

Make the most of your flight department



You're getting where you need to go—most of the time, at least. But what about everyone else in the company who needs to fly? Is the corporation missing opportunities? Are you paying too much for aviation services?

It can be challenging for top management to answer such questions. Here are 10 rules to follow to ensure that your flight department is operating effectively.

by James Wynbrandt

1. Treat it like a business unit.

Organizations use a variety of metrics to evaluate the performance of their business units—until they get to the door to the flight department.

“Too many companies look at the flight department as a separate part of the business where people perform this black art of aviation,” said former corporate pilot John Sheehan, author of *Business*

and Corporate Aviation Management and president of Professional Aviation, Inc., a business aviation consulting company.

“They don’t treat it like other departments of the company,” agreed Don Baldwin, former flight department manager for Chevron and Coca-Cola and currently president and CEO of Baldwin Aviation, a consultancy focused on small flight departments.

This hands-off approach is a mistake. As management gurus say, what you can’t measure you can’t manage. Some companies do track a flight department’s cost per hour, cost per mile, number of passengers flown and fuel used, but these statistics aren’t sufficient to give you a full picture of flight operations. More meaningful: How much input is required for the desired level of output? How much demand is really being served by the flight department? How many flights never happen because an aircraft wasn’t available? Software products can compute reliability and dispatch rates, deadhead time and on-time performance.

“Company executives ought to be a little more demanding to figure out exactly what’s going on out there,” Sheehan said.

2. Define the mission.

You can’t assess the quality of your flight department until you’ve defined your expectations for it. Some flight departments might be tasked with serving a few key executives, others with moving as many people as possible. Policies and procedures need to be spelled out.

“The mission statement is important for any aviation department,” said Amy Roy, director of the flight department at IMS Health in Oxford, Conn., and outgoing chair of the National Business Aviation Association’s Schedulers and Dispatchers Committee. “It needs to state the department’s main goal, what the aircraft is going to be used for, who can use it and when, and what trips are a priority.”

The document should also clearly say “how the flight department fits into the overall goal of the company,” added David Wyndham, vice president and co-owner of aviation consultancy Conklin & de Decker. “The clearer everyone involved with an airplane knows how it supports the mission, the better.”

The rules a flight department lives by should be

bendable, however. "A lot of times, even if the rules on flight priority are written out, executives who need the aircraft will coordinate with each other," Wyndham said. "You need flexibility. That's what having an airplane is all about."

3. Schedule outside evaluations.

Periodic evaluations by independent experts are essential for assessing a flight department's effectiveness. Audits can target any or all facets of flight operations, including mission readiness, maintenance, operational procedures, costs and safety standards. Auditors can compare results with those achieved by peer operators and with international standards, giving corporate leaders and flight departments a clear view of where they stand.

"Audits are very helpful," said Richard Morris, president of R. Dixon Speas Associates, an aviation consultancy in Lexington, Mass. "Your auditors not only will check with safety and regulatory compliance, but compare your operations with recognized 'best practices.'"

The cost of such audits can run from the very low to mid-five figures. The more complex the operation, the more frequently the flight department should be audited. "We do [an audit] yearly," said Roy, whose company operates a single Gulfstream G450. "If you have 60-something pilots with 11 aircraft, you should do them more frequently."

4. Match the aircraft to the mission.

"People tend to fall in love with a particular business jet," said professor Debbie Burke, chair of Embry-Riddle University's Flight Training Department in Daytona Beach, Fla. That, she and others said, often results in buying more airplane than necessary. "You have to do a comparative analysis, so you know you're paying only for what you need."

Added Baldwin: "Some people take the worst-case mission scenario and buy the airplane based on that. I've been pretty surprised that a lot of businesses are getting into aviation for the first time with large aircraft. The company says, 'Ninety percent of our work will be domestic, but we have a large aircraft because 10 percent will be international.' Maybe they should buy a mid-size aircraft for domestic, and get a fractional [share] in a large aircraft for international."

5. Consider outsourcing.

Today, any or all functions of a flight department—including maintenance, crewing, management and ownership responsibilities—can be outsourced. But flight departments often don't like to hear the "O" word.

"Outsourcing" to the flight department means outside management or fractional [aircraft], and that scares them to death," said Baldwin. "But outsourcing doesn't mean the flight department needs to be outsourced. The approach should be that you want the personnel you hired to manage operations, but let them know it's OK to bring in the appropriate outside resources they need to operate the flight department."

Outsourcing can save companies money and management time.

"Some flight departments contract out maintenance, some contract pilots and some mix and match," noted Ron Turnbull of R. Dixon Speas Associates. "Lots of times, people look at the economics and decide it's beneficial to use contractors."

Companies with small flight departments are sometimes considered the best candidates for outsourcing, but the reduction in management time and hassles, and potential economic advantages—such as lower fuel prices, insurance and training rates through bulk purchases—can make outsourcing attractive to any size company. "We deal with many large flight departments," noted Maurice Levy, senior vice president at Executive Jet Management, the Cincinnati-based jet management and charter company.

6. Have contingency plans.

All aircraft require periodic maintenance, either mandated or unplanned, which takes them out of service. And sometimes an organization needs more lift than its flight department can provide. Such situations often call for supplemental lift. If you think you'll need it in the future, arrange for it now.



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"It's always a good idea to have agreements in place," Levy said. "You have a lot more negotiating ability early in the process. Normally, these agreements take time to negotiate and put together."

7. Look down the road.

Long-range planning is an essential component of any well-run business. You should include the flight department in this process, because it needs to be ready to help the company achieve its goals.

"The flight department must have access to the business plan," said Stephen Ley, an associate professor in the aviation department at Indiana State University and a customer services manager for engine manufacturer Rolls-Royce. "What are the five-year goals? What are the 10-year goals of the organization? It's critical for the flight department to see that," said Ley. "Review those plans on an annual basis, and review the business forecast for next three, five and 10 years. That lets the flight department be proactive rather than reactive."

This is especially important in today's market, given the long lead time required for aircraft acquisitions.

8. Equip the cabin well.

Business aircraft have long been characterized as flying offices. Today, broadband connectivity and global satellite phones make this more a reality than ever before. Is your aircraft the flying office it needs to be or just a fast way to get somewhere?

"Unfortunately, I don't believe a lot of companies pay attention to this," said Turnbull. "A lot of folks put that on the back burner, to upgrade to satcom, to install high-speed Internet."

Added Baldwin: "It's important to look at how the individuals who are using the airplane do their work in the office, and make sure they have all the resources they need. If it's a financial person making deals and watching the stock market, then you need those resources on the airplane."

Expect the flight department to keep up with technology offerings and communicate suggestions to corporate leadership.

9. Hang on to good people.

Excessive turnover indicates flight department personnel are underpaid, overworked or not receiving sufficient opportunities for career growth. This is ineffective. Time is spent retraining people. Morale is poor. Those who remain are typically not the most desirable.

"It's a hot labor market," said Sheehan. "If you aren't going to pay and treat [flight department employees] correctly, you're going to have to be hiring people all the time. There has to be a realization that it is a very competitive environment in corporate aviation."

Companies should be familiar with salary surveys. Several industry trade publications publish them and the National Business Aviation Association also has data on salaries and benefits offered in the industry. (Human resource managers sometimes are skeptical of this data, doubting the reliability of respondents, who have a vested interest in inflating salary figures.)

10. Leverage your assets.

Consider new benefits that your flight department can provide to your organization.

If your airplane isn't being heavily used, for example, chartering it out can help offset operating costs. This requires putting it on a Part 135 charter certificate and may necessitate operational changes that affect your crewing and maintenance requirements. For some companies, though, the payoff can be well worth the effort. [See "Bizav Basics: Chartering Out Your Aircraft, *Business Jet Traveler*, December 2006/January 2007.—Ed.]

Another option: Consider that while most flight departments exist to get company executives where they need to go, reversing the process can work wonders. Many corporations that use their aircraft to bring clients and prospects to them say it is an effective sales tool.

It can be challenging to quantify the results, however. "It's difficult to measure if it's profitable or not," said Turnbull. "The aircraft [may be] carrying customers who report to marketing divisions, and the sale or closing may take place a year or two later."

Another rewarding option that also has hard-to-quantify benefits is donating flight hours to charity. "If a company has a concern for image, they can be a part of Angel Flight America or a similar program, so it gets good will from the aircraft," said Morris. "It's a small cost, and you can put people onboard who really need the transportation." Participating in the Special Olympics or letting a charity auction off time aboard your aircraft are other ways your aviation assets can give back to the community. ■

James Wynbrandt has written for Aviation International News, Smithsonian Air & Space and many other aviation publications as well as for The New York Times and Forbes. A New York City resident, he is a multi-engine instrument-rated pilot and aircraft owner.