

Commercial space tourism; the final (MRO) frontier

For more than 27 years, Jonathan Berger has delivered bottom line value to aviation industry clients facing a range of challenges. Jonathan specializes in strategic planning, market analysis, operational improvement, and commercial M&A due diligence in the aerospace and MRO segments. His discerning client base of investors, airline executives, OEMs and MRO aftermarket service providers value his unique ability to resolve complex strategic and technical issues in a data-driven, financially quantifiable manner.



Q: Jonathan, can you start by telling us how you arrived at your present position?

JB: Shortly after graduating with a BSc in Industrial Management from the Georgia Institute of Technology, I joined Delta Air Lines. At that time, Delta's culture was that every employee had to start at an entry level position. So, my first job was as an aircraft interior cleaner which I did that for about a year until a position opened up in the engineering department.

I then spent the next decade working my way up and the corporate ladder holding positions of increasing responsibility in all aspects of the Technical Operations division which included Engineering & Planning, Quality, and Supply Chain Management. I was also fortunate to have been assigned to several IT related special projects, in addition to a career changing expat assignment working as an internal consultant for a then Delta subsidiary AeroPeru in Lima, Peru (a prelude to my future career in consulting).

I next accepted a position in Delta's strategic planning group where I was responsible for developing the business case for Delta's 3rd party MRO insourcing business, now branded as Delta TechOps.

This led to my second expat assignment where I was responsible for leading Delta TechOps' international expansion. I relocated my family to Paris, France where I developed and executed a global MRO sales & marketing strategy.

Leveraging this airline technical operations and MRO services background, I made the jump to consulting. And the rest, as they say, is history.

Q: When launching Alton, what made you think there was a new opportunity in the market?

JB: Many of the competitor specialist aviation consulting firms had been acquired by large generalist firms in recent years which created space for a premium quality, new market entrant with deep aviation industry domain expertise.





Q: You're based in Alton's New York office; how would you describe your present role within Alton Aviation Consultancy?

JB: I lead Alton's global MRO & Aftermarket advisory practice. Our clients range from airlines to independent MROs to investors and everything in between. Typical projects include operational performance benchmarking and process improvement, M&A commercial due diligence, and MRO start-up business plan development.

In addition, given Alton's strong global footprint, more specifically in Asia with offices in Hong Kong, Singapore, Tokyo, and Beijing, we've been quite busy supporting our North American and European clients to develop and execute their Asia-Pacific regional growth strategy – both organic and via merger & acquisition support.

Q: What would you say are your favorite elements of your current job?

JB: I really enjoy solving complex business problems. Generally speaking, clients don't hire consultants to fix easy things – they call on Alton to address their biggest challenges and competitive threats. I feel very fortunate to work with a team that really are the best and brightest in the industry. That said, many of our engagements require travelling to far-away lands for



significant periods of time. It's great to share those experiences with colleagues whom you respect both professionally and personally. One common attribute that I've noticed in Alton employee's DNA is intellectual curiosity. This often leads to heated debates and competition to find the best local dive restaurant when on the road.

Q: Where do you see the biggest opportunities to improve productivity in the MRO industry?

JB: The majority of today's MRO industry business processes would be characterized as stuck in analogue mode while the world has become digital. The highly regulated, capital starved MRO industry remains paper-intensive and brute man-power dependent. The inevitable next big step-function change that will drive efficiency and productivity will be the integration of technology; paperless task cards, electronic signatures, integrated production planning and supply chain AI tools, etc. A dearth of effective change management skills remains one of the industry's greatest challenges.



Q. What do you look forward to in the coming decades with regards to MRO and the aftermarket?

JB: As of late, I have been reading everything I can about the burgeoning commercial space travel industry (and listening to podcasts). I'm fascinated by the magnitude of investments and progress made by the likes of Virgin Galactic, Blue Origin, and SpaceX to bring space travel to the "masses" (conventional wisdom indicates that the price point will be in the US\$250K range).

With regards to MRO and the aftermarket, historically, rockets were essentially very expensive disposable razors (they could only be used once). Today's generation of rockets are reusable - magically landing themselves on drone platforms in the ocean. And reusable jet propulsion systems and aircraft equates to demand for MRO & aftermarket services. I have no doubt that space tourism will launch (pun intended) a multi-billion dollar commercial space MRO industry within the next decade.