

A Success Story About Process



So often I write about the process of a deal. Many times the article is about conceptual situations and points of view. In the world of aircraft sales, the process has changed dramatically over the

years. The "information age" has brought about tremendous change in not only the process of buying and selling but more importantly in the expectation of the client who we are buying and selling aircraft for. I wanted to take this month's article and share a success story that matched the expectations of the client and industry professionals, and ended up being a terrific process. This article really speaks to the different world that we as aircraft professionals live in and to the "New Value Age". I coin this term to try to speak to what I hear the clients and prospects desiring from us, the aircraft professionals.

It is the usual and customary expectation of the buyer to pay the least amount of money for the best aircraft that most closely fits the profile. The expectation of the seller is to get the highest dollar for their aircraft regardless of the market conditions. This is now what most clients would consider just a small part of the "New Value Age" expectation. Hence my story.

I had a referral from a very good client of mine to a friend of his. His friend was the business manager of a very high profile sports figure. This person was currently involved, very happily I might add, in a fractional share of a mid-sized jet. They were in year three of this relationship and simply wanted to review it and possibly pursue a full ownership situation. The business manager thought, based on his limited knowledge of the industry, that this was a three to four person project with no clear team leader. After all there was the mission profile - the potential exit from the fractional program to include the tax implications and the valuation of the share. Then came the choice of new aircraft, the structure of same, the budgeting and management as well as the

true execution of the entire plan with one central repository for responsibility. Do not misunderstand me, I am certainly not alone in my ability to deliver this type of solution, but having accomplished it I wanted to share with you all the successes as well as the process of the success.

I first listened to the needs as well as the desires of the client. I then went back to our office and put together a list of team players to help deliver the answers. At this infant stage of the process, I was not even sure that the correct answer was not to stay with the current program and provide supplemental lift via charter, expanded share ownership and first class airline transportation. Since I was as open to that solution as any I had to bring an outside team of professionals in with the same mindset. The solution may not really bring much new business, just a tweaking of the old. Here comes some great news for us all, industry salespeople, buyer or seller. There is a great amount of very talented and bright professionals anxious to make sure the client's needs are met first.

The team consisted of legal, tax, insurance, management, fractional and lending as well as my brokerage firm. In truth my role was minimized by the number of other professionals on the team. But this was only in my mind. The client saw me as the pivotal, critical player who built and led the team. I was providing a "New Value Age" service. As a team we looked at the situation from many angles, always striving for the same finish line and always with our client's goal line in mind.

As it turned out, we found that at this point in my client's mission the fractional setup was not delivering the needed

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transportation at the best value. We also determined that a lease with an option to buy was the proper tact from both a legal standpoint and the client's requirements. We concluded that management was the correct way to handle operational issues and that 135 was a terrific mechanism for tax planning as well as a vehicle to lower operational costs by providing a revenue stream. Once the structure was put into place, the process of executing the plan and delivering what we had collectively promised began. All contracts were negotiated, all leases filed and all crews put into place. We were on our way and our collective client was thrilled.

As I mentioned at the beginning of this article, this was a success story about process and expectation. In the old days of our industry the client did not have the expectation for us to build this depth in our process. They also did not have the vision of our worth that this type of process and expectation can bring. As we face new challenges, we must face them with new skills as the buyer, seller and the industry professional. The greatest new skill we can learn is to bring teams to the table. Don't be afraid to not only share the challenge but also share the resources. This ability for us to be more and deliver more will be our future and allow us all to have process success stories to share. Thank you to all those people that assisted my client and me in this exciting transition - the client into his new aircraft and my firm and those companies that shared in this process into the "New Value Age".

Please join us for an Aviation Leadership Roundtable on March 20th, 2002 at 2:00 EST. Go to www.jetsales.com, click on the Aviation Leadership Roundtable section and click "Enter Conference". It's free, and will last about 20 minutes. Download the software, RealPlayer(TM). It is available from our site, and takes about twenty minutes to download on a standard dial-up connection, I look forward to seeing you there.

■ Jay Mesinger is the CEO of J. Mesinger Corporate Jet Sales. He is also the host of the Aviation Leadership Roundtable and Vice Chairman of NARA (National Aircraft Resale Association).