

Business Aviation



An Introduction

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Considering Business Aviation for an enterprise can be an overwhelming and confusing process. To get you started with your project we created this quick overview to introduce you to the most common aspects that are addressed in business aviation projects. You will also get insights into potential benefits and how it can make a difference for your bottom line, the well-being of your employees and company.

If you need more information Aviation Consultant is here to help. Please find our contact information at the end of this document for an initial assessment or consultation,



What is Business Aviation?



“An estimated 61% of all hours flown by general aviation aircraft registered in the U.S. were flown for executive or other business purposes.”

In the strictest sense Business Aviation is classified as the USE of any “general aviation” aircraft not flown by the airlines or military for purpose of conducting business. It can be the smallest single engine Cessna or Piper all the way up to Boeing Business Jets. For the business owner, executive or director business aviation is first a productivity tool, a travel option used to further your business interest.

Those who use business aviation exploit the value of expanding the productivity and flexibility of the workday. It’s a safe bet that someone in every industry and every profession operates business aircraft every day to go somewhere.

The general perception of business aviation: If you’re like 90% of the world you pictured a big expensive jet with a limousine park next to it.

About 1% of the time you would be correct. There are approximately 300,000 “general aviation” aircraft in the United States. This includes the smallest single engine airplane to that large business jet you pictured. They fly million upon million of hours each year and according to Federal Aviation Administration statistics 61% of all use of General Aviation aircraft is for business purposes.

What it is - a productivity tool for business.



Who uses Business Aviation?

To the casual observer business aviation may look like extravagance, however, business aviation and the use of business aircraft is not the indulgence of the wealthiest, or the toy of the upper echelons of management. It is an asset and tool to some of the most successful enterprises.

Let's examine the Fortune 500, the giants of the business world. History shows that for all the changes in the listing of the F500, one thing remains constant. The ratio of those businesses that operate aircraft -vs-those that do not is 2 to 1. And, of the 29 standard industrial classifications in the F500, only one does not operate an aircraft.

These numbers by themselves are meaningless; however, the performance of these companies is not. The operators of aircraft employ 86% of the estimated 12.4 million

employees in the F500. Sales are 26% higher, net income per employee 102% higher, Assets 2.2 trillion vs 198 billion. Although you cannot fully contribute these differences to business aviation, the correlation bears at least consideration.

By far, the majority of business aircraft operators, like the majority of companies, are not Fortune 500 companies at all, but are characterized as small to medium in size organizations. These are the companies that recognize the importance and need of getting the right people in front of the customer when it counts. A survey of 346 business aircraft passengers (conducted by Louis Harris & Associates, Inc.), shows that the aircraft were operate for:

- Top managers 14 %
- Middle managers 49 %
- Technical or professional 19 %

The remaining passengers characterized as other types.

As stated "someone in every industry and every profession operates business aircraft", but you can group Business Aviation into the following groups.

- Management section
- Business Shuttle
- Customer Relations
- Emergency Service
- Marketing Blitzes
- Public Relations

The Benefits of Business Aviation

Why use Business Aviation?

Unfortunately, those unfamiliar with modern corporate aviation often have a negative impression of business aircraft. Many corporate managers and decision-makers lack the firsthand knowledge of corporate aviation needed in determining if business aviation is right for them.

Major reasons for using business aviation by those that choose to use business aviation:

- The ability to transport key employees, cargo and yes, executives is essential to conducting their business.
- They are more effective setting their own travel schedule.
- The ability to respond to competitive opportunity or manufacturing exigencies.
- Dependence on the airline could cost them money.
- The privacy of the aircraft allows for greater productivity, rest and esteem for employees and clients.
- The ability to spend more time with family contributes significantly to employee morale.

- The ability to optimize the location of plants or other facilities often overlooked is an advantage of business aviation. Being able to consider areas geographically, that otherwise would have been inaccessible to the airlines offers some strategic advantages.

- Value Creation – Work, collaborate or rest en-route.
- Advantage over the competition by simply being available when it's critical.

Benefits of Business Aviation

Operational Flexibility: the most advantageous benefit of business aviation. Sixty four percent of current Business Aircraft users reported the schedule flexibility as a primary advantage!

Business Aviation's distinguishing benefits include:

- The ability to change departure time in accordance with your needs.
- The ability to utilize more airfields. 5,000 airports across the United States, the airlines serve roughly 4% of those.
- Greater ability to avoid traffic or weather associated with routing.

“Business Aviation is a tool to some of the most successful enterprises in the world.”

Time saved is the most recognized and measurable financial benefit associated with business aviation.

Using business aviation, ground travel time to a departure airport averages 20 minutes, no early check in times, no baggage check or claim, no security check points to cross. Average time saved is roughly 2.5 hours per trip!

With business aviation, all flights are or can be direct flights, there are no delays associated with congested hubs. Business aviation flight routing vs the airlines schedule results in additional time savings over commercial service (found by PRC Aviation) as:

Trips under 500 mile: 1 hour

500 to 1500 miles : 1 hour 30 minutes

over 1500 miles: 2 hours and 30 minutes

Combining the operational flexibility and airline schedules your average time savings range from 3.5 hours to 5 hours per trip for each passenger.

Note: These time savings include effects that weather, traffic or other factors may cause delays for your plane, but NOT delays the airlines may be subject to in the hub and spoke system. As anyone who has flown can attest, many delays are not even be associated with your origin or ultimate destination.

The hub and spoke system lends itself to more opportunities for delay. Deregulation of the airline industry increased competition and the need to increase efficiency. As a result, the airlines make fewer direct flights and more connecting flights at major hubs. This does indeed increase the airlines efficiency, but the consequences of “Hub and Spoke” means your travel time increases while your efficiency decreases.

Business Aviation eliminates many of the delaying factors of commercial airlines, there is no need to conform to set schedules, avoid delays and missed connection, lost luggage or numerous other factors which can not only cost you time, but money. Time is worth more to users than the total of direct compensation or cost of travel!

In a PRC Aviation conducted study, determination of value for executive time productivity factor.

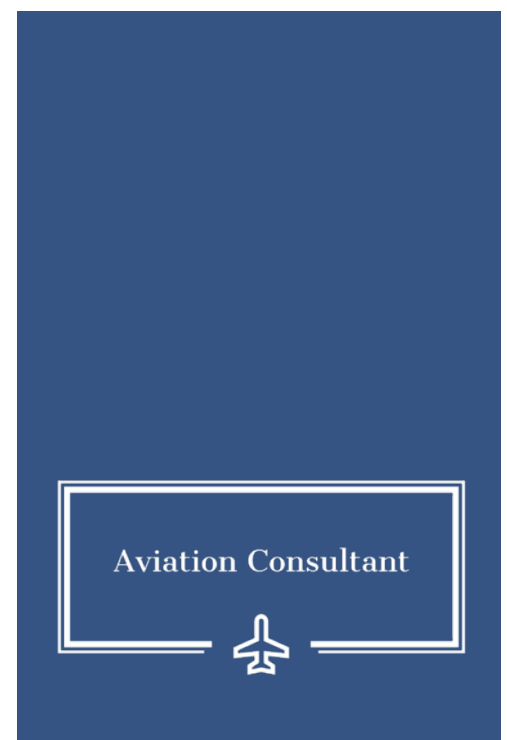
Executive – 5.7

Middle management and professional – 3.8

Because you have the ability to change almost every aspect of your travel you improve productivity. Additionally, potential cost avoided by reducing the number of overnight stays that may be required, the avoided cost of the airlines, and the money saved from fewer ground transportation cost.

The real value of business aviation comes from the possibility to having an advantage over competition by simply being able to schedule your own time.

Of almost equal importance are the intangible advantages that don't necessarily have a dollar amount fixed to them, but which can affect productivity.



Intangible Advantages of Business Aviation

An area that seldom, if ever, is considered is the mental and physical effectiveness of travelers. When subject to stress and abnormal schedules the effectiveness of individuals begins to be degraded. Although the degree may vary, it is significant enough to be a factor. There are seven elements of mental and physical performance that contribute to overall effectiveness of executive and professional personnel. These are listed below with a brief description of how each is important.

- Utilization of intellect in evolving answers and arriving at solutions to objectives of meeting.
- Preservation of stamina in becoming more persistent with less compromise of objectives that other participants in the meeting who have traveled by slower or more tiring alternate means.
- Exercise of initiative in evolving and expressing viewpoints which are pertinent to corporate objective of meeting. Maintenance of patience in analyzing views of other attendees and evidencing respect for their views regardless of inner feelings.

- Reliability of perceptions in analyzing the motives and contributions of other attendees.
- Alertness to opportunities in exploiting the developing themes as they evolve during meetings of partners and/or antagonist.
- Measure of total effectiveness with respect to achieving objectives concerning results from the meeting.

With enhanced mental and physical Effectiveness, the ability to successfully complete objectives increases. This increase could be converted to either productivity and/or time saved thus a quantifiable benefit. However, the primary benefit, enhanced performance, is the real objective sought.

The Author:

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Utilization of time while traveling is largely a degree of personnel inclination and motivation. The completion of unfinished work, or meeting if traveling with company is common, however, en-route work in business aircraft is enhanced over commercial airline travel for several reasons:

Full privacy allows open reference to and use of proprietary information and materials.

- Full opportunity for open discussions between members of a firm or with clients without risk of exposure of being overheard or a compromise of proprietary information.
- Improved opportunity for air to ground communications. Modern aircraft cabins can be





We hope this information was helpful to you. If you have additional questions or are considering Business Aviation for your company, please reach out.

equipped with computers, fax, photo copiers and phones that enable you to work as though in your office.

- More available time to devote to working, no waiting after take-off and less time to clean up before landing.

Enhancement of customer relations is yet another area in which business aviation can contribute significantly.

The ability to meet the transportation needs of customers or potential customers can improve the prestige and relationship of clients with the company. Some examples may include:

Transportation to and/or from a sales promotion, industry symposium, trade show, professional seminar, or other related event. Attendance at an event sponsored by the business aircraft owner such as a visit to the factory, or business facility, to which selected attendance can be encouraged by availability of business aircraft transportation, and; An emergency transportation need for whatever reason.

Because you are able to see more people, go more places in less time, are physically and psychologically more prepared you are making more and better-informed decisions than is possible without business aviation. Can you Benefit from Business Aviation??

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