NetJets Business Model

Idea In Short

NetJets sells guaranteed access to a private jet without the cost of owning one outright. Customers buy a fractional share of an aircraft, as little as one-sixteenth and receive a set number of flight hours a year, backed by a monthly management fee and an hourly rate. The model, pioneered in 1986 and now run under Berkshire Hathaway, gives NetJets the largest private jet fleet in the world and revenue estimated in the billions of dollars annually. This article traces how the company built that position, how it prices access to its fleet and where competitors and rising costs threaten its lead.

What NetJets actually sells

NetJets does not sell airplanes. It sells guaranteed access to one, structured through fractional ownership, leasing or a prepaid jet card. A fractional owner buys a share of a specific aircraft, usually between one-sixteenth and one-half and receives a corresponding number of flight hours each year, generally between 50 and 400. NetJets handles everything else: maintenance, crew scheduling, insurance and positioning the aircraft wherever the owner needs it. Customers who do not want to commit to a share can instead lease a jet for a fixed term or buy a jet card that prepays a block of flight hours.

A pioneer built on a fractional idea

NetJets traces its roots to Executive Jet Aviation, founded in 1964 by a group of retired Air Force officers including Olbert "Dick" Lassiter. The company operated as a charter and jet-management business for two decades before Richard Santulli, a former Goldman Sachs executive, bought it in 1984. Santulli introduced the fractional ownership concept in 1986 and launched the formal NetJets program the following year, a structure that let corporate and individual buyers access private aircraft without carrying the full cost of ownership.[1] The idea proved durable enough that the company had rebranded fully to NetJets by the early 2000s and expanded operations into Europe and the Middle East.

Berkshire Hathaway's calculated bet

Warren Buffett's Berkshire Hathaway acquired NetJets in 1998 for an estimated $725 million, folding the company into a conglomerate known more for insurance and consumer brands than aviation. The acquisition gave NetJets something few aviation companies have: a parent with the capital to order aircraft years ahead of demand and absorb the cost swings that come with fuel prices and crew wages. Buffett has described NetJets in Berkshire's shareholder letters as a business built on service quality rather than price competition, a framing that has held even as fleet costs have risen.2

> We lead the industry because we scrupulously tend to every aspect of our business and hold ourselves to a higher standard

That line, drawn from the company's own stated philosophy, sums up how NetJets frames its pitch:

> safety and reliability first, price second

A fleet built for growth

NetJets operated roughly 802 aircraft as of mid-2025 and has continued adding jets through 2026, pushing the fleet toward 900 as new deliveries from Textron Aviation, Embraer and Bombardier arrive.3 The company has placed orders and options for close to 2,000 additional aircraft, a backlog that signals confidence in sustained demand from wealthy individuals and corporate flight departments. Employee headcount has grown alongside the fleet, with Berkshire's own filings putting NetJets staffing above 9,000 people, most of them pilots, maintenance technicians and flight coordinators.4

Pricing that funds the operation

Every fractional owner pays three things: an upfront purchase price for the share, a monthly management fee covering insurance and maintenance and an hourly rate charged each time the aircraft flies. Jet card customers skip the upfront purchase and instead prepay for a fixed block of hours, trading a lower entry cost for less flexibility on aircraft selection. NetJets supplements this core pricing with aircraft management services for owners who want to operate their own planes and with partnerships across golf, equestrian sports and luxury travel that keep its customer base engaged between flights.

Competing in a crowded sky

NetJets remains the largest player in fractional ownership, but it is not alone. Flexjet and Jet Aviation compete directly on fractional shares and jet card programs, while Atlantic Aviation and Charter Flight Group pull customers toward fixed-base operator services and pure on-demand charter instead of ownership stakes.5 The pandemic-era surge in demand for private travel, driven by wealthy fliers avoiding crowded commercial cabins, pulled new entrants into the market and pressured NetJets to keep expanding its fleet to protect its position.

Costs that squeeze the margin

Rising fuel prices, higher flight crew compensation and increased maintenance expenses cut into NetJets' aviation services earnings in 2025, even as revenue climbed on fleet growth.6 The company's cost structure leaves it exposed to swings in jet fuel prices and skilled labor shortages among pilots, a tension that shows up directly in the premium customers pay for guaranteed availability. Berkshire's capital backing cushions these swings better than most competitors can manage, but it does not eliminate them.

Key Partners

NetJets' partnerships extend well beyond aviation. The company sponsors and works with organizations across sports and lifestyle, including the PGA Tour, NASCAR, the AT&T Pebble Beach Pro-Am, US Equestrian and the Breeders' Cup, giving fractional owners access to premium events and hospitality. On the aircraft side, NetJets works closely with manufacturers Bombardier and Gulfstream to secure new jets and customize cabin configurations. These relationships serve two purposes:

they keep the aircraft pipeline full and they give customers non-flying reasons to stay loyal to the brand

Key Activities

The company's core activity is managing fractional ownership programs, matching owners to aircraft and tracking hours flown against each owner's share. It also runs a jet card membership business for customers who want on-demand access without an ownership stake and an aircraft finance arm that helps buyers fund their purchase. A separate aircraft management division handles flight planning, hangarage, maintenance and crew staffing for owners and lets those owners earn income by renting out aircraft when they are not using them.

Key Resources

NetJets' most valuable resource is its fleet, which stood at more than 800 aircraft in 2025 and continues expanding through orders placed with Textron, Embraer and Bombardier. Its second resource is Berkshire Hathaway's balance sheet, which lets it finance aircraft purchases and absorb cost volatility that would strain an independent operator. The third is its network of lifestyle and sports partnerships, spanning golf, equestrian events and culinary experiences, which extends the brand beyond pure transportation.

Value Propositions

NetJets offers business travelers freedom from commercial airline schedules and security lines, letting them fly on their own timeline between meetings. For high-net-worth individuals, the appeal centers on privacy, comfort and a wide choice of cabin sizes tailored to the trip. Fractional ownership itself is a value proposition: customers get guaranteed aircraft access without carrying the full purchase price or the operational burden of owning a jet outright. Aircraft management services extend that same value to owners who prefer to hold title to their own plane.

Customer Relationships

NetJets maintains contact with owners primarily through phone support and dedicated account teams that manage scheduling and service requests. Social media channels supplement this with brand content and event promotion tied to its sports and lifestyle sponsorships. The relationship model leans heavily on personal service rather than self-service technology, reflecting the high-touch expectations of its customer base.

Channels

The company's website serves as the primary channel for prospective customers to learn about ownership programs, jet card options and pricing structures. Beyond digital presence, NetJets relies on referrals within its existing owner base and on its sponsorship visibility at golf, equestrian and motorsport events to reach new customers. Direct sales teams handle the actual conversion process, given the scale of the financial commitment involved.

Customer Segments

NetJets' core segment is high-net-worth individuals seeking privacy, convenience and flexibility that commercial aviation cannot match. Corporate flight departments and business executives form a second segment, using fractional shares or jet cards to avoid the time lost to commercial travel disruptions. Both groups share a willingness to pay a premium for guaranteed, on-demand access rather than owning and operating an aircraft themselves.

Cost Structure

Maintenance and crew costs make up the largest share of NetJets' spending, including salaries for the pilots and technicians who keep the fleet flying. Operational costs, including jet fuel, safety compliance and quality assurance, round out the structure and have risen in recent years alongside broader aviation cost inflation.

Revenue Streams

The bulk of NetJets' revenue comes from fractional ownership and leasing fees, layered as an upfront purchase price, monthly management fee and hourly usage rate. Aircraft management services, charged as a percentage of an owner's annual operating cost, provide a second stream that grows alongside the size of the managed fleet.

- 1NetJets company history

- 2Berkshire Hathaway 2024 annual report
- 3NetJets fleet expansion tracking
- 4NetJets employee figures, Berkshire Hathaway filings
- 5Private aviation industry overview
- 6NetJets financial performance reporting

Summary

NetJets built its business on a simple trade: give up full ownership of an aircraft in exchange for guaranteed access at a fraction of the cost. That trade has scaled into a fleet approaching 900 jets and a customer base willing to pay a premium for reliability and privacy. Berkshire Hathaway's balance sheet gives the company room to order aircraft years ahead of demand, an advantage smaller rivals cannot easily match. Fuel costs, crew wages and maintenance expenses have all climbed, squeezing margins even as fleet size grows. The company's next test is whether it can keep expanding its fleet fast enough to match order backlogs without letting costs erode the value proposition that built its customer base in the first place.