

NEW YORK

The Four Seasons of the Sky

An Interview with Ken Dichter,
Founder and Chief Executive Officer, Marquis Jet



EDITORS' NOTE Prior to founding Marquis Jet in 2001, Ken Dichter Co-Founded Alphabet City, a sports marketing, music production, and distribution company that was acquired by SFX Entertainment in 1998. In 2003, Dichter founded, and remains the Chairman of, Tour GCX Partners, Inc., which provides its members with access to private golf clubs. In 2006, Dichter Co-Founded the MGX Lab, a brand innovation think tank. He earned a BA in sociology from the University of Wisconsin, Madison, and is a member of the executive committee of the Jack Martin Fund at Mount Sinai Hospital and a board member of the Turn the Corner foundation.



Ken Dichter

COMPANY BRIEF Founded in 2001 and based in New York, Marquis Jet (www.marquisjet.com) offers corporate and personal-use aviation customers prepaid, short-term subleases of fractional interests in NetJets® fractional aircraft program, in 25-hour increments (costing \$126,900 to \$349,900 for 25 hours, depending on the aircraft type selected). Through its exclusive alliance with NetJets, a Berkshire Hathaway company, the Marquis Jet Card provides card owners with access to NetJets' extensive global fleet of more than 750 jet aircraft, world-class convenience, and unrivaled service and safety.

How strong has business been for Marquis Jet in the past year?

This has been a tough year in the macro-economy, but 2008 has been a very strong year for Marquis Jet. The charter brokers of the world have gotten weaker, and fractional competition, outside of NetJets, has also gotten weaker. In alliance with NetJets, our capital base and product delivery are an awesome combination that, in tough times, people are gravitating toward.

Given the challenges of the current economy, has your industry been subject to much consolidation?

There has already been a shake out of some of the weaker players in the space. When you have rough seas, you see who the good captains are and who has a strong ship. Tough times are often good for strong companies. In our case, we don't sell our services to folks who made a lot of money last year; our customers have amassed wealth over the past 15 or 20 years.

So a little speed bump in their business is not going to drive them back to LaGuardia, Kennedy, or Newark.

How challenging is it to differentiate your services from those of your competitors?

In our business, companies may look similar in advertisements. The differentiators are the 4,000-plus pilots that NetJets has on staff, the 750-plus aircraft that NetJets manages worldwide, the more than 170 countries NetJets fractional and Marquis Jet Card owners fly to, and the 800

maintenance folks who service the planes. If people think that Richard Santulli [Chairman and CEO of NetJets] didn't build a moat around NetJets' business 22 years ago so that it couldn't be replicated, they haven't done their research in this space. And Marquis Jet's partnership with NetJets is the foundation of our business.

Do many of your card owners end up using the NetJets program eventually?

Eighty to 85 percent of our card owner base is 25- to 50-hour per year users. Those people will stay with Marquis Jet Cards for the duration of their flying life. Fifteen to 20 percent of our card owners are going to fly more than 50 hours a year, so we've seen a lot of people graduate to the NetJets fractional program.

So who is the Marquis Jet Card program meant for?

Our addressable market is made up of the 500,000 to 1,000,000 people in the United States who have a net worth of \$7.5 million or more. We also believe there are 50,000 to 100,000 businesses that are candidates for the Marquis Jet Card. So we have a big pool, and we have only scratched the surface so far.

Are entrepreneurs likely candidates for Marquis Jet Card ownership?

Entrepreneurs have been great early adapters of our product. With the commercial flying experience becoming increasingly difficult, the Marquis Jet Card is a great solution for anyone with the resources to travel privately. Seventy-five to 80 percent of our business is leisure travel, and 20 to 25 percent is business.

Are there strong opportunities for Marquis Jet overseas?

Marquis Jet today is North American-based, but NetJets is global. It has flight operations centers in Columbus, Ohio, to service North America and in Lisbon, Portugal, to service Europe. There

is a great growth opportunity in Europe for NetJets. It currently has more than 1,000 owners in Europe, and it expects to grow to around 4,000 owners over the next several years.

Do your card owners prefer to make reservations online or with a live owner services representative?

They want both. Marquis Jet Card owners are Type A personalities on all cylinders. They expect cutting-edge technology, but they're also looking for help. Our card owners still value a proverbial hug as much as they value anything. When we built our company, we decided we wanted to be the Four Seasons of the sky.

Have you been surprised by Marquis Jet's success?

I don't spend a lot of time reflecting on what we've done; I spend most of my time pondering what we're going to do. But what we've been able to build is awesome. Am I surprised by it? No. It's an incredible company with incredible people, and when people are all aligned and rowing in the same direction, there's nothing you can't do.

How have you managed to attract and retain a talented group of employees?

We have the best, brightest, and most talented people in our space. We take great care of our people. If you treat your employees like rock stars, they will perform like rock stars. The way you treat not only your employees, but also their families, is critical. I don't feel like we have 125 employees; we have 250, because every spouse or significant other is on our team.

Where did your entrepreneurial drive come from?

A lot of it is DNA. I wake up every day looking to change the world. That's something that you're born with, and over time, you hone it.

Do you think you'll soon look for the next start-up venture?

I feel like we are still a start-up, even though we're approaching \$1 billion in revenue. This business was born eight years ago, and there is still so much room to grow. There are so many different things that we can attack and improve upon. I see myself in this space for 20 or more years. I'm having more fun today than the day we started it, and I was having a ball then. There's so much enthusiasm in our offices, and I feed off it. ●

One of the many NetJets aircraft at the disposal of Marquis Jet card owners