

Democratizing Private Aviation

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



A fleet of Wheels Up King Air planes

EDITORS' NOTE Kenny Dichter founded Marquis Jet in 2001 and created the first-ever fractional jet card program. Led by Dichter, Marquis Jet generated over \$4 billion in revenue, culminating in its sale to Warren Buffett'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, a chain of 75+ stores that sell organic, cold-pressed juice smoothies, salads, soups and vegan snacks.



Kenny Dichter

In 2010, he 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 more than \$100 million. Dichter is also the Founder and Chairman of Tour GCX Partners, Inc. In 1996, he co-founded Alphabet City, which was acquired by Robert F.X. 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. He is a major supporter of his alma mater, the 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 safety, service, flexibility, and quality. Wheels Up offers a total private aviation solution for its 6,000+ members through three unique membership options—Connect, Core, and Business—and a vast selection of program features. All Wheels Up Members have access to signature events and a suite of curated benefits from the world's preeminent lifestyle brands.

What was your vision for creating Wheels Up?

When we started Wheels Up over 6 years ago, we were looking to disrupt and democratize the industry by expanding the addressable market. We wanted to redefine the global marketplace for private aviation with a membership model that would give millions of people the opportunity to access the safest, most consistent, and highest-quality option in a more flexible and cost-effective way than ever before.

Is there a strong understanding of the King Air product in the market?

I'm not surprised that the King Air has been adopted so quickly. 85 percent of flights are within that two-hour range and people are seeing that it's significantly more economical to fly the King Air for these flights. No one ever imagined that this airplane could be used in fleet format and sold the way we're selling it.

Who is the Wheels Up customer and how broad is the target market?

It's everyone from the seasoned private flier to the person coming up from commercial. It's a person who has a vacation home that he or she wants to get to. It's a businessman who wants to have meetings in two or three different states in a single day and get home for dinner. It's the aircraft owner or flight department that needs us for supplemental lift. We've got three membership tiers – Connect, Core, and Business – and they start at just \$2,995 to join, so we've greatly expanded the addressable market. With Wheels Up, the addressable market is six times larger than the fractional market. Our market opportunity is 1 million to 1.5 million people and businesses that could afford to participate. Wheels Up is broadening the base of the private aviation pyramid and increasing participation by several times.

Are you focused on building a community for Wheels Up's members and providing additional services for them?

From day one, we have sought to create the world's most engaged community of private fliers. We offer members the ability to share flights with one another and split the cost. There's no company that's a bigger believer in social aviation than we are.

We want the Wheels Up experience to not only save time for our members, but also enrich their lives, which is why we offer exclusive events and experiences through our Wheels Down program. We want to make sure that we're building a special relationship with our customers, both in the air and on the ground.

Will you discuss the expertise and experience of the Wheels Up team?

In order to be the best, you have to hire and retain the best, but there are intangibles that go beyond that and that are remarkably

simple. It starts with three simple values that Bill Belichick, one of our Wheels Up Members and Ambassadors, taught me years ago and we live by them today when evaluating both new and existing talent. Are you tough, smart and dependable?

Wheels Up is committed to giving back and corporate responsibility. What makes this so important and do you see this as a responsibility for leading companies today?

This is something that is very important to me and our entire organization. Wheels Up Cares is a philanthropic effort that we started over 4 years ago as a way of connecting Wheels Up with charitable initiatives that matter to our company, members, families, and friends. For us, the initiative goes hand in hand with delivering the safest, most consistent, and highest-quality service in the air. To date, we have entered four different Wheels Up King Air 350i aircraft in different paint schemes to raise awareness for a specific charitable cause, as well as tapped into our unbelievable network of members to support it. This includes the Pink Plane (Dubin Breast Center of the Tisch Cancer Institute at Mount Sinai for Breast Cancer Awareness), Red Plane (American Heart Association and SIMON's Heart for Heart Health Awareness), Teal Plane (Janet Burros Memorial Foundation for Ovarian Cancer Awareness) and our newest aircraft, the Camo Plane (The Tragedy Assistance Program for Survivors (TAPS) that cares for those grieving the loss of a loved one who died while serving in our Armed Forces).

You are known as a serial entrepreneur. How important is it to keep an entrepreneurial spirit at the heart of Wheels Up's culture?

It's such an important part of the culture of our company, because we're still in a stage of rapid growth and tremendous innovation and have been since day one. We're expanding our aircraft offerings and partnerships, and we're utilizing the most advanced technology to ensure the best possible aircraft safety, flight management, member services, and member website and app experience. We're committed to staying at the forefront of the industry's evolution, which means continually enhancing our digital solutions and maintaining the same creative passion with which we started this company. ●