

ONLINE ENTREPRENEUR MAKES WINNING CHOICES

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In the summer of 1999, a young man told Seven Fields council about an Internet business he had started in his basement and asked whether council could mention it in the borough newsletter since he was a resident. Council declined, saying the borough didn't endorse businesses in its publication.

A year later, that basement business Sanjay Chopra started with two others has moved to the North Shore, employs 55 people and is expected to make more than \$1 million in revenue its first year of operation. It also has won Chopra an Ernst & Young Entrepreneur of the Year 2000 Award.

The business, now called OnlineChoice.com Inc., uses the Internet to form pools of 50 to 100,000 buyers for products such as electricity, natural gas, telephone service, health insurance, gasoline and security protection. It then negotiates with suppliers on behalf of the group in an effort to get a lower rate. Members of the pool are not obligated to accept the negotiated deal, but if they do, Chopra's company gets a referral fee from the supplier.

The company's slogan is: "There's power in numbers."

Chopra, president and chief executive officer of OnlineChoice.com, started the business as ElectricityChoice.com with Bill Kirkendale and Marshall Cohen, both of Adams. At first, the company negotiated deals only for electricity purchases. Chopra, 33, said he got the idea of forming consumer buying pools while working on a master's degree in business administration at Carnegie Mellon University. Kirkendale, 40, is chief technology officer of the company, and Cohen, 55, is executive vice president of marketing.

"Cohen's the one with experience," Chopra joked in reference to Cohen's age and his 25 years of experience in public affairs, politics and legislative advocacy. Kirkendale has founded two other technology companies.

The business has climbed from Chopra's basement to the North Shore Center and in a year has raised more than \$17 million in funding from investors that

include DQE Enterprises, Hillman Co., Draper Triangle Ventures, Lycos Ventures and Homestore.com Inc.

It has 360,000 members from across the country and has made more than 50,000 service transactions, said Chopra, who previously worked for CEI and AccessData. In Pennsylvania, 35,000 people purchase their electricity through the company, he said.

Chopra said OnlineChoice members are saving 21 percent on their electric bills and 10 percent to 20 percent on their natural gas bills.

"We make our money from the supplier. We get a \$25 to \$50 customer acquisition fee from utility providers," he said.

For health insurance purchases, the company is creating pools of members with similar profiles, such as healthy, active 20- to 35-year-olds who want specific coverage, or families who want broader health care coverage.

Chopra also is talking with Internet service providers and expects to offer that service soon. Eventually, he said, he would like to enter the international market. OnlineChoice has partnered with Mercata to provide consumer items such as sporting goods and espresso machines.

In September, the company began working with the Make-A-Wish Foundation of Western Pennsylvania, a nonprofit organization that fulfills the wishes of children with life-threatening illnesses. For each person Make-A-Wish brings to the company who accepts an OnlineChoice service, the charity receives \$5 to \$10. "We have the noble purpose that differentiates us: to harness the power of the group to better serve the individual," Chopra said.

Illustration: PHOTO

PHOTO: John Heller/Post-Gazette: Sanjay Chopra in his office at One North Shore, across the Sixth Street Bridge on the North
