Interview Interview



Thomas Flohr

INTERVIEW

EDITORS' NOTE Thomas Flohr transformed his passion for private aviation into VistaJet, to which he brought his business acumen and experience as President of a Fortune 500 company.

COMPANY BRIEF With VistaJet (www.vistajet.com), Thomas Flohr designed a revolutionary private aviation business model focused entirely around clients. The firm invested in the largest privately owned fleet of aircraft outside the Americas and took their first flight in 2004. They are now the world's leading long-range private aviation company with a fleet of Bombardier aircraft based across Europe, the Middle East, Asia, and Africa, and their multilingual staff are based in offices across the globe.

What is your long-term goal for the VistaJet brand?

When you see a business jet parked in a remote location, the likelihood is that investment decisions are being considered and the decision-maker is flying back out to wherever he is based.

That is what VistaJet supports – the ease to have these jets available without asset risks in the most remote places around the globe.

This is in combination with a massive shift in global trade where today these frontier countries are doing business directly with each other, which wasn't the case 5 to 10 years ago.

We have identified and caught that megatrend, which is here to stay. Africa will do business with China, and China will do business with Russia, and Russia will do business with Africa, and the U.S. multinationals will have to participate in the same game to remain competitive on a global basis.

Also, the U.S. market is interesting for us because multinational companies don't necessarily have the in-house expertise or comfort to fly global citizens to Africa or China, so that's our contribution to a massively changing world trade.

Think Global

An Interview with Thomas Flohr, Founder and Chairman, VistaJet

How are the emerging nations responding to what you're offering?

The emerging nations are typically given the 20-to-25-year-old airplanes, but we're saying that these markets are the best opportunities on this globe so they deserve the best product.

In many countries, I'm being received by the Prime Minister or Minister of Aviation or Transportation because they embrace the concept of offering brand new aircraft.

A fair number of these countries have accident histories in general aviation so brand new aircraft, with a world-class operation behind them, will have a completely different track record. I'm seeing political interest at the highest level in every country I'm going to because they recognize that somebody is finally treating them like the rest of the world.

How have you been able to fulfill the demand for aircraft and how did your relationship with Bombardier develop?

We announced a deal with Bombardier on November 27th.

Bombardier, having made a family out of the Global Express with a 5000 and 6000 and soon a 7000 and 8000, as well as having the largest cabin in the marketplace, convinced us to continue with their aircraft – the Global 7000 will offer a 10-to-12-foot longer cabin so we will have the lead on the cabin in that top end of the market.

It's the right product for the right mission, and it's in partnership with Bombardier that we deploy those aircraft to the most remote regions across the globe.

Bombardier sees the benefit in our partnership as well – every flight to a remote location is a demonstration flight of the Bombardier product and that cements our relationship with them.

What is leading to the strong growth rate you're achieving?

It's our true expertise in flying to remote locations with a smooth operation that works in combination with the cabin and entertainment systems – it's the overall experience that our customers feel comfortable with.

Our revenue growth in 2012 was 26 percent in terms of true flight revenue, which proves that more people are appreciating our concept. Are we a solution for everybody? No, but we're sticking to our business model because there is a market for people who realize that, for a relatively small increase in price, they can fly with a company that only uses Bombardier for maintenance and uses brand new replacement parts.



The interior of one of VistaJet's Bombardier Global 6000 aircraft

We have rigorous safety systems in place, so if people see a silver metallic aircraft with a red stripe anywhere in the world, they know what they're getting.

I could cut the costs by thousands of dollars if I would utilize used parts and do minimum training for pilots. But I'm not doing that because our business model is about doing everything at the highest standards. We believe that quality will always pay off over time.

Is it tough to manage the speed of growth?

Yes, but as a result of doing what we have, we have drawn a talent pool that is secondto-none. The true entrepreneurs who want to serve the clients are showing up.

Also, a year and a half ago, we invested heavily in IT infrastructure, which is seeing the early signs of a huge payoff in that we know every single detail online about any flight anywhere – it's data that allows us to maintain that high level of service even in the most remote locations.

This IT investment and the talent pool we draw on helps us manage the growth.

Did you enter into this role with the goal of changing the industry mindset?

That was my major driver – I didn't understand why this industry had certain things cast in stone that didn't make sense to me. I didn't understand the concept of a home base – aircraft should be in the sky, not at a home base; I didn't understand why people wanted to take an asset risk; and I didn't understand the level of industrialization.

These jets are being sold to the smartest companies and entrepreneurs around the globe, because these jets are the ultimate time machines. So why would the industry not have industrialized standards on how to operate on scale? That is the window we found and that in combination with the megatrend of the shift of world trade was the underlying recipe that has made us a leader today.

How do you view the future for VistaJet?

If you try to define an end point, you will eventually trip over it because you will stand still.

It has been exciting to contribute to something creative rather than just creating another company flying aircraft around the globe.

We believe there is a change in world trade and we have to pay respect to those frontier countries by going to them and demonstrating our aircraft and our commitment to those customers. \bullet