

**TAXI!***The future of on-demand air travel is on the horizon*

It's no secret that business travel is just awful. The litany of problems the business traveler faces are legion. Anything from lost luggage to delayed arrivals to wasting valuable time on endless runway waits to – and this may be the biggest pain of all – making myriad connections just to get to the boondock town where your customer's factory is located.

Yes, business travel ain't pretty. But there's help on the horizon in the form of VLJs or "very light jets," a fleet of small, on-demand "air taxis" that are scheduled to begin operation in late 2006 or early 2007. VLJ air service is designed to eliminate many of the hassles of commercial

air travel and could radically affect how businesspeople reach their customers.

The VLJs are especially useful to businesspeople headed to midsized cities that are currently underserved or ignored by commercial airlines. To reach a small market, travelers either have to endure several layovers or fly into major airports and rent cars – two processes that are stressful, time-consuming, and costly. VLJs, which take off and land on short runways, can fly directly into rural airports, which may be much closer to the companies and factories the business traveler needs to visit.

VLJs will also appeal to travelers who are heading to larger cities but who would like to skip the time-consuming miseries of security checkpoints, gate delays, and baggage claim. VLJs can land at one of the small suburban airports that invariably flank large urban airports. Compa-

nies don't want to waste valuable sales force time but may be hesitant to pay the big bucks necessary to charter a direct flight, especially if only one person is going in to make the call. VLJs are poised to step into the gap.

The aviation industry is positively giddy over the potential of VLJs. One reason is cost: The four- to six-passenger aircraft retail for as low as \$1.5 million, making them about one-third the price of conventional private jets. Because they're light – about the same weight as an SUV – it's estimated that they'll cost under \$1 per nautical mile to operate. (The estimated cost to passengers will be about \$1.50 to \$2.00 a mile.) The result is a jet that's cheaper to purchase, maintain, and operate than the larger turboprops that are currently serving the small airport market – not to mention that the VLJs are much faster.

The players in the VLJ market include Boston-based Linear Air, which is already using the Cessna Grand Caravan turboprop to offer per-seat private air travel between Boston and Martha's Vineyard and Nantucket. Once he takes delivery of his VLJs, Linear Air founder and CEO Bill Herp plans to expand to the New England and mid-Atlantic market and eventually include flights to California.

Another contender is Pogo Jet, based in the lucrative market of the Northeast, and CEO Don Burr, founder of People Express, claims he will keep his cost as low as \$1 a mile for customers. If he's able to deliver on this prediction, Pogo Jet will be far cheaper than chartering a plane and even less expensive than flying business class on short notice. And finally DayJet, based in Florida, will have a Website where customers can enter their destination cities, travel dates, and desired flight times. If a plane is available that matches your route, you'll get a confirmation on the spot. CEO Ed Iacobucci, founder of software company Citrix Systems, sees potential in servicing resort areas such as Hilton Head, Myrtle Beach, Boca Raton, and Asheville.

These companies already have the computer capacity to determine the most efficient ways to route planes and pick up customers. Flight testing is currently underway at Eclipse Aviation Corporation, Adam Aircraft, Inc., and Cessna Aircraft Company, but there's a possibility that the manufacturers may not be able to match market demand. DayJet was set to announce the debut of its service in April

**interview**

Bill Herp, founder and CEO of Boston-based Linear Air.

**Q:** Who's your target customer?

**A:** Businesspeople in small teams who need to travel on a regional basis. And to a lesser degree, people with weekend leisure needs.

**Q:** What are the advantages of flying a VLJ for the typical businessman?

**A:** Flexibility, convenience...the stress level is very low. Suppose you get a call that says "Great news, we can get you an hour on the CEO's calendar tomorrow. Come out and pitch him!" Using a commercial airline could cost you \$1,000 a person to get your team there. But a VLJ can take you and your team anywhere on a regional basis with very little advance notice. We call it a car service with wings. Business travelers arrive more productive, fresh, and focused.

**Q:** What are your targeted cities or regions?

**A:** Right now Boston and NYC and we're using the Cessna turboprop as a proxy for the VLJs, which will arrive within months. We plan to offer service to the Caribbean in winter and next year we'll offer VLJs to Washington and the West Coast.

**Q:** How do you respond to the naysayers who say it won't work economically or there are security issues?

**A:** In terms of economics, we're already making it work with four planes. The VLJ we'll be using is the Eclipse, and at \$1.5 million it's so much less expensive than existing jets we'll be able to compete with airlines, especially for people paying last-minute fares. As for the security issue, right now the rules are set up in a way that the relative threat is related to the size of an aircraft and a four-passenger aircraft is inherently much less of a threat than a larger plane. We already implement more security measures than those that are legally required of us.

**Q:** What about the idea that airports and air traffic controllers are already strained to capacity?

**A:** People who talk about air traffic control issues are missing the point. VLJs can go into small airports with shorter runways. We won't be creating congestion in metropolitan airports – why should we when we can use all these small airports that are already available, less of a hassle, and closer to where our customers want to go?

but the announcement was abruptly canceled due to unspecified "logistic problems" – which some industry analysts speculate to mean the planes simply won't be ready as early as promised.

Once the planes arrive, there could be other problems. If demand levels to small

If they can capture even a fraction of that market, they expect to be profitable.

Another objection is that airports are already crowded and it would be disastrous to bring a fleet of small planes into an already overworked air traffic control system. A study by NASA predicts that

ing fees, and if that happens VLJs will likely opt to land at smaller regional airports. And while VLJs can fly at the same height as large commercial airlines, federal authorities could reduce in-air congestion by forcing them to fly lower.

Which brings us to the issue of security. If VLJs take off in large numbers, will new legislation have to be passed requiring these small planes to go through the sort of rigorous security procedures required of large commercial airplanes? And, if so, will this reduce some of the convenience of private air travel? While only time will tell exactly how big a player VLJs become in the airline industry, it's worth remembering that all pioneers were pooh-poohed at first. Even the Wright Brothers at Kitty Hawk.

– KIM WRIGHT WILEY

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markets are uneven, the airlines may end up flying a lot of half-empty flights. The goal is obviously to fill all the seats on a given flight but if they can't the flight would go with even one passenger aboard, and that passenger will be flying at the same price as if the plane were full. How long can they keep that up before being driven out of business? But the startup VLJ companies respond that most Americans live within 30 minutes of a regional airport and 16,000 passengers are already flying out of those regional airports daily.

VLJs will have "a significant impact on metropolitan airports," pushing traffic at some of them up 25 percent from current levels. NASA studied two airports they predict are likely to see major air-taxi business – Las Vegas's McCarran and Chicago's Midway – and concluded that if faster big planes end up stuck behind slower small planes it could indeed create havoc with the commercial airlines' percentage of on-time arrivals.

But large airports like McCarran and Midway could charge VLJs higher land-

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