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STEPHEN VELLA: TURNS AROUND AIRLINES, CREATES FLYING MANSIONS

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Stephen Vella

Stephen Vella, a congenial Brit who spent his career building airlines before turning his attention to creating flying mansions for the global elite, is the man whose Kestrel Aviation Management oversaw creation of the first VIP interior on a 787-8 Dreamliner.

The first VVIP outfitted BBJ, as its officially referred to, has gotten global visibility for those who partnered with Vella's company, which had turnkey responsibility for the project from purchase of the plane to planning and design of the special interior to meet the requirements of the Asian client who will operate the aircraft. The partners included Greenpoint Technologies of Kirkland and Pierrejean Design Studio of Paris.

The specially outfitted Dreamliner is back in Moses Lake, where the work to install the unique interior was done, as it awaits final signoff by the FAA and final closing of the sale to an undisclosed owner.

"Undisclosed owner" is the usual description of individuals, countries or companies who decide they wish to own a castle in the sky and contract with Vella and Kestrel to manage the purchase, design and delivery of the aircraft. Nohl Martin, Vella's vice president for business development and communications, says outfitting the special interiors can cost as much as the airplane itself with the finished product, once the widebody is aloft, sometimes described by buyers as airborne oases of peace.

But these are oases that are reserved for the elite, both in stature and resources, and the fact they seek out Vella has made him a valued relationship for Boeing, but also for Airbus, since the contract for design and implementation of one of these widebody interiors begins with the purchase of the plane itself.

I had an opportunity recently to interview Vella while he his partner Martin, a longtime friend of mine, were on a visit to Kirkland, where she has family.

The Dreamliner, representing the first conversion of a composite and nearly all-electric aircraft to incorporate a high-end cabin and thus requiring virtually the entire focus of the Kestrel team for the past two years, is the 11th widebody conversion that Vella's team has managed from purchase through entry into service. The company has also done 10 narrowbody VVIP cabin conversions.

But as communications vice president Martin points out: "Sadly it is a sector that rarely allows us to publicize our work -- until this 787 project."

Visibility was not a problem for Vella when he was turning around airlines, particularly the nearly 15 years he spent helping turn Qatar Airways from a struggling, five-plane regional airline into one of the handful of the world's Five Star airlines.

When Akbar Al Baker, Qatar's group chief executive, was tapped by the Qatar government in 1997 to take over the failing airline, he contracted with Vella, who functioned for the next 15 years as basically the airline's COO, doing the long-term planning, fleet management, overseeing brand development as well as mergers and acquisitions.

By early this decade, Qatar Airways was operating 150 planes with another 200 on order, producing billions of dollars in sales for Boeing, but also for Airbus since the fleet, Vella estimates, is about half from each manufacturer.

Vella, 62, is a native of Gibraltar, the British Overseas Territory at the southern end of the Iberian Peninsula, and he explains that, despite being a citizen of the United Kingdom, Spanish is his first language.

His upbringing in Gibraltar and his fluency in Spanish, along with a healthy dose of self confidence, allowed him to build his reputation in the airline-turnaround business early.

He recalls that he was still in college when he took time off to visit with an official the prime minister back in Gibraltar and convinced him to grant Vella a Masters scholarship in return for assisting the City architect in redesigning the airport terminal.

After graduation, he approached executives of British Caledonia and pitched that the fact he was bilingual would allow him to launch the airline's Latin America routes.

He recalled with a chuckle that the pitch allowed him to land a job at a time when there were no jobs to be had and while he worked for peanuts, he was able to see the world.

By his early 30s he had become general manager of British Caledonia's fleet management division, but at that point left to start his aviation consulting firm and early on helped Richard Branson acquire his first 747.

Vella has turned around eight airlines, including Qatar and the Spanish airline Air Nostrum, a Iberia affiliate, which is now the largest regional carrier in Europe, and started several airplane leasing companies, including one for Rupert Murdoch.

I asked Vella to give me a sense of what he thinks the future holds for the industry and he offered a couple of predictions. One, Asia is a fertile field for new airlines to come into existence. And he suggests that in this country we'll see consolidation bring the industry down to four large airlines. He declined to name those he thinks will compose the final field of four.