in history for changing the way the world communicates, using their Web 1.0 platforms. Erik Wachtmeister, on the other hand, will go down in history for his brilliant creation of aSmallWorld — the most exclusive Web 2.0 platform on the planet.

Established for the sole purpose of bringing together a very elite, intimate group of what Wachtmeister calls “like-minded individuals,” this son of a former Swedish ambassador to the United States opened his private company’s virtual doors for business in 2004.

“I was in a German forest, and there weren’t any boars around for a bit,” he said with a good-natured laugh, “so there I was with time on my hands, and I found myself taking a good look at my life thus far. Everything I had done up until then was financial, more investment-focused, but I grasped, in that short amount of time, that the notion of establishing an exceptional networking community was very appealing, where answers to one’s specific need, no matter how ordinary or specific, could be met in a fast, reliable manner.”

Wachtmeister draws on a well-known hypothesis to explain further.

“It’s said there are only six degrees of separation between everyone in the world,” he says. “But I’ve put together a platform where a definitive group of people are only separated by three degrees.”

Further, Wachtmeister says his mission was to aggregate the most interesting people with the most interesting information around the globe. Successful in that mission, the end result is a membership made up of privileged (and always remarkable) individuals intermingling within a trusted circle of friends who benefit from getting reliable, spam-free information very quickly.

There are probably about 500 social networks out there in cyberspace, but clearly — they don’t operate at this level, Wachtmeister said. He also believes it’s next to impossible to lure aSmallWorld members away to a copycat site at this point in time.

“We replicate private real-life, interconnected relationships as opposed to random connections one finds at the other Web 2.0 networks,” Wachtmeister said. “And the more information we correlate, the more indispensable it all becomes. We’ve always expected an influx of copycats, but we weren’t that concerned because we made our ‘land grab’ very early on.”

Another difference is that aSmallWorld is actually connecting people with whom they have previously established face-to-face relationships or have close acquaintances in common. Another huge difference is the average age of the membership. Nine out of 10 members are older than 24. Nearly every other online community has the reverse numbers, Wachtmeister says.

Wachtmeister mentions author Malcolm Gladwell's references to connectors (those with a wide social circle) and mavens (those who are knowledgeable information collectors) in *The Tipping Point*.

"I define aSmallWorld as a super network of connectors and mavens," Wachtmeister said, "where the ASW community benefits from its collective intelligence"

All content is produced by members who trade personal knowledge (be it an opinion, a tip or a heads-up) on everything from where find an A-list roof to put over their heads in Paris to a Shanghai baby sitter — all evaluated through a bona fide rating system and all on the money.

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ith a methodology that can be described only as ground breaking, Wachtmeister has put together a 150,000 by-invitation-only group of the most well-heeled, well-bred movers and shakers. Though membership names are essentially a guarded secret, we know the ranks are filled with the likes Diane von Fürstenberg, Ivanka Trump, Naomi Campbell, Quentin Tarantino, Robert W. Pittman — even Frédéric Fekkai and Paris Hilton.

Like other networks, aSmallWorld features member profiles, private messaging — even forums for selling used items, perhaps a vintage Bentley driven by someone's sweet dowager grandma within only a five-mile radius of her Palm Beach mansion or a hip-hop star looking to ditch some bling. There are city-based reviews of fancy pants eateries, tips on how to score a table in August at Les Caves du Roy in St. Tropez—even the skinny on where to buy one of those new Audemars Piguet Millenary MC12 Tourbillon and Chronograph

watches before they hit the stores. Another popular feature is the ability to hook up with old boarding school chums one has lost track of. But best of all, members can get business advice or join a somewhat casual think tank forum with some of the world's most brilliant business leaders.

Getting invited into this inner circle is not easy, and there's a secret "evaluation system" made up of a dozen or so variables — but Wachtmeister isn't sharing just what that might be. Nearly as difficult as getting invited to become a member of this elite group is remaining a member. Because aSmallWorld has created a path to trusted and very proprietary information, its staff continually monitors the network, seeking out unworthy social climbers, abusers and frauds.

"We have advised our members to keep their networks genuine and not diluted with unknown acquaintances. If there's a lot of background noise, so to speak, the signal goes away. It is the signal that is important," Wachtmeister said. "We have been vigilant in maintaining the integrity of the platform, not allowing fake profiles, aggressive connectors or commercially biased content. This is something we have implemented right from the start. It is all about trust."

Wachtmeister says his staff is very good at kicking wrongdoers out, initially exiling offenders to aBigWorld. A less elite version of aSmallWorld, that site is a 2,500-mem-

"I grasped, in that short amount of time, that the notion of establishing the ultimate networking community was very appealing..."



LOUISE AND ERIK WACHTMEISTER

ber network made up of mostly students that found their way onto aSmallWorld early on but were considered a bit too young. Members of aBigWorld have very limited access to aSmallWorld and cannot interact with its membership.

“We’ll move you over if your e-mails to other members are often declined or ignored,” Wachtmeister said. “When you request a connection to someone, that someone can either accept, decline or ignore. It can be as little as two declines and a few ignores that will lead to the end of your ability to access the site. Also, our members can report messages they might find offensive or otherwise, by a simple mouse click.”

So how involved are members? Are they checking in at all hours of the day, much like they would for e-mail or voicemail? Wachtmeister tells us that on any given day, some 30,000 members log on to the network.

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his past spring, Harvey Weinstein (on behalf of the Weinstein Co., which was established after he and his brother, Bob, left Miramax Films) approached Wachtmeister regarding a hefty investment. Though aSmallWorld was but two days from inking a deal with a highly regarded venture capital firm, the two teamed up. But two days out? Harvey Weinstein is the networker of all time, but that had to be one of the best presentations ever.

The Weinstein Co. also owns Miramax Books and a stake in Niche Media, a publishing group; aSmallWorld is its first Internet venture. Also noteworthy is a proclamation made by Harvey Weinstein this past May aboard a yacht in Cannes with a

correspondent from CNBC’s *On the Money*. It was during that interview that he announced plans to take the Weinstein Co. public before the end of 2007.

“I absolutely could have gone the financial route, or I could have taken the strategic route,” Wachtmeister said. “But I felt this great synergy with Harvey from the start. It was quite amazing. I’m an investment banker by trade, so my vision for aSmallWorld was always about making it valuable. The Weinstein deal allows us to get to the next level faster because of the resources they bring to the table — and not just financial ones. It gives us access to highly qualified management resources, new advertising partners as well as valuable contacts in interactive and traditional media. This partnership helps aSmallWorld realize the incredible potential I always knew it had.”

And how will the Weinstein deal affect Wachtmeister’s day-to-day affairs?

“I realize that we have now reached a stage where the company needs a skilled and experienced business builder with strong web operating experience,” Wachtmeister said. “We are close to appointing a seasoned executive as a CEO. I will remain as passionately involved as ever as founder and chairman of the board and with more time to focus on the bigger picture.”

And what can aSmallWorld members look forward to in the near future? Surely there are changes on the way.

“First off, there’s a new version coming soon that features a group-functioning forum,” Wachtmeister said. “So whether you’re a skydiver or a venture capitalist, you can interact on an even more intimate, stronger commonality level. The new version will include new cities: Chicago; Washington, D.C.; Dubai and Tel Aviv.”

Weinstein’s goal is to increase membership to at least 1,000,000, but he says it’s never really been about the numbers. For him, it’s always been about the quality of the membership.

Inevitably, aSmallWorld has begun selling advertising space. It has been successful in attracting high-end luxury brands. Given its unique audience and its strong word-of-mouth factor, high-end companies wishing to sell new or truly appealing luxury products while increas-



ing brand awareness will be able to use aSmallWorld as a discovery platform.

Wachtmeister says it has always been a long-term goal to create a revenue-generating site, but he considered it counter-productive to do so initially. From the start, keenly aware of the revenue potential, it was more important for the site to reach critical mass while maintaining a trusted and intimate Internet community. Only then would he be successful, not just when it came to attracting the right advertisers seeking to interact in a less-intrusive manner with buyers but also when it came to buyers actively participating as an exclusive group. Obviously a win-win scenario for all participants.

Another change in 2007 concerns the anniversary parties in St. Tropez. Wachtmeister says there will be more parties next year, probably quarterly.

“Given the extent of our community, we want to try something different next year,” Wachtmeister said. “And we want to be more coordinated in our efforts. Absolute Level and Moët Chandon have already approached us to sponsor some events, and though St. Tropez is absolutely ideal for our summer party, we might consider a new location for next summer.”

Currently residing in Manhattan with his wife, Louise, aSmallWorld’s marketing director, the Wachtmeisters also reside at a lovely farm in a pastoral area outside of Stockholm.

“The farm is unquestionably our favorite place,” Wachtmeister said. “But I have to say, we can make ourselves very happy wherever we need to be. I spent seven years living in

Los Angeles, and I very much enjoyed my time there. But right now, we’re based in New York because we wanted to hit the ground running, be very successful from the start. So it made perfect sense to put a stake in the ground [in New York] given the amount of talent within the interactive mediasector and the financial and investment resources. We had already found great success in Europe, right from the start. In order to grow faster, we needed to have a solid presence in North America, so living here was very important. Of course, we will soon have a strong presence in Asia and South America. @

MEMBERSHIP PROFILE

Out of approximately 150,000 members

- 2,000+ have graduated from Harvard University
- 7,000 are presidents, chief executive officers or managing directors
- 95% have university degrees
- 50% have advanced degrees
- 55% are men
- 50% are over the age of 31

DIVERSE MIX OF UP TO 10,000 INDUSTRY PROFESSIONALS

In each of the following areas: ranked by size

- Investment banking
- Media
- Consulting
- Fashion
- Public relations and advertising
- Law
- Arts
- Entertainment
- Fund management and information technology/telecom





Erik Wachtmeister with his wife Louise Wachtmeister

2ND ANNIVERSARY PARTY OF ASMALLWORLD

Saturday, July 22nd 2006

Erik and Louise Wachtmeister hosted the 2nd anniversary party of aSmallWorld in a private residence in Saint-Tropez.

An elegant seated dinner in "pink & white" for 500 guests was catered by Christophe Leroy. Over a thousand guests continued to enjoy the magnificent party, wildly dancing until four o'clock in the morning to the tunes of DJ Chris of la Voile Rouge.

This was THE event. Stars in the sky and on the dance floor, delicious dinner, beauties everywhere, and amazing music were leading all the guests to a never-ending night. Everyone will once more remember this party as the event of summer 06 in St Tropez. Moreover, this is for the second year. It is very hard to maintain the same quality from a party to another, the level reached last year was a record and hard to match. ASMALLWORLD managed to host another highly glamorous party, with a different setting and tone, and with different guests that made it tremendously enjoyable.



Tamara Beckwith



Dori Cooperman, Erik Wachtmeister, Dino Lalvani, Jacob Agam



Tommy Hifiger and friend



Shermine Sharivar, Miss Europe 2005



Victoria Silvstedt



Ivanna Trump



Nicolas Berggruen and Entourage