

E-Commerce? What Does That Mean To Me?

by Jay Mesinger

I often hear this question as I speak to small or independent aviation-based businesses such as FBO's and flight schools. Just what does it mean to "dot-com one's organization" in today's business environment? Considering all the recent dot-com failures in the news, traditional methods of back office operations, sales and marketing seem just fine to many people.



Last year, many credible businesses developed an e-commerce component of their enterprise and failed at it. In some cases, it was just to please Wall Street. Many of those companies that built a strategy based solely on its stockholders' perception have been sorely disappointed. Yet despite these highly publicized failures, there are still many opportunities made available through Internet-based solutions—improvements so dramatic that there will be no turning back once they are fully adopted.

Like any business initiative, an e-commerce strategy needs to be based on a specific need in the marketplace with very clear steps to make a profit or extend service offerings by meeting that need. In evaluating the potential of an e-commerce initiative, it helps to broaden one's definition of the term. It is not merely buying or selling goods and services over the Web. It is about facilitating communication and improving business operations. It is about fostering a greater level of integration between providers and customers. An intelligent e-commerce solution will result in better integration of one's business with vendors, customers and strategic partners, providing access to immediately available information.

In some ways, the question of whether an e-commerce initiative is any good or not is pretty simple: Does it improve relationships? If it does, it's good. If it doesn't, it's a bad move that won't contribute to the bottom line. The business aviation industry has always been built on relationships and communication, and the Internet must be leveraged to continue that relationship-based model of doing business.

A review of recent e-commerce successes reveals that they originated from an organization's desire to deliver the service side of its business more effectively and efficiently. Internet tools have enabled these companies to reduce costs while increasing revenues, allowing their customers to communicate with them more easily and without many of the hassles that may have existed in the past.

To begin the development of an e-commerce initiative, one must first take a look at the current service offerings and delivery methods of a particular product or service. An assessment of total market size and your current market share are vital in determining what the success of an initiative of this kind might mean to you, your staff and your customers. The next assessment comes by looking closely at your competition. Are they creating Internet-based initiatives? If so, do they seem to be gaining an acceptance with their customers? If your competition has already launched and sustained a successful e-commerce play, they may have created a new standard for the industry. If so, imitate rather than reinvent. Asking people to replace what they have just made the effort to learn from a major industry player may be a risky proposition. This does not mean you should copy someone else's

initiative piece-by-piece; it just means you should try to develop your strategy with a focus on ease of use by your customers.

Most people start their e-commerce initiatives with a basic Web site. This at least offers the prospect or customer the opportunity to look at you and your business from angles that print media cannot deliver, e.g., 360-degree views of your ramp or maintenance facility, short video clips that describe your service offerings, electronic quoting capabilities. This creates a more educated prospect and serves as an effective qualifying technique.

But a Web site is just the beginning. Now comes the opportunity to electronically keep your customers better informed about such things as new services, new personnel, price changes, etc. Ordering and scheduling capabilities can also be built into the site, allowing such things as online scheduling or parts availability. E-commerce must be understood as relationship-enhancing, two-way dialog; for instance, letting customers know via email that service needs have come up on their planes and that you have the time and parts to meet those specific needs.

Let's say an AD has just been issued. Knowing the planes that it affects, a shop could direct an electronic message to all owners of the affected aircraft. A simple mouse click then allows the recipient to view schedule openings, match those with their individual schedules and confirm the appointment. This saves time for your employees and for your customer.

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The one problem in all this is that the cost of launching an e-commerce initiative can become a barrier to smaller and mid-size companies. That was the inspiration for creating *TheAviationHub*—a centralized place on the Internet that enables aviation service providers to offer their customers all the benefits of online procurement. For a fraction of the cost of building their own

infrastructure, service providers enjoy the advanced Internet-based marketing and customer management tools. Whether using a resource like *TheAviationHub* or your own site, the goal is to build market awareness and establish one's individual niche in the marketplace. The result should be selling more services or products out of existing locations and staffing.

In this month's live *Aviation Leadership Roundtable*, I will be talking with some of the most forward-thinking companies in aviation who are using the power of e-commerce to build and enhance their current businesses. Please join us on February 21st at 2:00 pm EST. To participate, go to www.theaviationhub.com, click into the *Aviation Leadership Roundtable* section and click "Enter Conference". It is free, and will last about 45 minutes. You will be able to exchange ideas live online. The only thing needed is a download of the software, RealPlayer™. It is available free from our site, and takes about twenty minutes to download on a standard dial-up connection, so try to accomplish that in plenty of time before the event.

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