

# Flying High

PrivatAir has made a name for itself in the aviation industry through its clientele portfolio of VIPs, royalty, celebrities, and more recently, niche international airlines.

Images courtesy of PrivatAir

Offering aircraft charter, private luxury tours, corporate shuttle, sales, and management services from its base in Switzerland, PrivatAir is a global leader in its field. For decades, the business has been servicing the needs of affluent customers and has since expanded its offering to include plane rentals to other carriers.

Current CEO Greg Thomas is a trained solicitor and started his professional career with Wilde Sapte in London, a law firm specialising in aircraft finance and management buy outs. Although he didn't realise it at the time, both these areas of expertise would prove to be incredibly useful in the years to come. In 1994, he moved to Switzerland and began work as a lawyer for the wealthy Greek industrialist Latsis Group, which at the time owned PetrolAir, now PrivatAir. In 2001, Greg was appointed to look after the PrivatAir subsidiary as COO and

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two years later he was promoted to the CEO position.

"When I was first working at the head office as a lawyer, one of the files that was given to me was the application to get a commercial licence for PrivatAir," Greg recalls. "Up until that time, it had been a privately run flight department serving just the corporate requirements of the Latsis Group. I was involved in taking PrivatAir from being purely private and serving only corporate customers to becoming commercial and having the ability to sell to the outside world."

"I was also involved in changing the fleet. At that time, we had some smaller business jets and Gulfstreams, as well as a fairly old Boeing 737. We moved into the new generation of 737s, which were specifically designed to be business jets. So in 1998-99, we acquired and eventually financed three Boeing business jets for PrivatAir, which was a big change.

"Then we developed an ad hoc charter business on these airplanes and started renting them out to rich individuals such as pop groups, political leaders, and other high-net-worth individuals. Eventually, we also started doing some very interesting VIP work for regional, and around the world, tour companies. Slowly but surely, that gave us a lead towards taking on more serious work."

Doing sporadic jobs kept things interesting for PrivatAir but it was extremely haphazard and unpredictable. "You don't know when the next flight is coming," Greg notes. The business quickly realised that if it could sell a series of flights or rent its airplanes for extended periods of time then it could secure itself a much more regular income. So it started to pitch the concept to corporations moving large numbers of executives on business-class flights, and then to fellow airlines. Eventually, in 2002, it struck a deal with Germany's Lufthansa to work together on the transatlantic flight >



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from Düsseldorf to New York. Several years later, PrivatAir also signed agreements with Swissair and KLM.

“That was the big change in the economic fortunes of PrivatAir because all of a sudden we were not selling by the day anymore,” Greg says. “We were selling a year’s capacity at a time, or two years, or three years, which gave us a lot of predictability with our income and a lot more stability. We became more airline-centric than we were VIP-centric, although we kept both businesses running in parallel.”

PrivatAir’s point of difference in the market is its service ethic, which is delivered by a “tremendous team” of more than 300 employees. With clientele including VIPs, kings, queens, and celebrities, the organisation has perfected the way it treats its customers in its first class, business, and economy offerings. “We try to give the best service and the best treatment,” Greg says.

In PrivatAir’s training and development function, the company boasts having taught staff for several of the world’s royal flights, assisting and providing its brand of service to heads of state daily. “That’s always very flattering to think about,” Greg reflects.

Every PrivatAir employee goes through an initial training process when they start and is required to complete recurrent courses thereafter. In the case of pilots, it’s twice a year, and for cabin crew it’s annually. The idea is that it offers a refresher on all of the safety and legal requirements necessary to be competent in each specific role, as well as keeping abreast of industry trends. Greg says PrivatAir then goes above and beyond that. For example, cabin crew are sent to hotel school to learn about silver service, wine appreciation, and how to treat people from a wide range of cultural backgrounds.

A strong emphasis is placed on teamwork and operating as a

cohesive unit. “Over the years, PrivatAir has organised a lot of team-based away-day activities where management and crews are given the opportunity to interact,” Greg says. “It is a lot of fun and I also think it is extremely important in ensuring a good esprit de corps, or morale, in the business. It opens the door for us to ask people to go the extra mile and they do it very gladly for us.”

Values instilled in staff on a day-to-day basis are mainly focused around the topics of safety and security. Greg says PrivatAir has an “absolute paramount obligation” to the public and to staff to keep them safe and secure. To do this, it ensures it adopts all safety systems recommended by international regulators early: “We are very big believers in that,” Greg says.

When the International Air Transport Association (IATA) introduced a new safety system about 10 years ago, PrivatAir’s two



all. The way we will get through it is to stay strong as a community. We consider our suppliers to be very important, just as they consider us to be important as their customers.”

While PrivatAir has experienced many successes throughout its lifespan, the aviation industry has thrown plenty of challenges its way. “There is always a surprise around the corner,” Greg states. “Every couple of years a new one arises. One was 9/11, another one was SARS, and then there was Asian bird flu, swine flu, the first Gulf War, the second Gulf War, Ebola, and so on. These are challenges which come out of nowhere and destroy traffic in a matter of days, or even hours.”

Another challenge has been dealing with consumers who constantly demand a cheaper service. According to Greg, there are a lot of artificial factors which destabilise pricing in the marketplace, namely subsidised national airlines and investors. “There are countries which are probably too small and have too low a traffic flow to really justify a national airline but they have one anyway out of pride. The government will pay whatever price to have it there as an advertisement for the country, and quite rightly so. That’s their wish and their privilege to be able to do that if they are willing to pay for it.

airlines—one of which is regulated by the Swiss authorities and the other by the German authorities—were the sixth and seventh in the world to adopt the appropriate certification. Greg adds that it achieved the accreditation on the first attempt in both cases.

“In our mission statement, safety and security come first. In the training of all of our crews we are forever emphasising that if anybody raises the safety flag then everybody takes note. That’s expressed into everything we do, even if it costs us money in some incidences. That’s the key value, and very shortly after that is the customer-service experience. We will always put the customer first and we will spend money on the customer to make sure they are

happy. Those are the key values for us in this business.”

That philosophy extends to how PrivatAir collaborates with suppliers and other partners to achieve successful outcomes. “That’s one of our key strengths again,” Greg notes. “We are firm believers that aviation is an unusual business and that it is about long-term partnership within the aviation community. If you speak to anybody in this business they will tell you that’s very true. We have a lot of relationships with suppliers which go back 20 or 30 years.

“Everybody is taking the long-term view and we are in an industry together where there are lot of outside factors that impact on us

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“Secondly, there are always investors willing to back a new start-up airline, even though the statistics show that only one in 100 start-up airlines lasts beyond five years. Of course, what happens then, when they have raised the capital, is they try to establish themselves in the marketplace and discount heavily at the beginning to get in.”

For 2015 and beyond, PrivatAir is focused on being an outsource provider to its mainline customers and it will continue to offer its services in the most cost-effective way. This in turn will give those businesses more flexibility to work in markets which do not fit in with their normal footprint. ●