

# AVCON – GROWTH THROUGH DIVERSITY

News / Business aviation



“Nothing great in the world has ever been accomplished without passion.” This quote is from the German philosopher G.W.F. Hegel and adorns the website of Austria’s largest private jet operator, Avcon Jet.

Any company that quotes philosophy on its home page must be a serious player in the aviation business. The firm has 23 jets available for charter, eight of which it owns. Additionally, it has three Aircraft Operator Certificates — Austria, Malta and South Africa — and offers several related services, including sales and acquisition, access to financing, consulting and asset management. It has operations in Moscow, Malta, Vienna, Zurich, the Isle of Man, Chicago and South Africa.

## The proper background

Avcon is the brainchild of CEO Major Alexander Vagacs. A type-rated pilot on the Cessna Citation XLS and Gulfstream G550 types, he worked for a wide-spectrum of business aviation companies. At Avia Consult Asset Management he worked as a liaison with aircraft leasing companies and banks. He’s also worked for Jet Support Services Inc. (JSSI), and from 2003-2007, he was the managing director at AC Aircraft Sales, where he created a fleet financing program. He then

transferred to Jetalliance and acted as CEO, before founding Avcon Jet in 2007. The “AV” in the name is his own initials, and the “con” stands for consulting.

Since its founding, the firm has become way more than a charter/operator. Vagacs has brought his many talents to bear, and describes his firm as “a private bank for operators.” The firm’s website says, “We are determined to set new standards of quality and safety in the corporate aviation industry.” It has done that by hiring a handpicked team, from flight crew, to aviation experts in the financial, legal and insurance industries.

The company partners with firms such as Hypo Group Alpe Adria Leasing to finance both its own aircraft and those of its clients. Its fleet covers the whole spectrum of business aviation from small through medium to large cabin. The fleet is limited to new aircraft only, and Vagacs has personally ferried at least one jet, a CJ2+, from the Cessna production site in Wichita, Kan. to Austria.

“Every new aircraft is kind of a big deal and the permanent growth of our fleet makes me proud,” he says. “But what really affects me is that our concept of acting as a private bank for our customers is showing the desired effect. We work with our client’s capital, their aircraft, as prudently and effectively as possible.”

Historically Avcon-operated aircraft have a higher utilization than many of its competitors. Vagacs has said in the past, “This makes the aircraft profitable for their owners.”

#### More than charter company

In December, the company added a Bombardier Challenger 650 to its commercial operation, making it fully available to the charter market. The fleet also includes a brand new Gulfstream G550 (Avcon Jet operates more than 10 Gulfstream type aircraft), a Bombardier Challenger 850 and a new Embraer Legacy 650. There are also nine Bombardier Global types, including a Global Express XRS and Global 6000.

Avcon Jet South Africa also goes from strength to strength and, according to the firm’s website, offers a Bombardier Challenger 300, a Learjet 45 and three King Airs, plus a Cessna C402C. It also operates in the Middle East.

Virtually from the beginning, Avcon demonstrated its seriousness. In February 2010, Vagacs drew on his relationship with his former employer to become sales representative for JSSI throughout Eastern Europe and Russia. The firm is also the exclusive sales representative for Embraer Executive Jets.

A key component of Avcon’s business is helping clients with aircraft acquisition. It offers guidance through the complex process, including feasibility studies and the creation of a specific aviation business plan. If a company wishes to operate the aircraft commercially, it needs to apply for an AOC or align itself with an operator. Avcon has helped clients create airline and flight departments.

Thanks to Vagacs’ earlier experience with Avia Consult, it also offers asset management, managing aircraft to meet specific criteria required for its legal owners – ie mostly banks. Avcon devises a regular system of aircraft inspections, audits, market value appraisals, seeking the best price for insurances, maintenance reserves checks, and aircraft history documents. Without these factors in place, an aircraft can prove difficult to re-sell.

It also helps structure processes for flight departments, providing operational audits, advice on organizational structure, plus security and implementation of EASA regulations. It also monitors

value, residual value analysis and historical value analysis. It can, if required, repossess aircraft.

Business planning in the volatile marketplace of private aircraft operations can be hit and miss, but Avcon seems to have hit on a winning formula, which it extends to its customers in the form of strategic consulting. In addition to management services, it offers aircraft surveys, plus profit and loss analyses. Should a company sell or hold on to its asset? Where is the profit going to come from? It can also offer help with restructuring and crisis management. Once a system is in place it can also help its clients to implement them.

Nine years into its existence, the firm is going from strength to strength. Nothing great in the world has ever been accomplished without passion, and from the evidence, it seems Avcon has that in bucket loads.

05 MARCH 2016

**SOURCE: FLYCORPORATE**

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