

Jetcraft

When it comes to symbols of status, luxury cars, yachts and houses no longer cut the mustard. Now, the ultimate signature of wealth and status is owning a private jet. In the famous words of Oprah Winfrey, the highest paid woman in television, "It's great to have a private jet. Anyone that tells you that having your own private jet isn't great is lying to you." Indeed. However, purchasing a jet, which can range between \$1 million to \$600 million, is not an easy business, so it is important to develop a partnership with a broker, one who has integrity, experience in dealing with the complexities of aircraft transactions, and the financial capability to handle virtually any deal. This is where Jetcraft comes in. In business for over 50 years, Jetcraft now has a global presence. It's this presence that gives their clients a birds-eye view of the market, based on the carefully cultivated contact network that they have established over the years. This network includes aircraft buyers, manufacturers, service and completion centres, avionics suppliers, title companies, financial institutions, legal and tax counsel, other dealers and brokers, and aviation associations. In short, you could not be in better hands.

Boasting the type of success rate that has consistently led to repeat business and glowing referrals to the likes of royalty and other HNW individuals, Jetcraft's main ethos is to give each and every one of their clients the individual attention they deserve. They do this in four key ways; establishing your requirements, doing due diligence by meeting key parties, conducting research and performing inspections, and defining strategies and making recommendations

tailored to your individual needs.

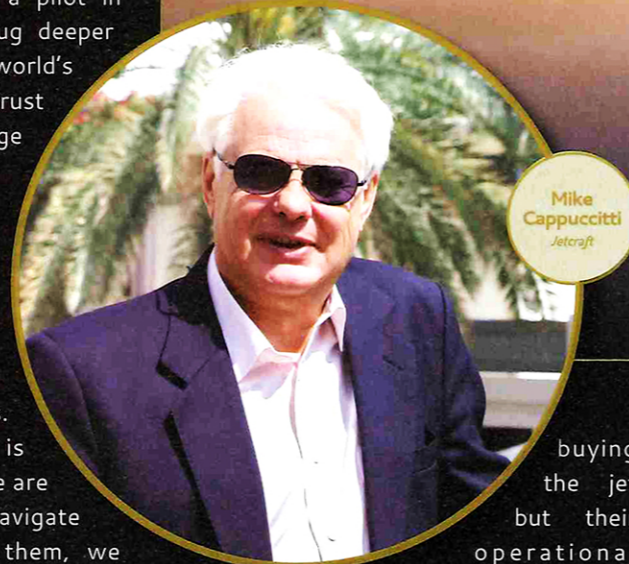
Sitting down with Mike Cappuccitti, Jetcraft's Sales Director in the Middle East, we discovered a passion for aviation that stems from over 40 years in the industry beginning with his career as a pilot in the RAF in 1970. *Xclusive* dug deeper to find out why some of the world's most affluent individuals only trust Jetcraft to handle the brokerage of their planes...

WHY DO PEOPLE USE BROKERS TO BUY PLANES?

We have seen pretty much every type of situation, so we know how to solve problems. Buying and selling planes is absolutely full of pitfalls. There are a huge amount of issues to navigate and because we have seen them, we know how to avoid them, or handle them when they arise. We prevent our clients from making mistakes, save them a lot of money by doing so and make sure that they get into the right plane. That's the key to selling aircraft.

WHAT IF A CLIENT WANTED TO DO THE PROCESS THEMSELVES?

You can easily decide, "I want one of those," go out and purchase it and then realise that it doesn't suit the purpose you bought it for. It's like giving a farmer a Maserati to ferry his farm equipment around, or equally giving a VIP a tractor. We spend a lot of time understanding what a client wants their aircraft to do, before matching them up to their perfect aircraft, bearing in mind the client's budget, not just the cost of



Mike Cappuccitti
Jetcraft

buying the jet but their operational budget as well. They are expensive things to operate. Crews, maintenance, a place to hangar it etc. It's a complex business, and that's why the brokerage business exists.

HOW DO YOU ASSESS YOUR CLIENTS' NEEDS?

We don't just broker planes to high net worth individuals. It might be a corporation. It might be a charter company. It might be to an owner who will give it to a charter company when they're not using it. We need to know all these things so we can guide our clients into purchasing the right planes. Although almost all planes can be used for charter operations, commercial aircraft require special equipment, but private aircraft may not. Where do they

want to go, with how many passengers and in what level of comfort. There are many questions that we need to ask at the very beginning.

JETCRAFT IS A GLOBAL ORGANISATION. WHICH REGION PURCHASES THE MOST PRIVATE PLANES?

It varies constantly, but North America by far is the biggest user of private aircraft. It always has been and will be for a very long time. There are up and coming regions like Russia. Europe has declined due to the problems with the Euro. The Middle East is small but steady. The Far East is becoming the big place right now. Africa is becoming interesting as the economies there pick up, and South America, Brazil, is up and coming but it's cyclic. Always though, by far, the US is the biggest.

WHY DO YOU THINK THAT IS?

They embraced it early on as a means of not just personal utilisation but as a business tool. Remarkably, there is a huge correlation between business aircraft ownership and wealth creation in the Fortune 500 companies. The companies that have private aeroplanes are almost always more profitable, showing greater returns and a higher rate of growth than those who don't. And they use it extensively as a business tool, which is what it is there for.



HAVE YOU EVER HAD TO FACE ANY PARTICULARLY DIFFICULT SITUATIONS?

There is never a completely smooth deal, ever. In this part of the world we very rarely sell at the bottom end. We sell at the medium or the top end, so we are talking many millions of dollars. With that kind of money, it is extremely rare for there not to be issues to solve, which is precisely why you need a broker. Sometimes it's just because the buyer and seller have different interpretations of what should and shouldn't be done. It's our job to make sure that everyone's happy.

HOW LONG DOES IT TAKE FROM THE INITIAL CONVERSATION, TO ACTUALLY ACQUIRING YOUR PERSONAL JET?

The quickest we have done has been in about three weeks, but that's unheard of

and remarkable. Normally, once you have a willing buyer who is ready to move, doesn't require financing, and we've found the right plane, the process usually takes between two and three months.

HOW DID THE GLOBAL RECESSION AFFECT JETCRAFT?

Manufacturers suffered terribly. For us it was a time to expand, because during the downturn many people wanted to sell their aeroplanes and we were able to identify the right buyers. The global expansion of Jetcraft pretty much started when Jahid Fazal-Karim became a shareholder about five or six years ago. Until then Jetcraft was very US centric. He steadily took the company international. Jetcraft opened offices in Europe, Russia, Hong Kong and then here. He has been very much the driver. The growth of the company in the last five years has been staggering. ■