

# Ready for take-off

As CEO for the past four years, Greg Thomas has steered PrivatAir from a specialist VIP carrier to a purveyor of luxury airline services. Here, he talks to **Rory Ross** about the company's history and reveals its future plans

**G**REG THOMAS, CEO OF PrivatAir, is sitting in the company's world headquarters at Geneva Airport. Behind him, aeroplanes of every size and colour are landing and taking off, while a cluster of private jets is being serviced on the ground. 'You get a very broad range of private jets here,' he says. 'Ten minutes ago, the Boeing 747 of the ruler of Abu Dhabi just landed. Geneva is second only to Paris Le Bourget for European business aviation. Private jet movements here account for one third of air traffic.'

A large chunk of those movements is due to PrivatAir. While PrivatAir hits 30 this year, it is only during the last four years under Thomas's stewardship that the company has taken off, so to speak. Ever since he joined PrivatAir in 2001, Thomas, who was a lawyer

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specialising in insolvencies and MBOs before joining PrivatAir's parent in 1994, has transformed the company from a specialist VIP carrier to a purveyor of luxury airline services to legacy carriers looking to wow business-class passengers – while also remaining a specialist VIP carrier.

PrivatAir dates from an era when private aviation was the preserve of a tiny elite. The company is a refinement of PetrolAir, the private fleet of the Latsis family, the Greek banking and shipping dynasty who still own the company. For 18 years from 1977, the Latsis Group used PetrolAir – a couple of Boeings and two Gulfstreams – to fly family, executives and guests to and from meetings. 'The profile and nature of those guests was extremely high,' says Thomas.

In these formative years, three core values were established: exceptionally rarefied standards of service; exacting levels of safety and security far above the legal requirement; and a reputation for operating privately configured airliners, which few private jet companies can do. (In world aviation, there are some 400 airliners dedicated to VIP

transport, and some thousands of smaller business jets; PrivatAir presently operates 11 Airbuses and Boeings.) Thirty years later, these attributes still identify PrivatAir from the plethora of charter operators that have sprung up during the present private jet boom.

Much has changed too, however, since PetrolAir first took to the skies. In 1995–1996, renamed PrivatAir, the company was granted its Swiss Air Operator Certificate from the Federal Office of Civil Aviation. This effectively conferred airline status on the company and allowed it to offer commercial charter services. Via charter brokers, it began to sell excess capacity to VIPs. While PrivatAir's charter clients were – and still are – very high-net-worth individuals and corporations, their business was insufficient to sustain growth.

'We were forced to go down the value pyramid in terms of the disposable income of customers,' says Thomas. 'The lower you go down the pyramid, the more market there is.'

Coming into PrivatAir as an aviation outsider, Thomas flew in ideas from other industries. 'I have been described as "challenging";' he says. 'I also have a very good memory, and a classic City lawyer's training in attention to detail.' In 2002, thanks to a brainwave from Thomas, followed through by Wolfgang Mayrhuber, head of Lufthansa, PrivatAir launched a transatlantic all-business-class service for Lufthansa, flying daily between Dusseldorf and Newark.

The flights wrap PrivatAir and Lufthansa branding: the aeroplanes and uniforms are PrivatAir's, whereas the chinaware is Lufthansa's. The deal worked brilliantly for both parties. PrivatAir got a solid transatlantic business without the financial risk and logistical hassles of selling seats, as well as a supply of smart Lufthansa chinaware. Lufthansa felt the glow of PrivatAir's brand and VIP heritage, as well as its reliability and punctuality.

The service was a hit, and similar deals were struck to fly transatlantically from Dusseldorf and Munich. In 2005, Swiss International Airlines and KLM hired PrivatAir to launch all-business-class services of their own, connecting Zurich–Newark and Amsterdam–Houston respectively. Today, PrivatAir's scheduled flights and its corporate shuttles amount to a \$100m business.

Meanwhile, the original jet charter business has been soaring too, from \$30m turnover in 2001 to \$100m today. In passenger numbers, the jet charter business is tiny compared to the airline services. PrivatAir's US charter business rests on some 300 clients – although it still turns over US\$50m. The charter business in Europe and the Middle East rests on just 100 clients. Favourite destinations in Europe and the Middle East are Riyadh, Jeddah, Dubai, Malaga, Nice and London; and in the USA, Teterborough, West Palm Beach, White Plains, Vail, Burbank and Van Nuys.

'Both sides of the business – jet charter and scheduled – complement each other,' says Thomas. 'There is a cross-fertilisation in terms of the operations side and crewing, enabling us to market ourselves to a wide audience.'

Maintaining PrivatAir's high standards while growing so fast is Thomas's biggest challenge. Staff numbers have skyrocketed from 81 in 2000 to 540 today. 'Every staff member – from the charter sales guys, to the ground operations team, to the cabin crews and pilots – all work to a common ethic of customer service and excellence,' says Thomas. 'PrivatAir is a wonderful collection of people. We have a fantastic selection process and have so far managed to grow while maintaining the same *esprit de corps* and work ethic.'

Thomas leads a Flying Dutchman's existence, shuttling between Geneva and the USA, with excursions to European destinations and the Middle East. He describes his working style as 'informal as possible'. He keeps up with his peripatetic workforce in various ways, whether breakfasting with crew members in New York, or launching a PrivatAir Year Book of humorous pictures of staff members, or hosting corporate canoeing trips.

'We run a staff assessment system where the top 5 per cent of performers are recognised financially and publicly within the company,' he says. 'I invite those people to dinner at my house. We also shift the bottom 5 per cent out of the company. Every time we advertise for jobs, we are heavily oversubscribed. For instance in 2003, when we launched our first Airbus, we advertised 10 pilot's positions and received 800 applications.'

As the majority of jobs are advertised by word of mouth, PrivatAir has retained its family-friendly atmosphere. Many of the staff are mutual friends; some are even husband and wife.

PrivatAir's combination of safety, security and service make it the world's favourite airline among heads of state. 'Our Boeing 757–200 is particularly well used for state missions because of its three-class configuration,' says Thomas. 'It has a VIP cabin in front, a cabin in the

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middle for aides, and a rear cabin for media. We fly a lot of delegates to the United Nations in New York and handle many other trade delegation trips. We flew the UK delegation to Singapore when London won the Olympic bid.'

On a lighter note, the 757 also gets used for around-the-world 'air-cruises', lasting 21 days and costing from \$50,000 to \$70,000 a person. 'We've also done movie launches,' Thomas says, 'Ocean's Eleven, Ocean's Twelve, King Kong and Spider-Man.'

What do the next 30 years hold in store? Thomas has looked at the tiger economies but remains neutral on Asian prospects. 'China has the highest landing fees in world,' he says. 'Airport directors see VIP jets as cash machines. Our official policy is, "Watch carefully"'. We don't do more than five to six trips to those regions a year.'

He seems more interested in Very Light Jets. Manufacturers are heralding these tiny low-cost five-seaters, with price tags comparable to flash sports cars, as opening up private aviation to the merely rich as opposed to the mega-rich. Thomas is 'looking at several projects', but is concerned about high operating costs relative to returns: 'If a goose flies up the engine of a Boeing 747, it is a \$3m event on something that makes X millions a year; but in a VLJ, it is a \$1m event, on something that makes a fraction of that.'

Further down the runway, a flotation is possible, and in 2012, the company takes delivery of its \$153m Boeing 787–8 Dreamliner, which can fly 40 passengers anywhere in the world, non-stop. If PrivatAir keeps growing at this rate, who knows what the next 30 years will bring? ■