

We find out how a boyhood obsession with planes led Steve Varsano to become founder of the world's first corporate aviation showroom, The Jet Business

BY JONATHAN WHILEY



North Carolina, 1981. A 22-year-old Steve Varsano has just sold his first ever plane. It's a three million dollar deal – equivalent to 60 or 70 million in today's money – and he is feeling, as he should, pretty good about life.

He spent the previous eight months working for free – waiting on tables at night to pay his bills – and now the gamble has paid off in style.

Closing the deal seems a formality. Two representatives of the Venezuelan buyer arrive in North Carolina, the plane passes its final inspection and contracts are signed. Lawyers agree to transfer the funds by the time they arrive in Miami, where the buyer is based.

"They were taking the plane to Venezuela and I was going back to Washington DC," says Varsano. "I get on the airplane and I felt like I was on top of the world. I'm just this kid from the streets, the ghetto, and here I am flying on this private jet that is brand new."

Then came the glitch in the Matrix. "The two guys were sitting across from me, facing me, and they said: 'Steve, listen, we need to talk to you about this deal'. I said: 'Yeah, sure. What do you want to talk about?'" I'm sitting there with a Scotch, living the life. They said: 'Well, we want to talk about our fee'. I said: 'What do you mean, your fee? This deal is finished, you work for the buyer, don't come to me.'

"They said: 'Well listen. We're going to work it all out when we get to Venezuela and I'm sure everything will be OK.' I said: 'No, no, guys. You don't understand. I'm getting out at Miami and the deal is finished.' The guy said: 'No, no, Steve. You don't understand.' He reached out under his jacket and he pulled out a pistol.

"I go from the king to the mouse hiding behind the furniture in the corner. I said: 'What are you talking about? You're crazy!' They said: 'You're coming to Venezuela Steve, and when we get our money, you'll go home. If we don't get our money, you will never be going home. I was shaking. I had never had a gun pointed at my face three feet away from me. I didn't know what I was going to do."

What ensued was straight from a James Bond film. Varsano lands at Miami International and is told to call his office from a pay phone to arrange payment. "The guy is walking behind me with the gun in his pocket and I'm having these visions that my mother is going to get a box with my body parts cut up, delivered in the post," he says.

He picks up the phone and begins to dial. As he does so, a woman behind a counter 20 feet away asks for a credit card to pay for the plane's fuel. Varsano spots

his opportunity. "I dropped the phone and ran out the other door and I jumped in a taxi and I said: 'Quick, I gotta go, I've got a flight, go, go, go!' The guy races away and I'm in the back seat of the car. I thought he was going to come out shooting at me. He came running out of the building and I said: 'Quick, go!'"

He arrives at a terminal on the other side of the airport. "I'm literally hiding behind the columns waiting to see if these guys are coming after me. This is in Miami back in Scarface days."

Varsano calls his office; the money has arrived. Armed with his airline ticket and ID, he boards a flight back to Washington DC. "My heart was pounding," he

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says. "I never heard from them again, that was the end of it. That was my first deal. It was a little bit crazy."

Fast-forward nearly 40 years and Varsano has now sold more than 300 jets at a value that exceeds five billion dollars. "I don't really count any more," he says with a smile.

I'm interviewing Varsano inside an Airbus, the stunning centerpiece of his striking showroom at 25 Park Lane. A similar jet of this ilk would cost 100 million dollars. "In the world, there are only 250 of these in the corporate configuration," he says. "And half of those are heads of state."

The HQ of The Jet Business, its 12-strong team and the fuselage of the luxury jet we're now sitting in, has been here for six months. Varsano was previously based at Hyde Park Corner for just over five years.

"It's twice as big here and the visibility on the street is much better here than it was on Hyde Park Corner," he says. "Everything in here is new. The fuselage had to be destroyed and rebuilt from new."

It took eight months and four contractors to transform the previously derelict space. Argent Design was responsible for the sleek interiors and Design Q for the fuselage and trading floor.

"There are about 21,000 jets in the entire world and we focus on 6,000 of them," says Varsano.

It's not only the fuselage that catches your eye. An

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enormous interactive screen is the tool Varsano uses to help the super-rich decide just which private jet – used or new – suits their needs the best.

There are 141 different aircraft models to choose from, and narrowing the criteria – budget, age, capacity, cabin width, running costs, fuel prices – is a matter of a click away.

Varsano’s market is the 230,000 people in the world classed as “ultra high net worth individuals” – those with more than 30 million dollars of net worth – and there are celebrity clients too.

In the early ‘80s, Varsano sold a Learjet 35A to Frank Sinatra. “It must have been around ‘82 to ‘83,” he says. “I’ve sold airplanes to a lot of household names.”

The difference between now and then, he says, is that the buyer is completely different.

Corporations now recognise the impact it can have on their business. “We don’t really refer to it as a luxury product,” he says. “We refer to it as a business tool or, if you want to call it, a time machine.

“No matter how much money somebody has, they always say you can’t buy time. But you actually can. By having a corporate jet, you can make so much more efficient use of your time. You can add one or two months a year to your business days.”

Moreover, Varsano says that the image that mainstream media or the public has of jets is quite different from the reality. “They think of people drinking champagne all the time and women and golf clubs,” he says. “It couldn’t be further from the truth. About 70 per cent of all corporate jets are occupied by middle management people.”

His 61-year-old passion for planes can be traced back to when he was 14. His friend’s older brother invited him to join him on a flying lesson and it was love on first flight. Every month he would save up enough money for a single flying lesson, and would go on to do a bachelor degree in aeronautical studies.

“I thought I wanted to be a professional pilot but then I realised I’d rather be the guy in the back seat being chauffeured around,” he says. He became a lobbyist on Capitol Hill, representing airplane manufacturers, and met somebody selling jets in a nightclub. He bagged a job, working for free until his first big deal and the aforementioned drama in Miami. His drive and motivation, he says, stems from his childhood. “I was brought up with no father in



the family,” he says. “My mother worked two jobs her whole life to take care of four kids. She was always working and we didn’t go without anything, but we didn’t live a luxury lifestyle.” Aged seven, Varsano would sweep floors in a beauty salon where his mother worked to earn a little bit of extra money. “I had a great work ethic and I always wanted something,” he says. “I guess it came originally out of desperation.”

Varsano, partner of Lisa Tchenguiz – the younger sister of property tycoons Vincent and Robert – recently became a UK citizen and has been a resident of Mayfair for the past eight years. “Actually I used to live in Mayfair 25 years ago,” he says. “I was living five doors down from the house I’m living in now.”

He says he has reconnected with old friends and feels more comfortable here than his native New York. “It’s such an international group of people that live in this whole area,” he says. “There is much more culture, architecture and history.” Not to mention the world’s first and only aviation corporate showroom.

The Jet Business, 25 Park Lane, thejetbusiness.com