

Building Businesses

An Interview with **Kenny Dichter**,
Founder and Chief Executive Officer, Wheels Up



Kenny Dichter in front of a Wheels Up King Air 350i

EDITORS' NOTE *Kenny Dichter founded Marquis Jet in 2001 and introduced the first-ever fractional jet card program. Led by Dichter, Marquis Jet generated over \$4 billion in revenue, culminating in its sale to Warren Buffet's Berkshire Hathaway's NetJets in 2010. At that time, Dichter was named Vice Chairman of NetJets. He has played an active role and invested in Juice Press and CYC. In 2010, Dichter co-founded Tequila Avion. Paris-based Pernod Ricard, the world's second largest premium wine and spirits company, purchased a minority stake in Tequila Avion in 2011, and acquired the company in July 2014 for over \$100 million. Dichter is also the Founder and Chairman of Tour GCX Partners, Inc. In 1996, Dichter co-founded Alphabet City, which was acquired by Robert FX Sillerman's SFX Entertainment in 1998. Dichter chairs the Council of Advocates at New York's Mount Sinai Hospital for Dr. Ken Davis and is on the Board of the Jack Martin Fund. Dichter is a major supporter of his alma mater, University of Wisconsin-Madison.*

COMPANY BRIEF *Wheels Up (wheelsup.com) is a revolutionary membership-based private aviation company that significantly reduces the upfront costs to fly privately, while providing unparalleled flexibility, service, and safety. Created and led by renowned entrepreneur Kenny Dichter, Wheels Up offers guaranteed availability to its private fleet of new Beechcraft King Air 350i and Citation Excel/XLS aircraft to individual, family, and corporate members. With the cutting-edge Wheels Up mobile app, members can seamlessly book flights, manage their accounts, participate in ride-share opportunities, purchase seats on Shuttle Flights to and from popular events and destinations, and select Hot Flights, a vast selection of one-way "empty leg" flights that are posted daily to the app and updated in real time. Members also have access to Wheels Down, a program featuring exclusive events and experiences, unique partner benefits, and a full-service luxury concierge.*

Is your business strategy more about innovating and disrupting an existing space or looking to create new spaces?

I'm definitely an innovator, but I'm also a re-packager, a re-seller, and a re-brander of things that exist. I always think back to those two guys from Dayton, Ohio – Orville and Wilbur Wright – who, on December 17, 1903, flew their airplane, the Flyer, in Kitty Hawk, North Carolina for the first time. If it weren't for them, I wouldn't be in this business.

If I were walking around at the turn of the century, I would not have invented the airplane. I probably would have made faster horses.

In this business, have relationships been the key to success?

Relationships are key to any business. If someone can be a good partner, they will always have good partners. I've been in business with some super people over the years. The friends I've been fortunate to have made through my businesses are a big part of the joy, whether they came from the aviation, spirits, juice, or fitness fields.

As you started Wheels Up, was it difficult to get the concept across and has it evolved as you expected?

Richard Santulli who founded NetJets, was the Orville Wright of my generation. I was fortunate to have been able to learn from him and Warren Buffett, who eventually became a customer of NetJets and then became the owner. These are two of the best guys in the business. From the time I shook hands with Richard in February of 2001 through to selling Marquis Jet to NetJets, I learned a great deal in those 10 years. With that knowledge and the extra year I spent as Vice Chairman of NetJets, I was able to develop a broad perspective. I gained an understanding from my experience at Marquis and NetJets that the entry level was trading away from the traditional players in fractional and that provided an opportunity. We knew the Beechcraft King Air 350i series of airplanes well and thought it was a perfect plug-in to that entry level. I was confident that there was a lot of white space and an addressable market.

When I looked at the King Air, specifically the 350i, which we're concentrating on now, I thought about the early '70s and the people that were responsible for bringing the Range Rover or the Tahoe into popularity because they could see an SUV in every

driveway in America. The SUV of the sky is the King Air 350i. It has eight seats; it can take eight golf bags and eight guys to almost anywhere in the country. It has a 2.5- to 3-hour range, it has great speed at 360 miles per hour, and great comfort.

Is the perception of the King Air 350i as a greener alternative part of the business proposition?

It is. The King Air 350i is greener than any jet operating in the world. The carbon footprint from the fuel burn makes an easy choice for any company or individual looking to be environmentally responsible.

As a part of our platform, we have chosen to do good, both for our members and society at large. For instance, we had an opportunity to raise awareness for breast cancer with our Pink Plane through a partnership with the Dubin Breast Center at Mount Sinai in New York.

When I think about my kids and their kids someday and the carbon footprint and the green elements of the King Air, the cleaner we can keep the environment while still living our lives, the better.

What market are you looking at with your price point and is it opening up private aviation to a broader market?

When you look at the traditional fractional market, it reaches a couple hundred thousand at most in terms of the addressable market. Wheels Up, with its revolutionary membership model and the King Air, reaches an addressable market that feels 10 times bigger than the one for fractional aircraft.

Two to three million people in businesses in North America could consider joining Wheels Up and using the King Air for their missions.

Are their opportunities overseas or is North America still the priority?

Fifty percent of the world's action in private aviation is in North America; the other 50 percent is in the rest of the world. It will be similar for our service and business.

Western Europe is a special opportunity for us because the King Air 350i can cover all of Western Europe – 47 of the 58 most traveled cities can be covered nonstop by the King Air, which is a recipe for unbelievable success in Europe. ●