

## NEVADAN AT WORK:

### On entrepreneur's new network, programming will be all Las Vegas, all the time

By JOHN G. EDWARDS  
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James Lavelle spotted an opportunity to unite companies and built an information powerhouse. In 1996, he took four companies public and merged them to form Cotelligent, a company that performed management integration work and contract programming work. The company rose meteorically; in 1998, Cotelligent listed its stock to the New York Stock Exchange and employed 4,000 people. But the Internet bubble came and the company fell back. Clients took their business overseas to low-wage companies. Cotelligent's revenue dwindled. But Lavelle wasn't, and isn't, defeated. He believes his company, which has been renamed Watchit Media, will rise again. His new business provides television programming for signs inside and outside of casinos and private programs for casino guest-room televisions. Lavelle's latest move was establishing a 24-hour Internet television channel about Las Vegas in partnership with television celebrity Robin Leach.

**Question:** You gained your first experience at the Gap, Memorex, international public accounting firms and as an independent consultant. How did you become an entrepreneur?

**Answer:** I read an article one day in 1991 about what were called consolidation strategies. This article documented companies that were in the waste business, ambulances, banking and healthcare. There were more than 3,000 information technologies companies in the United States generating more than \$1 million each year in 1991. That looked to me like a market that could be consolidated. So I



*James Lavelle and Watchit Media are launching a new Web site dedicated to offering nonstop news and programming on the Las Vegas lifestyle at [www.watchitvegas.com](http://www.watchitvegas.com). Photo by K.M. Cannon.*

established a business called Cotelligent. Between 1991 and 1996, I worked to bring together a group of private companies and their owners, very successful private companies, that I could build a consolidation company around. On Valentine's Day 1996, I took four companies public and merged them (into Cotelligent) at the same time on the Nasdaq National Market. The aggregate revenue for those companies was \$65 million. Cotelligent did project management integration work and contract programming work. Two years later, we moved to the New York Stock Exchange and had more than 4,000 employees. It was a rocket ride. Then, the Internet bubble burst, the terrorist attacks happened and offshore labor got cheaper and better. The midmarket for IT services just began to evaporate. Services for which I was charging \$150 an hour my clients could go to India and get for \$15 an hour.

**Question:** What happened to Cotelligent?

**Answer:** We were delisted because we didn't meet the requirements. We were traded over-the-counter on the Bulletin Board for some time.

**Question:** What did you do next?

**Answer:** We found a little company here in Las Vegas, OnSite Media, that we acquired in 2004. When you walk through the casino and see all those video screens and all that exciting merchandising, that's what OnSite did. When you drove down Las Vegas Boulevard and you see the big screens, that's what OnSite did. If you turn on the private channels in the hotel rooms and they have things about restaurants, retail stores and spas, that's what OnSite did. We envisioned the convergence of Internet and television was going to how people live their lives. We changed the name of the business to Watchit Media. We have a little more than 40 client properties in Las Vegas.

**Question:** Who were those clients?

**Answer:** Harrah's Entertainment is our largest client. We produce the video content that runs on the (Harrah's) screens at least in 12 of their properties. Boyd (Gaming Corp.) is also a client.

**Question:** How does Internet television work?

**Answer:** Historically, broadcast and cable TV used satellite transmission. Compression allows for long-form television programs, which could be for an half hour or an hour or longer, to be presented on the Internet or to be presented on what's called digital interactive cable television quickly, inexpensively and interactively. In other words, the viewer can interact with what they're watching. Point and click (to choose a program). You can order a ticket, make a reservation. In September, we signed an agreement with Time Warner Cable for a new interactive digital cable television program that they present in the Hawaiian Islands that's called "777," and it's all things Las Vegas. We produce real live television programming for "777," and it's all centered on Las Vegas lifestyle. We also have a partner, Total Vegas Television, owned by Robin Leach. Robin has licensed (programs) to us. About six weeks ago, we signed a three-year agreement with MediaZone, the largest Internet broadcast television company in the world, to produce "Watchit Las Vegas on MediaZone," programming about Las Vegas. And finally, we are preparing to introduce [www.watchitvegas.com](http://www.watchitvegas.com), our Web site offering 24-hour a day news and programming on the Las Vegas lifestyle. It was to launch today, in the first second of the new year. MediaZone has more than 30million unique visitors a month to its Web site every day.

Anybody can go to MediaZone and watch "Watchit Las Vegas."

As far as I know, we are the only company in the world that has a 24-hour Las Vegas-themed television network. We're doing it in partnership with Robin. He has been successful in applying his talent and business acumen to some of the big successes in news and information television. "Lifestyles (of the Rich and Famous)" was one of them. "Star Search" was another. "Entertainment Tonight" was another. He knows television; we know the Internet. Our revenue for "Watchit Las Vegas" is third-party advertising and pay per view.

**Question:** What will happen to broadcast and cable television as Internet television starts to grow?

**Answer:** I think that broadcast and cable television will have a sustaining market in the future. I also believe that people want choices. In the future, it will matter less whether you are watching broadcast, cable or Internet; it will matter most that the programs you see appeal to your demographic and psychographic profile. (Psychography relates to personality, values, attitudes, interests, or lifestyles.)

#### VITAL STATISTICS

**Name:** James Lavelle

**Age:** 55

**Occupation:** Chief executive officer and chairman, Watchit Media

**Education:** Bachelor's degree from the University of California, Santa Barbara and master of business administration degree from the University of Santa Clara (Calif.).

**Work history:** Systems analyst at the Gap; division controller at Memorex Home Video; consultant at international accounting firm PriceWaterhouseCoopers and then KMG Main Hurdman; independent consultant; founder of Cotelligent; chairman and chief executive of Watchit Media.

**Hobbies:** Composing and playing guitar music, collecting art, swimming.

**Hometown:** Las Vegas. In Las Vegas since: April 2005.

**Quotable:** "As far as I know, we are the only company in the world that has a 24-hour Las Vegas-themed television network."

Watchit Media is at 3485 W. Harmon Ave., Suite 100 and can be reached at 740-1700.



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