



A Netjets Signature Series Challenger 350, manufactured by Bombardier

Relentless Focus

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. (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.

What has allowed NetJets to remain relevant year after year?

First and foremost, it's our team's relentless focus on our customers. We're blessed to have the team we do and a strong customer focus. It's unique in many respects, because at day's end, we're a high-touch, high-service business and the only way we're going to be successful is if our team continues that focus.

The second thing that has made a big difference for us is Berkshire Hathaway's purchase. Warren Buffett's patience with us and our business model, and having access to the capital and support that Berkshire provides, is unparalleled.

How much of a niche market does NetJets target?

It's not a mass-marketed business, but there are large portions of the population that would benefit from the safety, convenience, and high-level service we provide. These days, everybody is trying to get a lot more done in their business and private lives, and they want someone upon whom they can rely to assist them in being as productive as possible. We're uniquely positioned to provide that service, and they know with us that they're going to be safe.

You have also evolved the fleet offerings into the Signature Series. Would you talk about the vision for Signature Series and how it will impact customers?

We have always had the view that we want to be the best in the business from a safety perspective and from a service perspective. However, for years, we offered aircraft that our customers could get anywhere else – there was nothing overly unique about the planes.

We put an end to that with the introduction of the Signature Series. Because of the additional work our team has done, the help from our customers, and the good partnerships we have with the OEMs, who are producing the aircraft for us, we have aircraft that nobody else has and that one cannot get elsewhere in the market.

We want to have uniqueness in service, safety, and product, and we're spending \$17.6 billion to get there, so it's not a small strategic move. We have been really pleased with the uptake so far in the market in the Signature Series, both in the U.S. and in Europe.

Right now, we're seeing the market respond to that strategic decision.

What kind of opportunity for the brand does a market like China offer?

China presents a potential opportunity over the long-term, much like the U.S. does today. It is geographically dispersed and it has a robust, dynamic economy. It's likely to take over the U.S. as the largest economy in the world in the not-too-distant future. The Chinese government there has expressed an interest in fostering business aviation.

In the near term, the opportunities are more limited because the infrastructure has to be built up, the market has to develop, and so forth. But we felt that, with our large base of operations in the U.S. and in Europe, the next

logical place for expansion was China, given its development.

Will there be a focus on other regions and markets in the future?

We are always looking at places where we can grow our business, such as Brazil and Russia, and we'd like to get back into the Middle East in a more in-depth way.

How important is it that prospective customers get to experience NetJets inside and out?

There is a lot of talk in our industry and one of the things we focus on here is backing up that talk. It's a complicated business, but nobody does it better than we do. When we bring current or prospective customers into our operation in Columbus, they get a sense of what we mean when we say we're different. It's a physical manifestation of that competitive advantage and an incredibly powerful selling tool. We repeatedly hear from people who come in after having seen other locations from our competitive set that we are exponentially different and better than what they've seen elsewhere.

How substantial have your investments in technology been?

We have an IT infrastructure, much of which is proprietary to us and allows us to operate as efficiently as we do, and we are constantly investing in that infrastructure to make the system run more smoothly and increase the service level that our customers experience.

We're also seeing, in general, a quickening of the pace of IT development in the world, and we keep up with that when it comes to our fleet investments. For example, we retrofitted virtually the entire fleet with Wi-Fi and now text and talk. We're by far and away the largest fleet in the world with those two capabilities.

We recently rolled out our first aircraft with a new inflight entertainment system, which is wireless in the air and on the ground. It's constantly updated as our aircraft circulates through the system, and it provides an unparalleled experience on the aircraft permitting people not only to use the IT mobile devices we provide but their own as well.

We think this is a unique offering. It becomes critically important for us to innovate and work with our OEMs to stay ahead of the curve as much as possible. ●