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GROUPONS

THE DAILY-DEAL SITE ISN'T JUST THE FASTEST-GROWING COMPANY IN HISTORY: IT'S ALSO A BREEDING GROUND FOR A GENERATION OF COMICS, WRITERS, ACTORS, AND MUSICIANS.



SALE



ACT NOW



SPECIAL



FUNNY BUSINESS

by **NICOLE FREHSEE**
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t midnight on a sticky Saturday in July, Daniel Kibblesmith is backstage in a tiny theater on the fourth floor of Chicago's Second City, listening to his friends sling dildo jokes. "They just told me to pack up my dildo and go home," says one, looking forlorn as he waves a giant black rubber

penis. They're performing a play called *Dildo Town*, a phallus-obsessed spoof of Thornton Wilder's 1938 classic, *Our Town*.

Saturday Night Live it's not, but when Kibblesmith steps onstage to deliver the epilogue, he looks pleased. As well he should. After all, the professorial-looking 27-year-old helped produce the play for *The Late Live Show*, an absurdist weekly talk show and revue he and some coworkers debuted last August. "It's kind of dominating my life," he reflected a few days earlier. "It's like having a second full-time job."

So what are Kibblesmith and Co. doing when they're not telling dick jokes? They have actual nine-to-five careers—at the fastest-growing company in history.

To walk into Groupon's headquarters is to enter a bizarre corporate world where bouncy exercise balls serve as desk chairs, conference rooms have names like Tyler Perry's House of Pain, and pieces of individual flair, à la *Office Space*, are encouraged. There's a Ping-Pong table, a library stocked with *Donnie Darko* and *Chappelle's Show* DVDs, and a file cabinet topped with stacks of *X-Men* and *Superman* comic books. In short, it's a teenage boy's dream bedroom, sort of like the Facebook offices from *The Social Network*, except instead of being staffed by young



Groupon's humor team goofs off in the office.

tech geeks, it's full of comedy, theater, and music geeks. In fact, approximately 70 percent of Groupon's Chicago employees are chasing creative pursuits outside the office.

Thirty-year-old Northwestern University alum Andrew Mason launched the daily-deal Web site in November 2008; since then the company—which offers coupons for everything from divey steak joints in Lubbock, Texas to swanky yoga studios in New York City—has exploded. (How it works: Groupon negotiates with merchants to score discounted goods, which means customers can eat a \$50 meal for \$25.) Groupon has expanded to 43 countries, spawned hundreds of imitators, and grown quicker than any other tech company, including AOL, eBay, and Amazon. From 2009 to 2011, its revenues skyrocketed from \$1.2 million to \$392.6 million—a leap of 32,617 percent.

But the road to success hasn't been without potholes. There have been glitchy deals (in February, Groupon offered discounts at

flower giant FTD; bouquets were cheaper on FTD's own Web site), PR disasters (Groupon's 2011 Super Bowl ads poked fun at whale endangerment, deforestation, and Tibet's humanitarian crisis), and, most recently, an SEC investigation into Groupon's accounting practices. And while the company, which rejected a \$6 billion buy-out offer from Google in 2010, was reportedly valued at \$20 billion earlier this year, market volatility has delayed its IPO and sparked doubts about Groupon's worth; the president of a New Jersey IPO-tracking firm puts the number at \$10 billion.

From the beginning, Groupon has focused on building up its workforce, the lifeblood for a company that relies on sales and customer service. Between June 2009 and June 2011, the company grew from 37 employees to 9,625. "It's the classic land grab—Groupon came out of the chute strong and hard," says Beverly Macy, author of *The Power of Real-Time Social Media*



PIXAR, INC.

Like some wondrous combo of amusement park and rec room, the animation studio's offices feature more toys than Richie Rich's bedroom.



THE BOSTON BEER COMPANY

Free beer! That's all you need to know about the perks of working at the home of Sam Adams.



GOOGLE

On a recent visit, comedian Marc Maron described the Web giant's HQ as "cultlike. I don't know why anyone would want to leave."



DREAMWORKS

Its free food, monthly parties, and loads of movies make working here more like going to college than sitting in a cubicle.



MAXIM

Seriously, not to be all braggy, but this is a pretty awesome place to work. That is, if you like scantily clad women and free booze.

Marketing. “Amazon did the same thing when it started [in 1995]. It was the giant gorilla in the market, and a million other companies jumped in to follow. Groupon is just taking a page from Amazon’s book.”

Groupon’s employees, at least the vast majority who work in ad sales, customer service, and the editorial department, don’t seem too concerned with balance sheets and income statements. Says Kibblesmith, “We don’t have time to stop and think about how big Groupon has become. We don’t think of the bubble bursting. All we know is that we’re working incredibly hard.”

“Everyone here gets bored easily,” says Kibblesmith, who, aside from churning out copy, is a filmmaker, illustrator, and comedian. (You may also recognize him from his hilarious turn on *The Millionaire Matchmaker*.) Adds Dan Jessup, a slight 34-year-old who helms Groupon’s recruiting efforts (as well as acting, teaching improv, and voicing

its theater and improv scenes, the breeding ground for superstars from Bill Murray and John Belushi to Tina Fey and Steve Carell. “Without a doubt, we’re a better company because of Chicago’s improv community,” says Jessup. “We gain a subset of employees who bring a lot of personality to the table.”

Take the customer-service reps, whose job is to fix issues with coupons and site usability. There’s no preset problem-solving script, so they’re free to troubleshoot creatively. In other words: improv! Adal Rifai, a 29-year-old comedian who has a weekly residence at the iO Theater, once posed as Santa Claus when a woman wrote in after

writers the pay scale is not unlike any other entry-level writing gig, \$37,000 a year or so. As Kibblesmith says, “Nobody started working here because of any kind of dot-com-style payday on the horizon.”

The bulk of Groupon’s performers work in the 300-person customer-service department, led by 29-year-old Joe Harrow. “Customer service is a hard job to be happy at long-term,” he says. “But we make it fun by hiring fun people.” To wit: Paul Brittain, a former sales rep, is now a cast member on *Saturday Night Live*; another ex-staffer, C.J. Toledano, left last fall when he scored a writing gig at *Late Night With Jimmy Fallon*.



One former staffer is now on *SNL*. Another scored a writing gig with Jimmy Fallon.



Half off on laughs!
Groupon’s Kibblesmith
onstage at Second City.

McDonald’s McRib commercials): “It’s easy for corporate culture to become boring. And a huge tenet at Groupon is not to be boring.”

The company’s lighthearted vibe stems from Mason, a chronic prankster whose quirkiness has been elevated to an almost mythological level in the press. (He’s hired a man in a tutu to roam the office for a week and once bought a pony for visiting New York City mayor Michael Bloomberg as a joke.) “Andrew’s one of the most nimble thinkers I’ve ever encountered,” says Steve Albini, the legendarily cranky recording engineer who has worked with bands like Nirvana and the Pixies. In 1999, as a college senior, Mason cold-called Albini for an internship; he ended up getting hired full-time as an engineer. “Andrew really cares about other people,” says Albini. “His employees aren’t tools to him.”

When it comes to building Groupon’s army, Mason looks for employees who mirror his own humor, empathy, and creativity. Easy enough to find in Chicago, known for

accidentally buying two Groupons, even though the rule was one per customer. “She felt super guilty,” recalls Rifai. “So I said, ‘All is not lost. You’re still on my good list,’ and signed it ‘Santa.’ She said it made her day.”

There may not be a script, but there is a Groupon “Voice,” which has been likened to that of an unhinged professor. It’s a highly articulated stylistic tone that informs the company’s daily-deal write-ups, and it’s been hammered into the minds of the 440-person editorial department, made up of writers, copy editors, fact checkers, and Voice editors. “Our writing style resonates with creative minds,” says editor-in-chief Aaron With, an indie-rock singer who helped create the Voice Style Guide, an actual online document outlining what is and is not acceptable. (OK: “wildly absurd tangents”; taboo: pop-culture references, puns.)

A small percentage of Groupon’s workforce—mostly senior management and early employees—stands to make a fortune when the company goes public. But for new

The job not only provides a steady paycheck to aspiring writers and performers; it also offers free inspiration. Rifai borrows customers’ accents for stand-up bits. “A person’s voice swims around in my head, and it’ll fall out as a character,” says the Illinois native, whose Groupon-employed sister (an actress) and roommate (an actor) snagged him a job at the company last January. A big reason customer service attracts actors and comedians is its flexible schedule: Reps, who get paid by the hour, can design their workdays around auditions, rehearsals, and gigs. It’s not unlike waiting tables or tending bar, traditionally the jobs of choice for aspiring stars hoping for their big break.

Lots of corporate honchos would be taken aback by their employees’ double lives, but Groupon execs don’t mind doling out salaries and benefits until their staffers move on. In March, when sales reps Teddy Grossman and Josh Teitelbaum went to SXSW with their rock band, it was on the company dime. The duo hit the music festival in a tricked-out bus decorated with Groupon decals. “They comped all our travel and food,” says Grossman. “We lived like kings.”

How long Groupon can foot the bills depends on its ability to engage its subscribers, and that means continuing to expand, holding on to the “Voice,” and recruiting the young talent who can cut through the clutter in a rapidly expanding market.

“When I started at Groupon, I thought, I’ll do my time here and make some good money,” says Toledano, who recently left *Fallon* for Comedy Central. “But now, being in New York and L.A., having insanely stressful jobs, it’s something I struggle with.” He pauses, then adds, “I think, Man, if I was just working customer service, I’d be making enough money and seeing my friends all the time.”