

Robb Report

Magellan Jets Introduces New Pay-As-You-Go Membership Programs for Uncertain Times

Cofounder Anthony Tivnan shares his new business model designed to counter the pandemic.



Anthony Tivnan/Magellan Jets

[Magellan Jets](#) built its business around injecting consistency into the often mercurial charter world. In 2008, cofounders Anthony Tivnan and Joshua Hebert introduced the benefits of fractional ownership to the charter world with membership-based jet cards. The Boston-area firm has just launched a plan for new travelers who are navigating the current pandemic.

You started Magellan during the worst financial crisis in recent memory. How is this different?

This has its own issues, but we're approaching it similarly. In 2008, we provided the same benefits that fractional companies were giving clients without having to sign up for five years or own part of the jet. We also made sure our clients got the best charter aircraft. Basically, we look for holes and add value.

And now?

Our cards tend to have an average value of \$210,000. In April, we saw a flood of interest from newcomers who weren't used to that kind of pricing. Now we're bridging the gap with a pay-as-you-go program with an \$8,500 initiation fee and easy-to-understand terms.



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Has it worked?

We've seen new business increase massively. These folks, who travel for leisure, don't need to get places as quickly, so we moved the time limitations to 24 hours rather than 8 on our jet card. We're also seeing corporations use this as supplemental lift. It's a way to keep employees safe when the appetite for risk is lower.

Have there been upsides?

While I obviously wouldn't wish this situation on anyone, we've done many flights for high-risk individuals. We handled requests for medical supplies. More recently, there were people traveling for weddings. There was a company tied to an IPO. We felt honored to take part in all that. We had people saying thank you for keeping our loved ones safe. There were a lot of emotions tied to it. It was good to see the business from that different lens.

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