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Jet service pursues business in sports with 'travel card' concept

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Growing numbers of high-profile athletes, owners and executives from all sports are finding private jet membership the best way to travel. Or so says Paul Svensen, who expects his 5-year-old eBizJets to become a \$500 million company in the next 24 months.

Svensen, 38, founded the firm in 1997, launched its travel-card program two years later and watched his flight volume zoom 166 percent in 2001 — even though commercial air travel took a major hit after the terrorist attacks of Sept. 11.

"The company was founded to address the inefficiencies of private aviation," he said. "I had experience selling fractional ownership, which is essentially time-share of a jet. But I had clients who said, 'Why do I have to buy the jet? Why do I have to buy a fraction of the jet?' And they were right."

The firm does not purchase planes but leases time directly from the corporations or individuals who own them. Plane owners get a percentage of the price for each hour their aircraft flies; eBizJets charges clients \$1,850 an hour for a light jet (i.e., a Lear), \$2,850 for a midsize (such as the Hawker that Svensen owns) or \$4,350 for a heavy jet like a Gulfstream or Challenger.

Svensen's client list includes more than 200 professional athletes, including Shaquille O'Neal, Drew Bledsoe, Steve Francis and Curt Schilling. The company, based in Norwell, Mass., south of Boston, serves more than 5,500 U.S. airports, as opposed to the 450 open to commercial aircraft.

"The biggest asset athletes have off the field or off the court is time," Svensen said. "Every athlete will tell you that, and every agent will tell you that. We have the ability to get our clients closer to where they need to be. We can take them out of an airport within 15 minutes of their home and land them within 15 minutes of their destination."

Competitors have included FlightTime, which ceased operations June 28, and SkyJets, a subsidiary of FlexJet. NetJets, owned by Warren Buffett, is the originator of the concept, but Svensen points out that its fractional ownership plan differs from eBizJets' strategy.

Though there's no membership fee, eBizJets clients use a travel card that comes in increments of \$100,000, \$250,000 or \$500,000. Each hour of flight time is deducted from the card, which works like a bank debit card.

"If one of our athletes retires, that money is flexible," Svensen said. "We will refund the balance immediately. If you had a \$250,000 travel card and used \$100,000 of it, we will wire back the \$150,000 balance. We don't need to sit on the money."

In addition, clients are charged only for the direction they fly, rather than for a round trip. (Charter companies often charge to bring the plane back where it originated.)

The marriage between athletes and eBizJets was almost accidental, Svensen said. Baseball star Alex Rodriguez expressed interest in using the company in May 2000 and pointed out the potential client base in sports. "He said we would have success if we targeted athletes," Svensen said. "He knew athletes shouldn't be buying jets because they don't know how long they are going to play."

The company's fleet includes 1,400 planes spread out around the country. Of the 5,000 private jets in the country, Svensen said, some are used by their owners often but others only occasionally. Those that see little service are expensive to maintain.

"You don't have to own a jet," Svensen said. "When you take up golf, you don't buy a country club, you buy a membership. That's how we operate. It can be done safely, exclusively and with security, as well as serving an elite clientele. And it can still be done at a low cost."

Executives as well as athletes appreciate the eBizJets policy, Svensen said.

"I was with [Phoenix Suns owner] Jerry Colangelo at the NBA All-Star Game earlier this year and found out he came in on a friend's aircraft," Svensen said. "On his exit from Philadelphia after the game, that aircraft ran into a mechanical situation [before takeoff]."

"We were able to scramble one of our Gulfstreams, get his party home and charge only for a one-way trip."

Speed counts, too: The typical eight-seat Citation-10 used by eBizJets flies coast-to-coast in less than four hours.

"Athletes have tremendous demands on their time and know our service is financially prudent because they're not investing millions of dollars," Svensen said. "That gives them a chance to protect their financial well-being after they retire."

Dan Schlossberg is the author of "The Baseball Almanac: Big, Bodacious Book of Baseball."

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