

Doug Fieldhouse mentors CEOs while leading Vesta's growth

Winner Entrepreneur of the year

Portland Business Journal - by Robert Goldfield and Aliza Earnshaw, Business Journal staff writers

Doug Fieldhouse has made his share of mistakes as an entrepreneur. He'd just as soon that others avoid such missteps.

Fieldhouse, the CEO of Portland's Vesta Corp., is an active angel investor. He's invested his own money in 15 small businesses seeking fast growth, and he puts much of his energy into mentoring chief executives of those startups.

Fieldhouse enjoys the role of mentor, and does it for more reasons than just trying to make his investments pay off.

"Entrepreneurs are the keystone to developing communities," he recently told the Business Journal. "They create the jobs, they stimulate the economy and creativity. I live here, and I want my home to be as good and as successful as possible."

He also gets a charge out of advising the CEOs of those 15 companies. He said he considers it his hobby, and a re-energizing break from the pressures of running Vesta.

Much of Fieldhouse's experience comes from the turnaround he led at Vesta, originally a seller of prepaid long-distance phone cards. When he assumed the top spot there, Vesta was losing money on some \$5 million of revenue per year.

Under Fieldhouse's leadership, the company shifted and expanded the services it offered.

First Fieldhouse axed the prepaid calling cards. Instead of a product, it started offering services — particularly fraud prevention measures for credit card transactions conducted by phone. Customers included commercial banks, credit card companies and telephone companies. The strategic shift produced dramatic gains in revenue, from \$5 million in 1998 to \$73 million in 2000, and to profitability in the last quarter of that year.

Vesta continued to expand its menu of services. In 2002 it began dealing in prepaid cell phone time. It didn't sell prepaid cards, but handled the transactions when card users called a toll-free number to add more time to their cards. Vesta's revenue for 2002 was \$323 million.

In recent years, Vesta made forays into China, buying Chinese companies that allow it to tap the huge market in that country for cell phones, and therefore cell phone services.

Today, Vesta handles more than \$1.3 billion of payments per year, and has moved beyond long-distance minutes and prepaid cell phone accounts. It now transacts purchases of travel tickets, public-transportation payments and retail purchases, conducted via phone, Internet or retail points-of-sale.

The company also handles payments of property taxes, utilities bills and fees to municipal governments.

Fieldhouse said the company grew 25 percent last year, reaching \$1.3 billion in revenue. He anticipates 25 percent growth in 2008.

Vesta employs more than 800 in the Portland area. The rest of its more than 1,200 employees are located in several China offices, in Ireland, and in Florida.



Vesta CEO Doug Fieldhouse says he considers his mentoring activities re-energizing breaks.