



OLIVER WINTER: MAKING THE MOST OF WANDERLUST

Berlin in the 1990s was not an ideal environment for a budding entrepreneur. Artificially bolstered by the German government housing the Bundestag after the war in 1949 then after reunification in 1999 with the snazzy new Reichstag building, Berlin until recent years was the epitome of a ‘company town’ with everyone employed by that one employer. In Berlin’s case, both pre and post reunification, that ‘company’ was the government.

Today Berlin is unrecognisable as a hub for new ventures. But then, in the 90s it was only for the brave or the foolish. However, Berlin became the platform for 23-year-old Oliver Winter to launch what is today’s Europe’s largest hostel group: a&o with 35 locations (including Amsterdam, Copenhagen, Prague, Venice, Hamburg, Salzburg, and Munich) with over 27,050 beds. Revenues of €152m and investment to expand at pace with TPG Capital.

But a&o’s success grew out of a former East German lad’s own wanderlust and a dream that he could do a hostel business better than anyone. Indeed, Winter was brave but would he prove to be foolish?

Strange new world

Who could imagine that there could be gold in ‘them hostel hills’? A boy, who had grown up in East Berlin and ran across town as soon as the wall came down in ’89 to complete his secondary school studies was to become the master of travel for students and backpackers. It was tough on East German kids like Oliver who felt like strangers in a strange land only a few kilometres from their own homes. „We excelled in math and science but they were amazing with languages and social studies.“ It didn’t take long for Winter to settle in and adopt the new ways of living and

thinking. After graduating then doing a year in community service he chose to wander the globe before starting a degree in Physics and German at the prestigious Humboldt University in Berlin. Although much luckier than his friends having a father who was a pilot allowed the family to holiday a few times a year outside East Germany, but it was never beyond the former Eastern Bloc countries. Winter wanted to explore the world and he did his ‘gap year’ but on a budget of only 30 German mark (today approx. 15 €) a day. This meant camping most nights and booking into a hostel once a week for a shower and laundry facilities.

This is how the 20-year-old backpacker discovered how hostels for young travellers could be, should be so much better and was determined upon returning home to come up with a business plan to design and operate a great hostel company.

Juggling and Planning

The late 90s was a hotbed of tech entrepreneurship around the world and Germany was no exception. All investors were interested in then were the next biotech discoveries or fintech innovations. A bricks and mortar business...aimed at backpackers...got few investors’ attention, let alone money.

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So, friends Andreas and Oliver (a&o) decided that whilst they worked on their big hostel plan they could make a success of a beverage business 'a&o Bottle Butlers'. For three years they worked out of two stores selling everything from water, juice, soft drinks to liquor, beer and wine. In the basement, in between deliveries and 'rush hour' upstairs, the two entrepreneurs worked on their hostel scheme whilst also attending university. Sleep was not on the agenda.

Timing and luck

Searching for the first hostel location, they met a shrewd property developer, Michael Kluge who twenty years Oliver's senior had experience in making wise real estate investments. He was their landlord at one of the Bottle Butlers outlets, was suitably impressed by that enterprise but blown away more but what was being cooked up in the basement. When he saw the research, the plans the ideas pouring out of these two young men he offered to invest. The timing of Michael's interest was perfect. Andreas, Oliver's partner was fed up of sleepless nights worrying about the debts that were piling up and realised he wasn't cut out to be an entrepreneur so took the chance to be clear of debts to return to study theology.

But it was Oliver who was the business and with Michael's backing they launched a&o Hostels in 2000 and expanded to over 15,000 beds (locations mainly in Germany and Austria) through to 2013. Keen to scale the business even more, Oliver knew he needed backing of a different nature and a partner that had clout in more European markets. That's when Michael Abel, Partner at TPG Europe specialising in Real Estate met Michael Kluge to talk about buying him out. TPG completed the purchase in 2017. a&o now have 35 locations and an ambitious rollout plan with 2-3 new sites planned each year.

What now, Mr Winter?

Anyone who knows Oliver comments on his indefatigable energy and enthusiasm for all that is a&o Hostels. Open to new ideas he and the a&o team are avid followers of their guests on social media and take all feedback to heart. The rebranding revamp has meant that hostels no longer are seen as places of 'last resort' but rather cool, trendy and Instagramable...just what younger millennials want. Sustainability is at the heart of their operations with innovations constantly invoked to ensure the business and guests environmental impact is kept to the minimum.

As CEO Oliver Winter is also very proud of talent development which is also core to the a&o values. There are countless stories of how young, keen people...many of immigrant backgrounds...joined a&o in menial but

necessary roles to grow and develop into front of house, even managerial positions. „a&o Hostels is a people business through and through: Guests and Employees first. Get that right, keep them involved, listen, adapt, reward, delight and you succeed,“ says Winter. And, it seems to keep him smiling.



What keeps Winter going? He is passionate about fitness and runs a marathon a year. His indulgence is a private plane having earned his license in 2012. And with two children from his first marriage and now a young son of 1 year, he is devoted to them having the opportunities and rewards like he has enjoyed. But it won't be given to them on a plate. This is a man who believes and lives the ethos of working smart and playing hard.