

# Moving the Needle

BY JEFF STOFFER



Steve Babuljak

**C**hristopher P. Michel speaks in a unique corporate dialect. He is, of course, fluent in the kind of boardroom parlance one would expect from any self-respecting Harvard MBA. For instance, if three designers are working on a Web-page number graphic, the dapper 38-year-old founder and CEO of Military.com might challenge them to “triangulate” around “the metrics” and evaluate results in terms of “ongoing optimization.”

Then there’s his military side. He draws on seven years as an active-duty Navy officer when speaking of the business temptation to “fight on 17 different fronts.” He talks of “comparative advantages” in the marketplace the way medal citations describe “superior forces” in battle zones. He says Military.com is poised to provide “air cover” as an ally of American Legion lobbying efforts on Capitol Hill.

Michel is a composite of influences and experiences, marbled in evenly distributed portions of computer geek, submarine hunter, entrepreneur and photographer. He was born in Florida but never really lived there, having bounced around Greece, France, Connecticut and Illinois during much of his youth, the child of an amiable divorce between an American artist and a British-Greek educator.

Nearly three decades of school and military were behind him in the late 1990s when he raised \$25 million in venture capital for his new company – a special Web site dedicated to the interests of military people – only to watch nearly all of it vanish in 2002 when the demons of economic correction visited genocide upon the dot-com revolution. Military.com was within days of outright failure when, suddenly, two new advertising deals came through, triggering a rally that continues today.

Membership and visits to Military.com have increased tenfold in the past four years. It was recently rated one of America’s 10 most frequent-

ed Web sites for news – not just of the military variety – outperforming the online offerings of such media giants as Fox News, *The Washington Post* and Slate. The site handles some 35,000 college applications a year, introduces about 40,000 young people a month to the U.S. Armed Forces – earning recruitment revenue along the way from DoD – connects up to 700,000 veterans a month with hiring employers, and provides hard-to-find guidance through the ever-shifting labyrinth of VA and DoD benefits. There’s even a corner of Military.com called “Shock and Awe,” where people can watch member-generated videos of things like soldiers blowing up weapons caches in Afghanistan or Marines stuck in the mud trying, amusingly, to get out. “People really don’t have patience for long articles,” Michel says, clicking through screens of the free-membership site. “I’m very, very interested in the kind of work that moves the needle. It’s about outcomes, not activities.”

When he talks about the desired outcome – the very heart of Military.com’s mission – Michel chooses his words plainly. “We want to do all we can to support people in uniform.”

That is where Military.com and The American Legion have found common ground. The San Francisco-based company, a subsidiary of Monster Worldwide, Inc. – which hosts the world’s largest online career center through Monster.com – and the Legion – the world’s largest veterans service organization – recently set in motion a strategic partnership to achieve common goals. Marketing each other’s services is part of it. More specifically, Military.com and the Legion are uniting to help veterans and transitioning service personnel find good employment and educational opportunities.

**Nothing For Granted.** Military.com is a Web site geared mainly for active-duty personnel, military retirees, veterans and their families. Visitors can learn about benefits they may not have known they were eligible, or even entitled, to receive;

**Navy veteran  
Chris Michel saw  
his company plummet  
during the high-tech  
meltdown four years  
ago, but he stayed  
true to the mission.  
Today, Military.com  
has steamed to the  
front of an industry  
it helped reinvent.**

application forms are often available on the site. Its massive interactive career center features more than 800 employers who regularly advertise openings to hundreds of thousands of veteran job seekers. The site also reports news of the day – typically of a national-security, military or world-affairs bent – along with opinion pieces and columns by writers and pundits of various political persuasions. It offers a blog, a photo center, discount travel packages, a missing-buddies page, a reunions locator, a place to enjoy pictures of other veterans’ cars and motorcycles, a gallery of tattoos, e-mail accounts, online shopping, a daily trivia quiz, video games, podcasts, and even, for the patient few, a long article or two. The company is arguably deployed on more than 17 different fronts. If so, Michel can live with it.

“We’re exactly where I wished we would be today ... exactly,” he says. “We don’t take it for granted that people are going to be interested in what we are doing. It has to be compelling, entertaining, useful, engaging ... I would say Military.com even has an aspiration to be essential to our members.”

Four years ago, he tried to sell the whole company for \$1. There were no takers.

**Ongoing Optimization.** A childhood spent moving from city to city and continent to continent gave the young Chris Michel something of a time limit on friendship. “I was always the new person in the neighborhood,” he says. “I’m out meeting and engaging people pretty quickly today probably because of that. I didn’t have a lot of time to build relationships. Military people are like that, too. They get good at integrating quickly into a community.”

A boy at a time when computers were just starting to appear in people’s homes, he helped

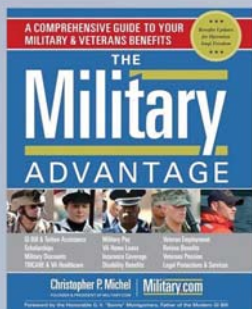
neighbors connect the wires and get started. Soon, he was writing programs. His interest in technology grew as he advanced through school. “I knew that I was a geek when I was in an elevator at DePaul University and there were all these young beautiful co-eds in the elevator with me, and they looked at me and asked, ‘Are you one of those computer nerds?’ It gave me pause to re-evaluate my career.” He was a high-school student taking college computer classes at the time, excelling at them, when he decided to go into political science instead. That was his major when he entered college full time at the University of Illinois at Urbana-Champaign, where he soon discovered his next major influence: the Navy.

The first year of college went well in the classroom, but as summer neared, the unwelcome prospect of flipping hamburgers for minimum wage loomed. Another student told him about the Navy ROTC program on campus and that some students were spending their summers aboard aircraft carriers. Michel thought that sounded like a better idea and joined. “I loved ROTC,” he says. “I knew then that I wanted to be a Navy officer. I couldn’t imagine any job I would have loved more. I went to flight school in Pensacola, Fla., to be a flight navigator.”

He was commissioned as an ensign after graduation in 1991, and at age 22 was in charge of officer safety training for his squadron. “That was an important point in my life,” he says. “I saw that if you give young people opportunity, oftentimes they step up.” He had three deployments, once to hunt Russian submarines in the Red Sea and support NATO in the Adriatic and twice to intercept drug runners in the Caribbean.

A much less adventurous Navy activity had a profound effect on his life. He planned, pitched and launched a program to have members of his patrol

## The Military Advantage Quiz



Military and VA programs and benefits are renowned for their fog factors. To help veterans cut through it, Simon & Schuster published “The Military Advantage: A Comprehensive Guide to Your Military & Veterans Benefits,” by Christopher P. Michel, founder and CEO of Military.com, in 2005. The guide offers more than 350 pages of digestible information for veterans, military retirees, active-duty personnel and their families. The book offers help understanding benefits, pay scales, health-care coverages, VA eligibility requirements and other answers. Other features include clear articulation of PX discounts, travel

benefits, educational programs, legal services and other opportunities veterans and active-duty personnel may be missing. How well can you navigate the matrix of benefits? Here is a quiz from “The Military Advantage” to test your knowledge:

### True or false?

1. Veterans with service-connected disability ratings of 10 percent are eligible to have their VA home loan fees waived.
2. If you voluntarily separate from the service after 18 years, you can still use commissary and post exchange benefits.
3. Mothers of veterans who died in service or are permanently and totally

squadron provide volunteer services at a school in Brunswick, Maine. “I went to the commanding officer and put it together, and every day there were six people from the squadron at the school. It dawned on me that doing something entrepreneurial could be differentiating in your life.”

Michel was flying narcotics-interdiction operations over Honduras and Panama when the Navy opened the next chapter of his life, calling on him to serve as an aide for two-star Rear Adm. Tom Hall, at the time chief of the Navy Reserve in the Pentagon. It was a tough job with long hours, he says, one that put him constantly in the company of top DoD leadership – and helped shape his business philosophy. He briefly considered a career in the Navy. “What bothered me was I didn’t want to wait 20 years to be in charge. I was ready to go and throw my hat in the ring and contribute. I have no patience.”

He decided to apply to Harvard for a master’s degree in public policy, but one evening at a Capitol Hill cocktail party, Michel spoke with an admiral who suggested a master of business administration instead. “I’d never had a business class in my life,” Michel remembers. “I’d never taken accounting, never taken Principles of Business, nothing.”

He’d also never drunk a cup of coffee, until he was faced with the application materials for Harvard Business School. “I went to the Starbucks in Crystal City and had my first cup of coffee. I think I had seven cups in four hours writing my application. That’s not a healthy thing to do. I was shaking. Have you ever had something you really wanted but were not sure you could get it? I sent it in, and they sent me back a letter saying they would do a telephone interview with me. Some people get admitted right off the bat. Some people get turned down right off the bat. Others are

interviewed. The interview was going to be at 8 o’clock in the morning on a Tuesday. The night before, I’m in the Pentagon talking to one of the staff officers there about how I’d been doing the homework, prepping for the interview, and he said, ‘Why are you doing it over the phone? You should just go there.’

“I left work at 8 that night in service dress blues and drove straight to Boston. I stopped at a Walgreen’s and bought a shaving kit, shaved, and walked into the admissions office. This guy comes down the stairway and says, ‘I just tried to call Chris Michel on the phone, and he’s not there.’ And I said, ‘Because I am right here.’ I don’t know if anyone has ever done that before. I sat down with this guy. I was nervous, in uniform, and I had a terrible interview. I was so demoralized that on the way out, I threw the admissions packet away. I got in my car and drove back to Washington, D.C. A month later, I got a letter saying I was admitted to the business school.”

**If Not for the Navy.** The stakes and stress were high at Harvard. “Some people get A grades,” Michel says. “Other people get kicked out. Seventy percent of the grade is class participation. It’s dog eat dog. There were people there who’d spent years in business. I’d spent my life getting coffee for the admiral, finding Russian submarines and fighting the drug war. I was behind the curve.” He studied up to seven hours a day, teaching himself accounting along with his regular coursework. “I loved it, but I worked all the time. I wasn’t going to be the first Navy guy to get kicked out of Harvard Business School.”

The discipline he acquired in the service, he believes, paid off at Harvard. “I would never have gotten in if not for my Navy experience. Identify obstacles and overcome them. Never fail. That’s

disabled are entitled to 10 Veterans Preference points when applying for government jobs.

**4.** Military regulations do not allow pets on Air Mobility Command Flights when moving families from one duty station to another.

**5.** Children younger than age 10 cannot obtain a military ID card.

**6.** Active-duty servicemembers, military

retirees, National Guard and Reserve members, along with their families, surviving spouses and former spouses are all eligible to shop in post exchanges, online or in person, as long as they have a military ID card.

**7.** If you served in a combat zone for one day in any particular month, all of your military pay for the entire month is excluded from taxable income.

**8.** VA offers free health-care services, including dental care, for two years after discharge to all combat veterans.

**9.** TRICARE covers hearing examinations and hearing aids.

**10.** Approximately 50 percent of servicemembers who are eligible for GI Bill benefits never use them.

**Answers:**

**1. T 2. F 3. T**

**4. F** (up to two pets (cats or dogs) are allowed)

**5. F** (allowed if the children do not live with an eligible family member or under special circumstances, such as if they live with a single parent)

**6. T 7. T**

**8. F** (dental care is not provided)

**9. F 10. T**

how I approached business school.”

Michel’s interest in technology continued to grow. He began making connections with research scientists on the other side of the St. Charles River “who were always building new things. Some of these things needed to be turned into businesses. I helped them start a biotechnology company. It was almost full time.” The company’s mission was to move Harvard research out of the laboratory and into the pharmaceutical marketplace, where it could be used to shorten the drug discovery process. “I am just a business person. These guys were geniuses. I could do PowerPoint and help them think about market opportunities.” Soon enough, the science spawned a new company, Initio Pharmaceuticals, that later merged with another drug company and the technology today, per plan, is at work in the economy.

The project involved two other MBA students, including Anne Dwane, the niece of an admiral Michel had known at the Pentagon. She had been a brand manager and online market specialist for Nabisco, promoting Planter’s Peanuts. With a grin, she calls it her stint “in nut school.” After Harvard, Dwane went to work at a Silicon Valley think tank. After Harvard, Michel went to work for Mercer, Inc., one of the world’s biggest business consulting firms, and helped major companies with their online strategies.

He also joined the Navy Reserve.

On a drill weekend in early 1999, he was hanging around with other officers who were complaining about the difficulty of wading through DoD and VA benefits paperwork. “I just had a serendipity moment,” Michel remembers. “I said, ‘We should do this on the Internet.’ So I put a business plan together.”

He soon quit his job at Mercer and convinced Dwane to jump in three months later as co-founder of Military.com. They borrowed money, hired employees on spec and searched for venture capital. Michel worked out of his living room.

“Chris called me from a Navy Reserve weekend,” Dwane says. “The need was clear, and the attraction of working on something that mattered to a group of people – the military community – that deserves the very best was compelling. I wrapped things up at my previous employer and resigned in November.”

Dwane, he says, has always been able to give

form to his vision. “I can have an idea and she can turn it into a wonderful, elegant program,” he says. “She is really, really good. If she had an arrogant bone in her body, she would be dangerous.”

At the time they were pursuing start-up money, there was a dot-com business plan – if not a capitalized company up and running – for nearly every noun in the language. “We went to firm after firm to pitch the idea. They weren’t interested. Nothing was happening.”

Just as they were about to give up, a young member of the staff came up with a new way to pitch the business



Military.com general manager Anne Dwane says membership support played a big part in keeping the company afloat during tough times. *Steve Babuljak*

plan to investors. It worked. “We had \$5 million a month later, and we started the business.” Others jumped in, and the company was funded. Military.com was officially launched on a rented aircraft carrier in March 2000. Among the guest speakers at the kickoff was best-selling author and historian, the late Stephen Ambrose. *USA Today* did a front-page story on the company. Military.com was airborne.

“Then,” Michel says, “the bubble burst.”

**Touching Bottom.** “Not only was no revenue coming in – advertisers weren’t interested – we also had very high expenses,” Michel remembers of the 2002 Internet-industry implosion. “We thought more venture capital would be there. But it evaporated. What people don’t realize about the dot-com era was we didn’t know if it was a one-month bobble, and everything would be better soon, or if it would be years. We got to a very, very low cash position in the bank. Rock bottom. We couldn’t even pay severance. We were down to 10 or 12 employees, and all of our competitors were exploding in fireworks. Every dot-com company we knew – gone. We were at the epicenter. It couldn’t have been more personally difficult during this time period. I promised the team there wouldn’t be more layoffs, and there were more layoffs. We had a meeting and said, ‘Do we shut it down?’ It was so bad we did not have enough money to shut it down. I was trying to sell the company for \$1, just to keep it alive – the mission

was so important to us – but nobody was going to take something on at that time that was losing money. People were negative about the Internet.”

Then, once again as they were on the verge of giving up, “the team closed a deal that gave us two weeks of cash. Then they closed another deal that gave us a couple more weeks of cash.”

The edges of the company suddenly hardened. “We did the difficult things we needed to do,” Michel says. “In hindsight, it was the best thing that ever happened. We went from being a group of passionate friends to being a real business. You hear me talk about moving the needle. You hear me talk about

activities vs. outcomes. The reason I am so focused on these things is because I made so many mistakes. I did things I thought were making a difference for the business but were not. When push comes to shove – when your life, your business, depends on it – you learn quickly what matters. You do the things that drive revenue, drive membership. You do the things that make a difference for your business. Once you have been through that experience, it makes you better.”

And so, he says, “we got better. Advertisers started to realize the military is a good place to advertise. And people realized the Internet is an accountable medium. That was helpful. Other things that happened were of scale.”

“Member feedback kept us going,” Dwane says. “The tough environment really disciplined us. Survival depended on delivering value to members and partners so that they’d continue to turn to us. As the old adage goes, ‘pressure creates diamonds.’”

Today, if Monster Worldwide were to sell Military.com, it could command hundreds of millions of dollars, Michel says, declining to disclose the terms of the 2004 deal, only to speak of the “tangible value” the acquisition means to veterans seeking jobs behind the networking muscle of Monster.com, a \$1 billion-a-year business tapped into thousands of employers, with offices worldwide. “Monster’s mantra is bringing people

together to improve their lives. It sounds a lot like our mission. So we joined forces.”

**Common Goals.** The American Legion reached an agreement in June that makes Military.com the exclusive online job-search provider for the organization. “We know that Monster.com and

Military.com are the best around when it comes to careers for veterans,” Legion National Commander Thomas L. Bock said when the deal was announced. “We’re excited.”

Dwane says Military.com can help the Legion illuminate key veterans issues before the active-duty audience. “After World War II, there was a huge veterans agenda. It was very focused and vocal. What, today, is that visibility? What is the agenda? We can’t pick 100 issues, but we can pick a few

that you can’t argue with, like making sure the families of severely wounded soldiers coming home are well taken care of. Like should the GI Bill be transferable to a spouse? We can take five or 10 issues and make that our agenda.

“We continually evaluate and include new technologies, topics and resources that will matter. Constant change. One thing, however, is unwavering: our members-first ethos.”

That is another intersection of values between Military.com and the Legion. “It’s an honor for us to serve the community alongside The American Legion,” Dwane says. “Teaming together means that our efforts aren’t simply additive; alignment has a multiplier effect on the impact we can deliver the military community.”

The partnership may open a new front for Military.com, but Michel is confident it will benefit both sets of membership. “What’s best for us is to partner with organizations that are true experts at uncovering legislative touch points and then providing air cover to promote insight. That’s our comparative advantage. The dynamics are changing. We will not stop until people get all the benefits they’ve earned. Military.com is only one vehicle to help with that. So is The American Legion. Frankly, we need to link arms.” 🌿

*Jeff Stoffer is managing editor of The American Legion Magazine.*

### Battle-trained bosses

**21.3** Percentage of average shareholder return in companies headed by CEOs with military experience, September 2003 to September 2005

**11** Percentage of average shareholder return among companies in the S&P 500 over the same period

**7.2** Number of years, on average, a CEO with military experience stays with the same company

**4.6** Number of years, on average, a CEO without military experience stays with the same company

Source: “Military Experience & CEOs: Is There a Link?”, a June 2006 study of Standard & Poor 500 companies by the recruitment firm of Korn/Ferry International