

EXCLUSIVE REPORTS

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Sho Dozono's Azumano Travel is still going places

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Azumano Travel is a survivor.

In an industry that has taken several hits, the Portland company has roughly doubled revenue the past five years, expanded its presence in the West and added more than 100 jobs.

Part of its success has been a renewed focus on corporate clients, which accounts for 70 percent of company revenue.

"We've been creative in how we've evolved in the changing environment. Every time there has been a challenge, we've tried to recognize it as an opportunity," said Sho Dozono, Azumano president and CEO.

Ten years ago, there were 32,000 travel agencies nationwide, according to the American Society of Travel Agents. There are now 22,000.

The rise of online travel agencies, elimination of airline commissions and fear of terrorist attacks all contributed to the decline.

Instead of receiving commissions from airlines of as much as 10 percent on the price of an airline ticket, agencies themselves now charge customers a service fee of roughly 7 percent.

The travel agent also became the poster child for an industry that would die in the shadow of the Internet. While those predictions fell somewhat short, the Internet ultimately would drive a tide of mergers and acquisitions that drastically reduced the number of travel agencies.

"The industry has gone through tremendous changes in the last five years, between the loss of commissions, the slowdown in the economy, 9-11 -- all have affected the industry," said Uniglobe Spectrum Travel President Rich Lane, a competitor.

"What's left are the few agencies that approach travel in a very businesslike manner," Lane said.

Azumano seems to fit that description.

The company recorded approximately \$185 million in revenue in 2004, up from \$72 million in 1999. Azumano employs more than 250 people working at 15 offices in Oregon, Washington and Alaska.

The expansion, however, largely is a result of growing with its largest client -- Wells Fargo bank.

Wells Fargo selected Azumano eight years ago to be the sole outside travel manager for thousands of its employees who routinely travel for work.

With a client that has been expanding aggressively, the contract appears to be paying off for Azumano. In 2004, the company booked 125,000 trips for thousands of Wells Fargo employees, roughly twice as many as it did in 2000.

On any given day, between 500 and 1,000 Wells Fargo people whose trips Azumano coordinated are traveling by air. Wells Fargo had a 2004 travel budget of \$120 million, although some of that represents travel not handled by Azumano.

Azumano has a history of working as a bank travel manager -- for years it handled travel for the Northwest division of First Interstate Bank and continued to do so throughout a string of corporate changes that culminated eight years ago in a purchase by Wells Fargo.

That's when Dozono thought his company would struggle.

"Because Wells Fargo is based in San Francisco, and because we are not one of the biggest agencies, I thought we might have a hard time getting the business. But I went to them and told them how big my company was and that 'the buck stops with me.' That can be both good and bad," he said.

The approach worked.

"We are in an industry where things need to move very fast and decisions need to be implemented very quickly. The structure of a very large company doesn't always move very fast," said Wells Fargo Vice President and Corporate Travel Manager Annie Meyer.

Even though Azumano has prospered alongside Wells Fargo, Dozono said the company has not been immune to an evolution that began more than a decade ago that distinctly changed the industry.

"There certainly have been challenges for our industry and for our company. I used the term 'We survived this' or 'We survived that' a lot more often than I would have liked," he said.

"We aren't trying to become the biggest travel agency, just one of the healthiest and one of the region's best," he said.

It is a scene very different from when Dozono, a former teacher, began in the industry in the 1970s.

"We had no technology. We didn't use computers. We used rotary phones and waited for tickets to come across the teletype, unless we handwrote them," said Dozono, who joined his father-in-law, Azumano founder George Azumano, in the 1970s.

At the time, four agents served the company. Dozono took over management in 1981 and purchased the company in 1987. Today he and his wife Loen are the sole owners.

In recent years, being part of the American Express Travel Agency Network has helped build brand recognition for the company, Dozono said.

In addition, Dozono has gotten national and international attention for a tour he organized to New York City immediately following terrorist attacks there Sept. 11, 2001, as well as a trip he coordinated last month to the Asian region ravaged by a tsunami in December.

Those moves reflect Dozono's authentic style, said one industry observer.

"Sho is really a unique character in the travel industry. He is one of these people who is both sincere in his desire to help people as broadly as mankind and as narrowly as a client," said Arnie Weissmann, editor in chief at Travel Weekly, an industry trade publication based in Secaucus, N.J.

"He is good at promotion without being self-promotional in a manner that is inconsistent with his persona as a humanitarian."

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