

## THE PASSION AND THE BUSINESS OF PRIVATE AVIATION

**Kenneth C. Ricci**

Kenneth C. Ricci has spent over 30 years developing innovative services in the aviation industry. He is all about energy, passion, aviation, opportunities and people. Whether it's generously supporting charities and nonprofit organizations or building the world's premier private aviation family, Ricci is simply all in. His enthusiasm for aviation began at a young age and prompted him to pursue a career in aviation. "It's so much fun to be part of such an exciting industry," Ricci states. "I can't imagine doing anything else." A few key highlights from this journey include:

**1980**—Ricci founded Corporate Wings, an aircraft management and charter operation providing charter flight service to corporate clients. He expanded Corporate Wings' operations to include other aviation support services including aircraft maintenance, fueling and storage.

**1990**—Ricci founded a highly successful maintenance service organization, Inertial Airline Services, providing service and repair of electronic and avionics systems. Inertial Airline Services became an industry leader in the overhaul and modernization of long-range navigation systems. When the company was sold to Heico Corp (HEI), it had a customer list of the world's major airlines, U.S. and foreign militaries, and corporate aircraft operators.

**1992**—Ricci served as President Clinton's pilot during his successful campaign for the White House.

**1998**—Ricci revolutionized the fractional aircraft ownership industry by founding Flight Options. His marketing and strategic leadership took the company from inception to annual sales of more than \$600 million in just four years. A pioneer in the field, Flight Options outperformed over 50 other start-ups in this industry. When Flight Options merged with Raytheon Travel Air in 2002, Ricci had built the

second largest company in the fractional jet industry, operating a fleet of over 200 aircraft, with 1,500 employees and almost 1,000 pilots.

**2005**—Ricci acquires a stake in Mercury Air Centers and as CEO of the company begins the process of restructuring the company, realigning its operating divisions, and deploying \$245 million of invested capital. When Ricci sold the company to Macquarie Infrastructure Trust (MIC) in 2007 in a deal valued at \$615 million, Mercury Air Centers was a \$200 million company operating aircraft support facilities at 24 different airports.

**2007**—Ricci forms Nextant Aerospace, with the focus of transforming the Beechjet 400 into the Nextant 400XT through an innovative remanufacturing process.

**2008**—Through Directional Aviation Capital, Ricci acquires a stake in Flight Options during the industry downturn, eventually re-assuming control in 2009 and beginning the process of rebuilding Flight Options into an industry-leading brand.

**2012**—Directional acquires Sentient Jet and Everest Fuel Management from Macquarie Global Opportunities Partners.

**2013**—Directional acquires Flexjet from Bombardier Aerospace International.

**Today**—Ricci is the principal of Directional Aviation Capital which operates a family of private aviation companies including Flexjet, Flight Options, Sentient Jet, Skyjet, Nextant Aerospace, Sojourn Aviation, Everest Fuel Management, N1 Engines, Constant Aviation, Air Services, and Corporate Wings. Directional also maintains an ownership interest in Aerospace Products International.

The aviation industry is well known for its ebbs and flows. In good times, aviation companies spring up all over the nation and the world. In bad times, most aviation companies, at best, look to hold their own, but many downsize or disappear altogether. Ricci doesn't view the bad times as a negative, but rather sees them as an opportunity

to pursue great companies or ideas that are having a “bad day.” As private aviation was heading into its most recent retreat in 2008-9, Ricci doubled down on his commitment to the industry by reinvesting in Flight Options. This began the process of creating the unique, synergistic family of companies that today is leading the world of private aviation.

As the founder and leader of Directional Aviation, Ricci doesn’t just acquire, he innovates. A prime example is Nextant Aerospace, which introduced a new industry of remanufacturing aircraft with the Nextant 400XT. And, after driving Sentient Jet’s unparalleled success in the private charter market, Ricci re-established the well-known Skyjet brand, launching the brand in 2014 as additional charter-focused company, specifically focused on providing service and expertise for the on-demand client. “I always think about one thing when considering acquiring a company,” says Ricci. “I find out if the company has a unique competitive advantage. If I can’t identify one, it’s not a fit for Directional.”

Critical to Ricci and every business acquisition he pursues is people. While he has been and continues to be an innovator and entrepreneur, Ricci not only pursues great value in businesses, but also great value in people. “My father always told me, ‘treat people with class,’” Ricci shares. And to him, that means focusing on client relationships, treating people with respect and making every interaction with Directional Aviation and its entire family of companies positive and enjoyable. The embodiment of this philosophy is evident in the Three Fundamental Principles that are essential to all employees:

1. Fanatical Attention to Detail
2. Employees are the Foundation of a Service Company
3. Maintaining Long-Term Relationships

Throughout the Directional Aviation family are individuals who've realized the greatest opportunities of their professional lives. Ricci seeks individuals with different talents and skills to make Directional Aviation a unique company that protects the passion of its businesses and infuses sound business principles.

Ricci received his Bachelor of Business and Administration degree from the University of Notre Dame, as well as his JD from the Cleveland-Marshall College of Law. He holds an airline transport pilot license with more than 6,000 hours, and is type rated in Gulfstream, Falcon and Citation Jets and has flown around the world on numerous occasions.

Ricci was honored as an Ernst & Young Entrepreneur of the Year in 2000 and has been named one the most influential people in aviation by Aviation International News. In 2010, he received the Harvard Business School's Dively Entrepreneurship Award and was the youngest recipient of the prestigious William Ong Award for extraordinary achievement and extended meritorious service to the general aviation industry. He is also a four-time recipient of the Northeast Ohio Success Award for business growth.

Ricci's management strategies have been featured in the *Wall Street Journal* and *Inc. Magazine*. In addition, he is the author of "Management by Trust," a book featuring practical management techniques for building employee trust and success which was praised by the *New York Times Book Review* as a "landmark success manual for corporate America."

Outside of Directional Aviation, Ricci is a member of the Young Presidents' Organization as well as the World President's Organization, in many chapters in the United States. He advises the Guggenheim Aero Opportunity Fund and serves on the Business Advisory Council of the University of Notre Dame. Ricci also serves on the Board of Trustees of

University Hospitals, The National Board of Childhelp, and Gilmour Academy. “Every day carries an opportunity to make a difference and share yourself, your life and your resources with others,” Ricci states. In 2014, Kenn was honored by the Northeast Ohio Chapter of the Cystic Fibrosis Foundation for championing research and treatment of the disease, which affects 30,000 children and adults in the United States.

For 30 years, Ricci has directed his love of aviation and his business acumen to building and investing in the private aviation industry and will continue to explore the many opportunities that still remain. “I see immense potential and opportunity in private aviation,” explains Ricci. “That’s why we continually seek out opportunities that allow us to expand and play a larger role in this industry.”