

INTERVIEW

GECAS CEO talks aerospace industry with RPI

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I had the unique opportunity to interview Alec Burger, the President and CEO of General Electric Capital Aviation Services, the largest commercial aircraft financing and leasing company in the world. GECAS has approximately 1,700 airplanes in operation or on order, and is part of GE Capital.

MULLER: At the Paris Air Show, GECAS ordered 20 737 MAX 10s, stating that the order enhances the fleet with the newest technology. How is this technology changing and enhancing how GECAS operates?

BURGER: The latest technology enhancements of aircraft drive fuel efficiencies, offer greater range, and optimize capacity are all benefits to airline operators. While lessors such as GECAS look to offer these technology enhancements to customers, they do not in themselves change how we operate, or what financing solutions we can make available to our clients. However, embracing these advances by adding newer aircraft to our fleet allows us to have a more attractive offering to commercial airlines around the world. A recent development by GECAS that is using technology to enhance how we operate is our new mobile app that has the GECAS portfolio. The app allows customers to view aircraft and engines available for sale or lease. Planned enhancements will include listings for the tens of thousands of parts that we have. If a customer needs a spare engine, we can get it to them in as little as 24 hours. While guest users of the app can see a selection of planes and engines we have available, registered GECAS customers can see a larger available inventory as well as check their account on the app. The app is just the beginning and there is more to come.

MULLER: Keith Sherin said that you are a terrific leader and known for developing talented teams. How do you help people reach the next level?

BURGER: As a leader, I expect great results, but I don't micromanage. People will rise to the occasion, but if there are obstacles, I help as needed. The art of being a good leader is knowing when to help. One needs to be careful as there is a difference between delegation and abdication.

MULLER: What is one piece of advice you would give to RPI students?

BURGER: Take a degree of personal risk; inertia is a killer. Also change is uncomfortable, so be uncomfortable. Coming from GE Capital Real Estate to GECAS and knowing nothing about aircraft leasing was uncomfortable. There are more than 575 employees here, quite a number with twenty plus years of experience. Another piece of advice is that one of the worst things your parents tell you is: do a good job and everything will be taken care of. I was having a career talk and my boss said to me: "Alec, you've been hitting home runs, but no one's noticed." It's like in the book, "Who Moved My Cheese?" I realized that performance is not everything; it is really only about 10%, image is 20%, and exposure is 70%.

MULLER: You experienced many different types of leadership. What are some of the core attributes of an effective leader?

BURGER: There are a few types of leaders. One direction is to be a good manager, people who delegate well. Some leaders are people who build loyalty with their team, another direction is to build great relationships with people. One of the core traits that a leader should have is listening. Listening is huge, people need to be able to trust a leader; the leader needs to be willing to make tough decisions. Being true to yourself and engaging on a human level is crucial as a leader needs to be understanding and compassionate. On a side note, you have to have reach within an organization, not to just trust what your subordinates give you. Reach down, but don't create the feeling like you are going behind your subordinates' backs. There needs to be a psychological contract. Finally, EQ over IQ.

MULLER: Last year, GECAS completed its first 737-800 passenger to freighter conversion on a 17 year old aircraft. How is sustainability incorporated into GECAS' business model?

BURGER: We are currently planning to convert 35 of our 737-800 passenger jets at the end of their leases to freighters which will largely be replacing the older 737 Classics with these newer, more fuel efficient models. Climate change is real. It is great that our chairman, Jeff, came out and said climate change is real. We have a degree of responsibility to reduce CO2 emissions. One of GE's initiatives is to minimize environmental impacts in our business model. Jeff emphasizes it's not enough to be a great company, we also have to be a good company. With that, comes investing in the next generation.

MULLER: At RPI, there is a focus on ethical decision-making. How does one ensure that ethical decision-making takes places in a corporate culture?

BURGER: One of the best things about GE is its corporate culture and integrity has always been at the core of that culture. In the 27 years I have been at GE, I never felt like I had to think about integrity.

The full transcript of this interview can be found online at <https://poly.rpi.edu/s/gecas>.