

# The Frager Factor:

From Toaster Explosion  
To Explosive Growth  
of the Internet



In their ads, Apple Computer urges people to "think different," using photos of celebrated innovators like Einstein, Edison, Picasso and Frank Lloyd Wright to remind us that progress is often made by those who defy convention and look beyond the accepted ways of doing things.

One name not on Apple's list -- yet -- is that of Owen Frager, a Bay Area resident who shares these traits with their "different thinkers." Frager, 47, is one of those rare individuals who looks at the world and sees things the rest of us miss. A self-described "non-linear thinker," he has made a career of thinking "outside the box" -- often with startling results. And not surprisingly, he's been a Macintosh user since 1984, when he realized that the new computer's graphics capabilities would let him be a "one man band" who could replace an entire advertising agency.

**"Owen is extremely diverse... very good on corporate accounts, ideas and perceptions. Owen climbs into the consumer's mind ... gets people excited."**

**-- Paul Rosa, President,  
PDR Productions, San  
Francisco**

One example of Frager's eclectic insights: A few years ago, while vacationing on Fire Island, an upscale resort community off Long Island, Frager noticed that vacationers were taking the ferry back to the mainland to get cash, while local merchants were simultaneously taking cash back to the mainland to deposit in their bank accounts. As it so happened, Frager's brother-in-law worked for a company that sold ATM machines. Frager realized that someone could install a private ATM machine to "recycle" the cash locally. He pointed this out to the

owner of a local grocery store, who took his advice. The store now makes more money off the transaction fees than they do from their regular business!

"All the elements were there," says Frager. "Complementary needs, and a technically feasible solution. But nobody had thought of buying and operating an ATM machine on their own; they had bought into the notion that only banks can operate them. So here they were, shuttling cash back and forth on the ferry. Vacationers were spending hours that they'd much rather spend enjoying themselves, plus ten dollars to take the ferry, while the merchants were accumulating cash all day and losing sales because people were cash-poor. The solution was obvious to me, because I hadn't limited my thinking."

**"Owen's amassed a deep, many-layered understanding of where the Internet is today and where it is going, what Internet entrepreneurs are doing right and what they are doing wrong, and how to improve upon it. His true creativity consists of seeing what everyone else has seen but then thinking what no one else has thought and daring to differentiate your business in a way no one else would ever have the insight or perspective to! This is the ability and the drive you need in an Internet partner."**

**-- Joe Miranda,  
Creative Services,  
HBO**

Limited thinking is not Frager's style. At the age of two, he achieved some local notoriety in his childhood hometown for trying to use the family toaster as an incinerator, stuffing it with everything from chicken bones to crackers and rubber bands. "This was probably not my best idea ever," he now admits with a laugh, "but it does show that I've always looked for different ways to do things, even as a child."

Today, Frager's mind is as active as it was then, continuously churning out new ideas at a mile-a-minute clip.

Frager's background is as diverse as you'd expect, given his non-linear style. He's been a documentary filmmaker, an antique dealer, salesman, marketing executive and founder/creative director at a "virtual advertising agency." All of these experiences contribute to his unique mindset, Frager believes. "Most corporate management types are very linear," he says. They don't experience a wide variety of situations, where you have to improvise and innovate."

"Most people in today's society are 'farmer' types," he continues. "They follow set routines, and expect set results. Only a small percentage of people, well under ten percent, are what I call the 'hunter' type. "Hunter/gatherer societies lived their lives constantly roaming and searching for food, and the people who lived in these societies had to be very aware of their surroundings at all times -- eyes constantly looking about, always ready to jump and go after their prey, or avoid some predator that was about to make lunch out of them. They had to be able to find things that are normally well-hidden, notice even slight changes in their peripheral vision, and react to them almost instinctively. They also had to be 'on the spot creative', able to adapt quickly to unpredictable and rapidly changing

conditions."

"The 'farmer' societies, in contrast, lived by time and seasons, storing things for the future, and doing the same things, day after day, year after year, century after century. Such societies were made up of people whose minds worked in a linear fashion, as tilling precedes sowing, and sowing precedes weeding and watering and caring for the crops, which preceded harvesting, followed by canning and preserving, before winter weather forced them mostly indoors, to wait until spring again. Because farming is more an efficient way of getting food than is hunting and gathering, farming societies eventually prevailed."

**"He combines the sharp business head of a seasoned executive with the intuitive, inquisitive, and creative thinking of a child. He comes up with ideas, concepts, and relationships by making connections that others miss."**

**-- Andy Hilliard, Brand Manager, Calistoga Mineral Water**

"That's all well and good, but it means that, over time, the 'hunter' mentality has become increasingly rare. And now that we're in an era of rapid and dramatic change, the ability to innovate and improvise, to 'think different,' is suddenly very valuable once again."

The "era of rapid and dramatic change" Frager refers to is being driven by the Internet. "The Internet is sparking a Digital Renaissance, where information, knowledge, and connectivity win the day. Economies will thrive as Internet time juices the velocity of money, creating new streams of economic wealth. Interest rates will plummet as true pricing and competitive information comes to the hands of every consumer, bringing forth an era of greater competition and lower prices. Plentiful bandwidth will spur unparalleled levels of creativity and multimedia presentation. Interactivity will replace passiveness."

**"Venture investors are most interested in companies that break the rules," and are willing to move at break-neck pace to achieve their goals. Owen Frager fits."**

**-- John Breiten, VP Savin**

Frager firmly believes that a new era of "creative destruction" is upon us. "Companies, industries, and economies are being replaced by better ways of doing things, be it the distribution of financial information, direct sales of computers, or auto pricing," he notes ... and he has ambitious plans to utilize his unique and multi-faceted talents in this brave new world.

He sees big potential in helping companies do business with other companies, an area known as business-to-business electronic commerce. Accordingly, he's setting up a community of both business-and-consumer-oriented Websites, under the name Domain Success, to provide a panoply of services to businesses eager to stake out a position in cyberspace.

His inspiration was the presentation of Shopping.com, a Web-based operation that provides access to a complete range of consumer-goods vendors under one "roof." Frager first became aware of Shopping.com when he saw a TV commercial during the impeachment hearings in November, 1998, and bought some shares, which appreciated handsomely when the fledgling company was purchased by Compaq for \$200 million. But he also recognized that it was the Idealab! thinking behind it that made it so attractive. He then realized that he had the experience, resources and "field-real" perspective to create and showcase his own ideas. So he started conceiving and registering domain names and now positions Domain Success to be the Idealab taken to the next level: not just great internet ideas, but great internet ideas made profitable.

Frager believes that a greater potential for success in the business-to-business sector has not yet been recognized. Some of the services to be offered under the Domain Success umbrella are obvious: advertising, marketing, on-line ordering capabilities. Others are less so -- but, like the Fire Island ATM machine -- offer previously overlooked opportunities. "I don't want to 'give away the store' by talking about these in detail just yet," he states. "I learned that lesson when I found out that the ATM was generating \$200,000 a year for the store owner, when I gave him the idea for free."

Just how far Owen Frager can go with Domain Success remains to be seen. But as you watch him drive off in his ten-year-old BMW with the license plate IDEAS, you have to suspect that he's onto something. The age of the "different thinker" has arrived, and Owen is well-positioned to take advantage of it.

**"Owen is a very talented  
guy, fun to work with ...  
makes things happen."**

**-- Dan Chasins, President,  
Saab/America**

