

PREMIER

PREMIER PRIVATE JETS



A SMARTER WAY TO BUILD A CHARTER BUSINESS

By bringing every element of its growing Part 135 fleet's operations in-house and combining that move with a proven "floating fleet" concept, Premier Private Jets is creating a more agile and cost-effective model for delivering the best possible charter solution for its customers.



After 20 years and 15,000 hours of flight time, Josh Birmingham decided to leave his corporate pilot job and make a career correction. In 2011 he co-founded Premier Jet Training (PJT) in Stuart, Florida, to specialize in flight training for the popular Cessna Citations using two company-owned aircraft, a Citation II and a CJ1.

While PJT was successful, Birmingham kept looking to get more utilization out of the two jets. In his two decades of corporate experience, he had seen many instances where charter operators relying on managed aircraft had taken the wrong approach to get into the highly competitive world of on-demand charter. He saw an opportunity to use his own airplanes to allow for better control over product delivery and costs. After purchasing a dormant Part 135 certificate in 2013, Birmingham and his team opened Premier Private Jets (PPJ), based at Witham Field (KSUA) in Stuart.

“You see, start-up and small operators go down the managed aircraft path without an appreciation for how many aspects of reliability and cost control are forgone in favor of what they think is an inexpensive way to get access to an airplane,” he explains. “This may have worked in the past but in today’s competitive environment it can constrain your operations and economics. I believe that’s because it’s become such a complex business. It’s now a 24/7 operation with changing logistics and demands that can be met only through the right team, scale, and better economic control of the aircraft.”

To address the dynamic needs of the marketplace, Premier Private Jets operates owned aircraft on what Birmingham terms a “floating fleet” concept. “It’s the complete opposite of what I call ‘traditional-style Part 135 operations,’ where the aircraft always returns to its home base,” he explains. “Our aircraft go where the clients take them and then sit until the next leg is sold.”

AIRCRAFT OWNERSHIP IS KEY

Birmingham thinks many smaller and medium-sized charter operators limit themselves to relying on managed aircraft coupled with outsourcing of key cost components such as maintenance and pilot training.

“Managing the expectations of individual aircraft owners takes a lot of time and resources, complicating a high-utilization floating-fleet operation,” he explains. “Moreover, high utilization of managed aircraft does not typically result in lower aircraft ownership costs due to increased levels of flying. That’s because most of these arrangements pay the aircraft owner by the hours flown regardless of how many total hours are operated.”

Instead, so they could “control their own destiny,” the management of PPJ committed on day one to owning all its charter fleet. That way, there are no issues with availability and any increased utilization lowers hourly aircraft ownership costs, which can support lower prices to customers.

Premier Private Jets’ current fleet includes 15 aircraft, among them Cessna Citations, the Hawker

400XP, and the popular Hawker 800XP. “We identified those aircraft as the biggest opportunities in our market,” Birmingham says. “They are perfect for our current client mix and we’re always on the lookout to acquire more aircraft.”

Birmingham also notes that larger charter operators have historically focused on super-midsize and heavy aircraft while the overall U.S. private jet fleet is weighted toward light jets. “We believe the opportunity for introducing new customers to the experience and benefits of charter air travel is through the light jet segment,” he says. “Once someone is a customer, it’s easier for them to want to upgrade.”

To complement PPJ’s standard retail charter operations, Birmingham identified an opportunity to use its operational flexibility to support membership and jet card segments marketed by big-name banner operators. Since PPJ had been quick to establish itself as a provider of high-quality and reasonably priced charter services, it was the ideal solution to offer additional lift for them, especially for those brands looking for light jet lift. Birmingham is understandably rather proud that nearly 60 percent of PPJ’s flights now operate under these big-name banners and provide services all across the U.S., Canada, and the Caribbean.

CONTROLLING COSTS WITHOUT CUTTING CORNERS

While aircraft ownership is a sure way to better control a big portion of a Part 135 operator’s variable costs, it’s just one piece of the puzzle. Again, Birmingham’s prior corporate operational experience came into play.

“Our objective has always been to in-source all the key functions of our operation that have the greatest impact on our cost structure,” he says. “The biggest of those is maintenance. If you rely on third-party MROs, you lose control, and costs can get way out of hand.

“Early on, we opened our own repair station here in Stuart, which has worked fine,” Birmingham continues. “But, as our floating-fleet territory has grown, we needed another maintenance base. We filled that need in the Midwest with our recent FBO acquisition of Oakland Air at Oakland County International [KPTK] in Pontiac, Michigan. We’d like to fill out our capabilities with a base in the Northeast U.S.”

Along with a bustling FBO, the newly acquired repair station nearly triples Premier Private Jets’ in-house maintenance capabilities in support of its growing fleet.

“It’s an active retail MRO and is an immediate gain,” Birmingham says. “That’s key to our strategy. With our current fleet and the amount of high-utilization flying we’re doing now, we



JOSH BIRMINGHAM

PRESIDENT/CEO, PREMIER PRIVATE JETS

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are performing phase inspections every eight weeks or so. Having our own maintenance team is the only way we can keep up with that.”

Birmingham says that along with the new MRO, PPJ has also recently added an interior and avionics shop to its portfolio—another step to increase capabilities and control costs.

“We want our aircraft to look great,” he comments, “so each aircraft that joins our fleet gets a major update, including new exterior paint done in Premier Private Jet livery, a refurbished interior, and a Wi-Fi system installation. Our typical light jet upgrade program for inducting an aircraft into our fleet costs about \$200,000. This has been a major selling point to both our retail and banner-brand customers.”

With all their maintenance needs in hand, Birmingham said, the only remaining part of the cost-control puzzle is to bring all their pilot training in-house. While the original company, Premier Jet Training, remains active, it can’t currently handle the large volumes or regulatory requirements of new-pilot training Premier Private Jets requires.

“Hiring pilots as often as we do and the increasing difficulty of getting them trained by a third-party company on our schedule is restricting our growth,” Birmingham explains. “You are at their mercy for both timing and costs and we don’t want that. Controlling the ability to train our pilots on our schedule and budget is critical to our business plan.

“Our next step is a full-on Part 142 flight training program with full-motion flight simulators,” Birmingham continues. “We have been working on a strategic partnership with a company that builds amazing simulators, and we’re about

ready to introduce that company. We will be building a dedicated center to train not only PPJ pilots but also other charter operators and individual aircraft owners when our schedule allows.

“All in all, PPJ’s operations strategy should appeal to big-name brands looking for reliable and cost effective lift,” said Birmingham.

PREMIERING AT AN AIRPORT NEAR YOU...

While Birmingham stresses that, above all, Premier Private Jets wants to be known as a top-tier, on-demand charter provider, he feels it’s important for customers and its industry peers to know how the company was established and the principles it is built on.

“People who understand the complexity of our business will appreciate that we’re not just a Part 135 operator with a handful of airplanes doing charters,” he says. “We are an organization of over 100 professionals, two Part 145 repair stations, and a growing fleet of aircraft. This past June, we broke into the ranks of ARG/US Top 25 on-demand operators, ranking number 22 in terms of flight hours flown, and we are Wyvern Wingman certified. That says a lot, and we’re proud of it all.

“Premier Private Jets has been built to deliver a great flight experience for our retail and sub-service charter customers at reasonable prices,” Birmingham concludes. “That’s the focus of everyone on our team.”

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