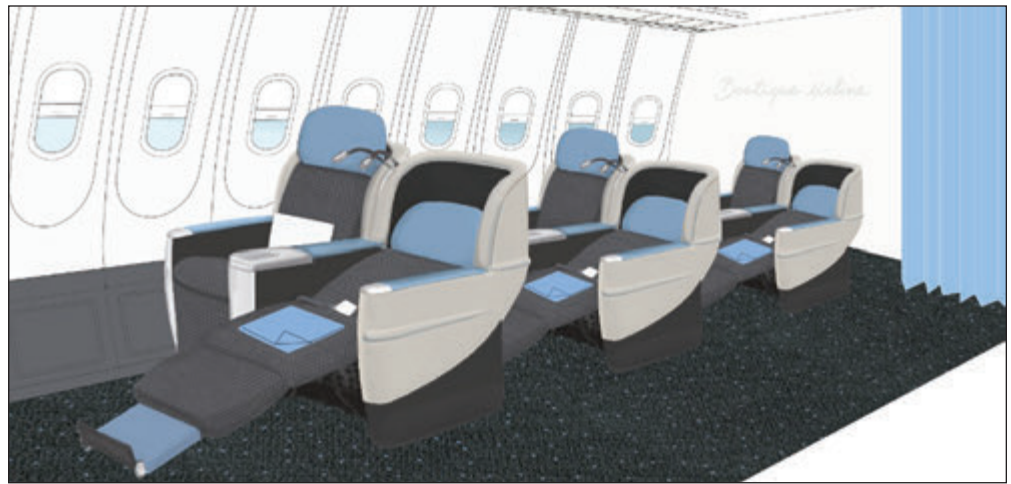


# Hospitality

## Affordable, Comfortable Business Class



A rendering of a La Compagnie plane cabin

An Interview with Peter Luethi,  
Co-Founder and Deputy Chief Executive Officer, La Compagnie

**EDITORS' NOTE** Peter Luethi started his aviation career with Swissair in 1967. After duties in the U.S., Canada, Middle East, Far East, and Africa, he returned to New York and became Swissair's Head of Operations for North America and Mexico. In 1997, he moved to Zurich to lead Swissair's North and Eastern European markets. He was promoted to Executive Vice President and then Chief Operating Officer. In 2003, Luethi joined Jet Airways as Chief Operating Officer.



Peter Luethi

In 2013, he co-founded La Compagnie and assumed the role of Deputy Chief Executive Officer.

**COMPANY BRIEF** Launched in July 2014, La Compagnie ([lacompanie.com](http://lacompanie.com)) is an exclusively business-class airline offering regularly scheduled transatlantic flights between Paris (Charles de Gaulle) and New York (Newark Airport). An entrepreneurial initiative offering very competitive fares, the airline was created in October 2013 by L'Avion Founder Frantz Yvelin with assistance from Peter Luethi.

### What opportunity did you see in the market and why did you feel the timing was right to launch La Compagnie?

We have to look at the past eight years of aviation. There was a spike in 2004 and 2005, before the financial crisis. After that, there was a consolidation in the airline business, alliances grew, and there was nothing new coming onto the market.

Capacity was somewhat reduced through the consolidation, which had an effect on the availability of seats. The normal reaction is that prices went up. We have reached a point where the business class travel is very well used, but comes at an incredibly high price.

There are two kinds of pain as a passenger: one is that you pay little and you have no comfort so the pain is physical; or you do travel in business class and the pain becomes monetary.

Even though the competition has made great strides to improve their upper classes, very often, it's just to maintain the price.

At this point, an alternative has to come in, and it doesn't have to be the most luxurious, but it has to be an affordable, comfortable business class.

### How will this be different from those who have gone this route previously and not had much success?

Each carrier that failed before us failed for a specific reason, but very often, the timing was when businesses weren't doing too well, and the price and comfort level wasn't in line with any clear concept.

Maybe it seems risky to start a new airline now, but you basically have one or two airlines across the globe that are starting international

services. So it shows the amount of space that would actually be available for a niche carrier to come in.

The alliances and the big carriers do a great job, but they also lack many things. If we can offer a comfortable business class at an affordable price, this has an impact on corporations, especially for the small entrepreneurs that don't get into the big deals with the airlines. Also, if your business is between these two Metropolitan cities where there are potentially 500,000 customers that use the upper class services, this is a good market to get into.

In addition, flying out of Newark, we have a much closer relationship with the French community and the American community in France because many of these companies have New Jersey-based offices.

### How did the initial launch go?

Our maiden flight was on July 21 from Paris to New York and New York to Paris on July 22. We signed and formed the company in October and the money is all equity from 40 individual investors who believe in the concept. It was the largest equity raising in France in 2013 so there are a lot of people in business who believe in our concept.

We moved very rapidly in getting the organization structured, getting offices, getting people hired, getting airplanes leased, and going through the processes with the French and U.S. governments.

### When you say "business-class product," what can your customers expect?

Many clients who look to use La Compagnie are corporate travelers, so the corporation decides the policy and with whom they fly. Chief Financial Officers in companies will take a second look at La Compagnie when they see fares in business

class between 30 and 50 percent cheaper than with other carriers.

Also, it's one thing to have a nice business class in an aircraft with 600 other passengers but one still has to endure the loading and unloading process, and the clogged immigration lines.

Arriving on an aircraft with 74 business or leisure travelers is much easier. The comfort on board and the cabin without dividers gives a much nicer ambiance. We also believe that high-tech communication and social media will play a big role in our airline's success. This kind of modern communication with the younger generation is where our niche will be.

### What level of food product are you offering?

We have a chef, Christophe Langree, who used to cook for Prime Ministers and he's running his own restaurant now. He will design the menus, which will be seasonal. Since we will have point-to-point traffic, we will probably have mainly European and American guests, which will make our menu selection a little easier as compared to having a multinational array of passengers.

Langree will design the dishes to the taste of our passengers. Since we'll leave at 9:45 PM each evening, we'll offer a chic snack at around 11:00 PM and a full breakfast prior to landing in Paris. On the way back from Paris, guests will get a four- or five-course meal. We will always strike a balance between heavier and lighter dishes.

We have teamed up with companies in France and the U.S., and we have some exclusivity with Champagne providers. The uniforms and the amenities kits are brand names so we feel it's going to be a nice combination.

### Is the focus to expand to other destinations eventually?

We are not in the business of saying we're going to have 15 planes in two years. We feel we need to stick to this business model, which is simple and efficient business class, point-to-point. When you do this, you have to stick to the destinations where there is a market.

Having said this, we do have longer-term plans and will start with an additional aircraft in December so, at that time, we will either do a double daily on the same route or we will open another destination in Europe spreading the product into other key markets. As we grow, we can also improve capacity. ●