

Leaders In Private Aviation

Creating a Wow Factor

An Interview with Jordan Hansell,
Chairman and Chief Executive Officer, NetJets Inc.

EDITORS' NOTE Jordan Hansell assumed his current post in 2011. He joined NetJets in 2009 as General Counsel. He became Chief Administrative Officer and then President a year later. Prior to his arrival at the company, Hansell worked for 10 years at Nyemaster Goode. Before this, he served as a law clerk to the Honorable Antonin Scalia and the Honorable J. Harvie Wilkinson, III. Hansell graduated *summa cum laude* from Duke University with a bachelor of arts in political science, received his master's in public policy from the University of Michigan, and graduated *magna cum laude* and Order of the Coif in obtaining his Juris Doctor from the University of Michigan Law School.



Jordan Hansell

COMPANY BRIEF NetJets Inc. (www.netjets.com), a Berkshire Hathaway company, is the worldwide leader in private aviation with the largest and most diverse private jet fleet in the world. NetJets began in 1964 as the first aircraft charter and management company. In 1986, NetJets pioneered the concept of fractional aircraft ownership – offering individuals and businesses all of the benefits of whole aircraft ownership and more, at a fraction of the cost. Today, NetJets offers a full range of private aviation solutions through its programs in North America and Europe, including NetJets Shares™, NetJets Leases™, and the Marquis Jet Card®, which provides access to NetJets through a 25-hour jet card.

In 2014, NetJets will celebrate its 50th anniversary. How do you guard against complacency when you're on top?

We're proud to be in that 50-year category.

We were the first jet charter company in the world and the first fractional company in the world, and we're the largest private jet management company in the world.

Fear of failure is a wonderful motivator, and we fear staying put; we want to create a wow factor in everything we do. Even though we're not perfect, we try very hard to be. This drive allows us to put increasing distance between us and our competition.

Is a lot of the growth primarily in emerging markets or is there still strong growth in the U.S.?

There is the possibility of both. We talk about various kinds of growth for the business as a whole – the first is organic in our existing markets with our existing products, and we're seeing that in the U.S. now. We'd like to see similar growth in Europe to the extent that the economic conditions there begin to cooperate. But we are laying the foundation there, and we are seeing pockets of that growth.

In terms of geographic growth, we're looking forward to starting our operations in China in 2014.

From a product perspective, we have offered 30 to 40 new initiatives over the past three years that will provide growth opportunities for us, and we have had very good success from many of those new products.

How niche is the market in terms of what you're offering?

It's relatively limited. Private air travel is not inexpensive, and we focus on providing outstanding service and safety that justify the price point.

The market is larger than what we have penetrated today, and we're optimistic – even in our existing, relatively mature markets – that we will continue to grow going forward.

How tough is it to get the message across that value isn't about price but about the experience?

It can be somewhat difficult until a person flies with us, and then it's straightforward. We hear regularly from the people who have flown with other operators and then with us about the difference. This is very gratifying.

Can you cover all of the international markets now from your current locations?

We fly in and out of 170 countries. In 2012, we flew the equivalent of back and forth to the moon 266 times. So we're covering the globe effectively today.

The question becomes one of intra-country expansion: do we want to have bases of operation in additional countries? We are constantly considering expansion in India, Brazil, and the Middle East.

Expanding our operating business is not necessary for us to do what we do today, but if we want to expand our service offering to intra-country flying outside of the U.S., Europe, and China, we would look to expand in that way.

What will the fleet look like over the next several years?

Since the company's inception, we have prided ourselves on differentiating our offering from everybody else's on two bases: safety and service.

We spend immense sums of money and time ensuring that we're the safest option in the sky: pilots fly only one type of aircraft; we train them twice a year; we have specific airport protocols they are trained to fly, etc.

The second proposition is service: we want this to be the most effortless travel experience for people; we don't want there to be any headache or disruption, to the extent that we can humanly and safely prevent it.

We have recently launched a third proposition with the Signature Series aircraft line. We want to provide aircraft that people can't get anywhere else. It doesn't matter whether it's a small or large cabin aircraft. In their space, we want them to be unique. Signature Series is our denomination of that concept. So we're spending time and money differentiating the aircraft from anything else available.

When you brought in a vision of how you wanted things to work, did your people take to it quickly?

With the economic crises in 2009, we had the benefit of a challenge that was fairly apparent, which makes change easier.

We also embarked aggressively on providing our team with detailed information about what is going on in the business. So when we have a conversation with each team member, our goal is to have them say, that makes sense because I knew all of this already – that makes change easier, because things we need to do become apparent to everyone.

NetJets also has such a reservoir of deep aviation experience that we can tweak and improve upon, knowing we have a firm foundation. This makes a huge difference.

Looking three to five years out for the business, what are you most focused on?

We want to continue to expand our competitive advantage, which further differentiates us from everyone in the market.

We also want to broaden the global reach of our offerings into areas that we think will be profitable and promising.

Finally, we'd like to grow the number and type of offerings we make to the aviation industry, beyond the operation of the aircraft themselves. ●