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Flights of Fancy

Private jets aren't just for CEOs anymore

By Suzie Amer

Something strange happened on the way to Costa Rica. When the plane carrying Subaru of New England's car dealers to their incentive destination touched down, no one wanted to get off the plane.

"We were headed to the Four Seasons Resort, which is of course very nice, and we'd been flying for five hours, but they actually did not want to leave the plane," says Joseph Appelbe, general manager for Norwood, MA-based Subaru of New England, who organized the trip. "I got the feeling they would have been happy just to fly around for a

while, and have that be the trip."

Appelbe had flown his 60 or so dealers to Costa Rica aboard a private jet. He chartered a Boeing 757—which normally seats about 300 passengers but had been reconfigured to luxuriously accommodate just 64—through Hampton, NH-based Private Jet Services Group. "There were swiveling seats, good food, you could drink anytime you wanted, and you didn't have to stay seated the whole time," says Appelbe. "It was like going to a carnival."

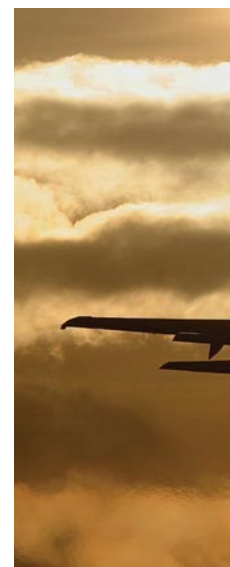
Private jets have long been considered the ultimate in conspicuous

consumption. Consider the name of legendary investor Warren Buffet's private jet: The Indefensible. But meeting professionals, particularly those who plan executive and incentive meetings, have found that hiring a private jet isn't as rarefied an undertaking as generally assumed. Rather, flying privately can offer logistical and practical benefits above and beyond simply traveling in style.

EASY COME, EASY GO

Flying privately eliminates many of the hassles and headaches that

On board an Airbus 320 (center): a movable feast, left; room to relax, right



have plagued commercial airline passengers for years and were only exacerbated after the 2001 terrorist attacks. “It’s all about convenience,” says Kathleen Stahl, owner of Des Moines, IA-based corporate and executive travel consultancy Stahl & Associates. Planners who use private jets cite control over schedules, increased reliability (they’re

sure their flight won’t be delayed or canceled, for example), high-quality catered meals, guaranteed luggage arrival, and the ability to bypass the long lines at airport security as the most immediate benefits of chartered flights. “It’s really hassle free,” says Stephanie Smith, senior vice president and general manager with Philadelphia-based Comcast

SportsNet. “There are never any worries about flights being oversold, passengers getting bumped, or missing a flight.” Planners also praise private jets for the ability to chart a direct course to destinations for which commercial airlines require connecting flights. And, as in Appelbe’s case, the experience is one attendees won’t soon forget.

Something Special in the Air

Comcast Sports: Fortune 1000 | By Suzie Amer

Every year, Philadelphia-based Comcast SportsNet hosts a six-day, five-night incentive trip at a resort destination for its top salespeople as well as its top advertisers. But following the 2001 terrorist attacks, senior vice president and general manager Stephanie Smith had to turn on a dime. Not only were people afraid to fly commercially, but airlines had reduced the frequency of service on certain routes, including flights to that year’s destination: Nevis, in the Caribbean. “We needed to get everyone there on the same day, and on time,” Smith recalls, “so I made some calls, and chartered a private jet.” Four years later, Smith’s incentive trip has yet to return to commercial flying.

“After that, my top customers were like, ‘You’re not going to have us go com-

mercial again, are you?’” says Smith, who quickly realized that she had stumbled upon a valuable marketing tool. “Most media companies host this kind of trip, but we were the only ones using the fabulous party plane. It differentiated us from the rest of the market.” Moreover, she says, using the admittedly expensive jet actually helped boost sales. “I would tease my top clients when they asked for the jet, and say, ‘Well, are you willing to spend more for it?’ And they were. It paid [for itself] in increased sales.” Smith raised the level salespeople and clients had to sell and spend, respectively, to qualify for the trip, and those new targets were hit.

Smith counts other benefits to flying privately. For one year’s trip to Costa Rica, she couldn’t find any direct flights out

of Philadelphia, where her company is based. “Chartering the jet not only saved time, but it made it very easy for the passengers. The private jet company faxed copies of their passports along with the flight’s manifest to immigration ahead of time, so getting through customs upon arrival was as easy as one, two, three.”

And, she says, the fun begins at boarding. “On a five-hour flight, we pick the music and the movie to suit our theme. Everyone has a few drinks and by landing, everyone’s friends and having a grand old time.” And they know whom to thank for it, too. On a recent trip, the Hampton, NH-based jet company, Private Jet Services Group, surprised Smith with custom headrest covers with her company’s logo on them. “You’re branded from



YOU GET WHAT YOU PAY FOR

This convenience costs more, and just how much more varies widely. The cost of a private jet charter depends on several factors, including the type of jet used, the length of the flight, the choice of destination, length of stay, and the choice of airports (each of which assesses its own passenger taxes and landing fees).

the moment you walk on board. You know who your host is and that you'll get personal attention, not two-year-old peanuts."

Nevertheless, adding the cost of a private jet to an already high-end incentive trip does furrow a few brows in accounting. "I do get pushback from budget people and higher-ups," admits Smith. "I have to show a certain profit margin, and when I do, they sometimes say, 'Well, the margin could be even bigger if you didn't incur the expense of the jet.' But flying privately does add a certain peace of mind, and you don't feel like a dishrag when you arrive at your destination. Besides, if I cut the private jet experience from these trips, there'll be a revolution."

The price gap between commercial and charter seats narrows more when flying to so-called "air-challenged" destinations, including St. Kitts, St. Thomas (U.S. Virgin Islands), Bermuda, Aruba, and Great Exuma (Bahamas). "We can provide surprisingly inexpensive solutions to these hard-to-reach places when compared with commercial airline pricing," says Greg Raiff, president and CEO of Private Jet Services Group. Furthermore, he argues, the costs of flying privately are often offset by savings in other areas. "Our planners place a lot on the fact that it doesn't make sense to take their best employees out of the office for longer than necessary and experience all the hassles of travel, including lost luggage, delays, and unexpected overnight stays." Raiff's proof is on his balance sheet: He says his company's business has increased 100 percent every year for the last three years.

Some planners cite rising fuel costs as a barrier to charter travel. "Flying privately has been popular, but some of our clients are shifting to first class because of the impact of increased fuel costs," says Stahl. But suppliers disagree. "Fuel costs have returned to where they were

12 months ago, give or take 10 percent," says Private Jet Services' Raiff. And to reassure wary planners. Raiff says, "PJS launched an exclusive program this year that guarantees no fuel surcharges and includes an upgrade in catering and an open bar."

A QUICK RECOVERY

For Stahl, the benefits of flying privately far outweigh the costs, particularly when faced with unforeseen circumstances. Recently, Stahl brought a group of the University of Pennsylvania's most generous donors to Palm Beach, FL, and was scheduled to fly them up the coast, by chartered helicopters, to Vero Beach. But she awoke that morning to find extremely high winds in the area. "The charter company came over at 10 a.m. and said, 'We can't fly in these winds,'" she says. The group was scheduled to leave at one p.m. So in less than three hours, the charter company secured a private jet instead, made all the arrangements, and flew the donors to their destinations without any delays or inconveniences. "It was wonderful," Stahl says. "If we'd been flying commercially, it would have been all over right there."



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