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The Wall Street Transcript

Company Interview Excerpt

GREG JOHNSON - ONESKY JETS

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TWST: What is OneSky Jets?

Mr. Johnson: OneSky Jets is the fastest growing brand in the private jet space. The company has doubled revenue in the past six months and it is only increasing. In addition, OneSky has been the number one Website in the private jet space since April 2006. That's eight months that we have held the number one position over much more established brands like NetJets and Sentient.

OneSky Jets is a company driven to create a new level of transparency in the private jet marketplace and generate new efficiencies. OneSky's philosophy is that of being "Trusted Advisors" to our customers. We work diligently to find the very best balance of quality and value. We are the provider of the best overall value in private aviation, which is a combination of quality aircraft, safety due diligence, great people and service at a competitive price.

I got into this business after observing the incredible inefficiency in the private jet space. I founded the company after a seven-year stint with FedEx, where I ran a team of industrial engineers who were tasked with finding no-holds barred improvements in FedEx efficiency. That system is already pretty efficient. When we started looking at the private jet space, we saw that planes were flying around as much as 40% of the time empty! I felt it was an unbelievable opportunity.

So what OneSky does that makes us different is a result of using technology to match multiple flights together to squeeze out the inefficiency inherent in this 40% empty flying. And we do it by using very sophisticated pricing algorithms. We internally call it the probability pricing system. It looks at three years worth of aircraft control history. It looks at the probability of connecting a given flight with another flight in real time and then comes up with a fair price for the client, based on historical trends.

For example, flying from New York to Florida could be a much better deal with OneSky than going from Moline to Boise, Idaho. Our forecasting model is going to say the odds of finding somebody who wants to go from Florida back to New York is really very high, whereas the probability of finding somebody wanting to go to Boise from Moline is very low. And that's a very new concept in this space.

We also factor in other things like day of week and seasonality factors. In any other business, if you want to do something on a peak day or on a peak season, it typically costs more. Historically in the private jet space, it hasn't. Our competitors are charging a blended average rate. That means that on those peak days they are not charging as much as they should and other days they are charging too much.

So by applying basic economics to the private jet space, we have begun to shake up the marketplace and have customers coming at us from every level of the private jet pyramid.

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