

# A BIG IDEA TAKES OFF



## KENNY DICHTER,

founder and CEO of Marquis Jet, fueled his high-flying success with an ingenious idea: repackaging an existing brand to appeal to a new core audience. Now that idea is a \$700 million business.

### [ CIT: BEHIND THE BUSINESS ]

#### **What's your business model?**

I saw there were only three ways to buy private aviation: You could own your own plane; purchase a fractional ownership interest (pioneered by NetJets), wherein you pay for a percentage of an asset plus maintenance costs and a direct hourly cost; or basic charter, which is the least consistent of the three — maybe the plane and pilot are good, maybe they're not. We came up with a simple idea: prepaid time on the world's largest, best-maintained fleet, which would offer the consistency and benefits of fractional ownership without the long-term commitment.

#### **Why aviation? You were an entrepreneur in sports and entertainment marketing before you co-founded Marquis Jet in 2001.**

When colleagues from the sports and music industries had extra seats available on private jets, they'd invite my partner Jesse Itzler and me. We were the guys in the back of the plane setting up the catering and getting sodas for people. I thought, "This is one of the last places on earth where you have peace — at 41,000 feet. There is enormous opportunity here to expand the market. We're in the wrong business — we should be in private aviation." We knew a lot of people who were in the gray zone between charter and fractional. We did research and realized there were lots of folks in the sweet spot of 25 to 40 hours of annual private-flight needs. We used this research to establish our 25-hour Marquis Jet Card — the equivalent of, say, 5.5 round trips between Florida and New York.

#### **How do you make consumers comfortable with a new service like private air travel — especially in a field where some people have inherent fears?**

We don't just sell private aviation. We sell safety-obsessed NetJets, the best aviation platform in the world. On top of that, we position ourselves as a hospitality company. It's all about the people. Our people diligently track reservations and flights, greet clients at the airport, and get to know their personal preferences. I make it a point to meet as many of our owners as I can. Everyone has a success story, how he or she came to be a Marquis Jet Card owner. I love to hear those stories.

# MARQUIS JET

[ CIT: BEHIND THE BUSINESS ]

## How did you convince NetJets—a Warren Buffett/Berkshire Hathaway company—to be your partner?

Being a salesman is in my DNA. To me, “no” means “not now.” If the answer is always yes, you’re an order taker. A salesperson starts selling when the person across the table says no. You need to be able to draw a picture of your vision. We had six or seven meetings between July 2000 and February 2001 with Richard Santulli, the founder and CEO of NetJets (Santulli sold NetJets to Warren Buffett’s Berkshire Hathaway in August, 1998). Before Richard gave us the green light to begin the Marquis Jet Card program, we needed to show persistence and make him feel comfortable that we were the right people to partner with.

## What is the importance of partnerships in building a business?

I’ve always been a partnership guy. It’s one of the reasons we’ve done business so well with companies like CIT. They’re partnership people. Growing up, when I played basketball, I was a point guard,

which is about putting a team together and not necessarily getting all the glory. I play point guard here, too. I’m still the primary recruiter.

## Is being a “connector” an essential trait for an entrepreneur?

I’d say so. My biggest asset used to be my Rolodex; now it’s my BlackBerry. I have friends today from nursery school, kindergarten, grade school. I could pick up now with anyone I’ve ever met in my personal life and in my business life. It was through a high-school friend that early in Marquis Jet’s development we received some major network TV exposure that was probably worth \$20 million.

## You have a talent for leveraging a brand in a way even the owners didn’t see. Where does that come from?

I think it’s something you’re born with. Maybe it’s just my optimistic view of the world. I believe there’s always more juice to squeeze out of an orange. You could look at the best brands in the world and figure out line extensions that would enhance their existing businesses. I see

possibilities every day when I’m walking down the street. You’ve just got to find and develop market opportunities before anyone else does and execute effectively. With NetJets, we took the core product, repackaged, re-branded and distributed it to a new client base.

## Is Marquis Jet’s appeal convenience or luxury?

We don’t advertise or sell the notion of luxury. Our brand message is “accomplish more/get more done.” This is not a socialite’s tool. I call our owners the working wealthy. About 80% of our owner base is entrepreneurs, professionals and the world’s top entertainers and professional athletes—all of whom are at or near the top of their fields. Our service is a validation of hard work. We’re very careful that the brand represent accomplishment.

## Do you believe you’re part of a changing luxury landscape?

Today in America, having access to a private jet is part of what defines success. An entrepreneur has to ask one question: Is this a fad or a trend? A lot of the diets

today, for example, are probably fads. But organic foods, the green movement? Slam-dunk trends. Private aviation? Slam-dunk trend. Today, there’s a very big difference between commercial and private travel. Low-cost carriers, with their model of high-frequency, point-to-point service, did us a real favor. They left the gate wide open for grabbing customers from commercial business class or first class. Ninety percent of our owner base 5-10 years ago was flying commercial 100% of the time. We’re the entry point to the private-aviation category.

## Did you ever worry it wouldn’t work?

I still wake up a couple of times per week worrying it’s not going to work. If you’re an entrepreneur, the day you wake up satisfied, either you’re going to get caught by someone else, or it is “game over.” My daughter is six and a half, just a little older than this business. I look at her and think, yeah, she’s a special kid, but she

hasn’t really accomplished anything real yet. She’s all potential. I see Marquis Jet the same way: all potential.

## You helped start another business called Tour GCX partners in 2003.

Tour GCX is a Marquis Jet for private golf. The core philosophy is very similar. It’s for people who don’t want to be tied to a country club for life. You buy a card that represents 10 rounds of golf within a network and play at any of 30 clubs in the tri-state area. We are in the process of going national with the Tour GCX business.

## Would you say your enterprises tend toward the egalitarian? Do you try to give people access to elite experiences they might not otherwise be able to access?

I took a page out of Warren Buffett’s book, with his Berkshire A and B shares. It’s creating a different package to address a larger market with an item that previously wasn’t available in that “bite” size.

## Who’s the archetypal Marquis owner?

The millionaire next door, the working person who uses our jets to have a better life.

## What are your passions outside of work?

My family, sports, helping young entrepreneurs and young people in general to realize their potential. I look at people the way I look at brands. I see value they don’t always see. We have a division here called Marquis Cares that’s helped about 100 organizations since inception. We want to support entrepreneurs, friends and new business models. I had support, and I feel like, as a citizen of the financial and entrepreneurial community, you’ve got to support the next guy coming up. You’ve got to give them the love.

FOR MORE INSIGHT FROM THIS BUSINESS MAVERICK, VISIT [BEHINDTHEBUSINESS.CIT.COM](http://BEHINDTHEBUSINESS.CIT.COM)



[CIT: BEHIND THE BUSINESS]

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THE CONVERSATION CONTINUES...  
For more in-depth information on Kenny Dichter and the "CIT: Behind the Business" series, visit [behindthebusiness.cit.com](http://behindthebusiness.cit.com).

**MARQUISJET**  
fleet by NetJets

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