

PAULTOUW

XOJet's president and CEO thinks Theodore Roosevelt really had it right when he said, "The best executive is the one who has sense enough to pick good people to do what he wants done, and self-restraint to keep from meddling with them while they do it." Paul Touw, 40, may not be a meddler when it comes to running his corporate and business charter jet service based in San Carlos, California, but the former aerospace engineer hardly holds himself back in the grand scheme of progress. A shooting star of ambition ever since a Sun Valley-bred kid who collected radio-controlled gliders, Touw founded XOJet in 2006 after a string of successes earned, in part, by the same quality of character seen in one of the executives he most admires, FedEx founder Fred Smith. "Talk about a bold and gutsy move in a massive industry with a completely abrupt game-changing strategy!" he says of Smith. Yes, talk about Touw's own bold and gutsy move – into aviation when he, at the time founder of

Ariba, a software company he took public after two years, decided his newly minted pilot's license (acquired in 1999) and outsize passion for flying might find equally outsize expression. XOJet was, he says, his toughest business decision.

"Starting [the company] with my own money...well, everyone said the quickest way to lose money in Silicon Valley is to invest it in aviation," he says. Everyone was wrong. Touw's move to acquire a fleet of Citation Xs and do the concept of fractional ownership better by also selling flights on "deadheading" fractional planes to the charter market – thus flying these planes at a minimum of 50 percent more hours – was brilliant. As far as convincing charter operators to use his gorgeous, new Xs went, "it was a very easy sale!" he laughs. Making his fleet available "to companies that might need them for road shows or individuals who don't want to buy a plane but want to pay by the flight" and the charter guys was, he adds, "a huge breakthrough in the fractional ownership model." Devising business models is something of a pet exercise for Touw, who honed his business savvy pre-Ariba as a senior analyst in the aerospace industry, specializing in "analytical optimization," a mathematics-driven science that made fine use of his dual physics/mechanical engineering degree from University of the Pacific. Many, many models later, after the brainstorm that would become XOJet, Touw worked his guiding principle – "integrity beyond reproach" – and proved a thrilling thing. His goal, "to be the first private aviation company to go public," would be something to keep him very, very excited.

"It's a blast working with an incredible team," he says of the XOJet crew. "To build a sustainable organization that will be just as great and successful without me..." well, what could be a more enjoyable and rewarding way of flaunting his business philosophy? "You need to focus



on three areas," he says. Besides perfecting customer service, "there is building a great environment to attract the best employees, because happy employees provide the best customer service"; there is also the trick of providing great results to investors. "If you do all three," Touw adds, "it will have a cyclonic effect."

As XOJet's fleet of Xs today fly 1300 hours a year (Touw happily boasts that 96 percent of these flights are paid for compared to a 69 percent average in the fractional-only market), the aviator is loving his own cyclonics. "As you pump out flight hours, generating revenue while lowering cost, wow," he says, "that's a wonderful thing." What's his way of keeping a competitive edge in the industry he was warned would lose him money? Touw doesn't hesitate: "Under-promise and over-deliver," he says.

Naturally, the life of Touw is far from all work and no...love. A happy newlywed, the CEO recently returned from a honeymoon in Tanzania with his wife, Elizabeth, and he is bursting at the seams with the thrill of their adventure. "I love

photography and Africa is such a target-rich, snapshot-inspiring environment," he says. And he is full of colorful travel tales. There's the 400-lb turtle that "walked right up to me, put out a leg and we shook hands." The giraffe that "rolled on its back like a dog." And the landing on a remote dirt strip that was greeted by an entire village of maybe, Touw guesses, 1,000 people who had never before seen an airplane. "They looked at us like we were astronauts!" he laughs. Touw indeed is jazzed with the travel he has fit into an otherwise hectic schedule of success building. Then again, as a Sun Valley native from the age of 12, getting himself out there where adventure happens is to be expected. Touw is an avid fly-fisherman and skier. "Sun Valley has fantastic fishing and the best skiing on the planet," he says; he also has a particular fondness for the Sun Valley airport. "It's my favorite! Beautiful approach, smooth runway and for some reason the way it's configured means you can always nail the landing."

Nailing things, whether great landings, visionary business deals, or ambitious life

goals seems to be the modus operandi of the Porsche turbo-driving, Citation X-flying pilot who describes himself as "creative" and greatly admires today's celebrity world-changers. Touw says: "I really respect what Bill Gates is doing with philanthropy and what Richard Branson's done with giving his airline profits to global warming. If I were to be in that position that's certainly something to be excited about." His favorite cause?

"Education," he says. Touw's three greatest passions, "flying, hanging out with my family and fantasizing about the future," make for a model that helps drive the aviator ever upward into the stratosphere where the bold and gutsy are having a ball. Providing Citation X flights to all manner of fractional and charter travelers – including, he laughs, "the G-5 owner going to New York or Aspen alone and a little embarrassed to be lugging this 99,000-lb aircraft around with them" – is all in a day's joy for Touw.

Like he says, wow. Live life as the head of XOJet and prove Silicon Valley naysayers wrong? "It's a wonderful thing." ✕