

# Private Aviation as a Corporate Solution

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# Why Are Corporations Turning to Private Aviation?

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C-Suite Executives

-Board Meetings

-Visits to plants/customers/partners



Commercial airline route reductions



Covid exposure concerns – less touch points



Reduced traveler friction

 **There are four main ways for a corporation to fly privately:**

1. Whole Aircraft Ownership
2. Fractional Ownership
3. Jet Card / Deposit Program
4. On-Demand Charter with a Broker

# Strategies for Being a Savvy Private Aviation Buyer



Annual Hours



Top O&Ds



# of Passengers



Aircraft  
Preference



Capital  
Expense



Resources

## **Safety and Security**

- Culture
- Safety Management System
- 3rd party safety auditors
  - ARGUS Platinum
  - Wyvern Wingman
  - IS-BAO Stage III
- Duty of care

## **Pricing Considerations**

- Sample pricing
- Hourly rates
- Additional costs (fuel surcharges, repositioning costs, etc.)

## **Program Considerations**

- Advanced notice requirements and cancelation terms
- Guaranteed availability
- Peak days/Blackout days

## **Aircraft/Operator Considerations**

- Are they an operator or a broker?
- Size of the fleet
- Partner vetting process
- Owner approval required?

## **Customer Service Considerations**

- Booking Options
- Account management / After hours service
- Billing process

## **Additional Value Considerations**

- Membership benefits
- Multiple aircraft in a day options
- Special pricing and discounts
- Other benefits

## **Agency Support**

- Not just global organizations

## **Opportunity to support corporations**

- RFPs
- Program management vs. independent transactions

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Thank You!

# Advantages and Disadvantages of Private Aviation Options

## 1. Whole Aircraft Ownership

- Provides the most flexibility and control
- Tax advantages with aircraft ownership
- Very high capital entry point (a used Light Jet averages \$2M - \$4M)
- Ongoing maintenance, crew, hangar and flight department costs
- Supplemental lift needed when aircraft is in maintenance / no recovery options

## 2. Fractional Ownership

- Operates like a time-share – ownership without the baggage
- Guaranteed aircraft availability on one aircraft type with recovery included
- Long term commitment with restrictions on selling your share
- High capital cost (based on fraction) with tax advantages
- Over-flying or under-flying your contract is costly

# Advantages and Disadvantages of Private Aviation Options

## 3. Jet Card / Deposit Program

- No capital outlay with flexibility in commitment amounts – like a debit card
- Fixed hourly rates with ability to roll over unused hours or dollars
- Guaranteed aircraft availability with option to change aircraft category on a trip basis
- FAR Part 135 regulations may restrict pilot flight time
- Some programs don't operate aircraft and sub-contract all flying

## 4. On-Demand Charter with a Broker

- No capital or cash outlay
- No commitment beyond the specific trip you book
- Lower pricing options if you plan in advance
- Lack of flexibility or control when changes are needed
- Use a variety of different operators, all with different safety programs