

# THE ANATOMY OF A CIRCLE



When I look at a circle, to me it is a straight line whose end meets its beginning. Our current market seems like that to me. With so many people getting out of aviation for one reason or another, our company and many of the sales

professionals that I speak to daily are seeing new buyers coming in again. I thought I would dedicate this article to the challenges of both the exit and the entrance in today's current market environment. First lets focus on the exit. After all it is this very exit at the circle's end that is providing a new beginning for those entering.

It is no secret that supply is up, prices are down and frustrations are high. As a seller or a seller's representative, many strange events are causing great anxiety. In some market segments there are literally no buyers. Keeping up with a rapidly changing market can sometimes seem that there is no price low enough to attract a buyer. It took me a while to realize, that in some cases, it is not price, there just are no buyers.

Emotions are running raw for many reasons as a seller in today's world. The mere fact of having to sell the aircraft is one. Compound that with all of the other financial considerations going on in the seller's world. In some cases planes are selling for 30% to 50% less than what was paid to buy them just a few short years earlier. Also, the time an aircraft sits on the market is stretched out considerably longer now than during that frenzied time when it was purchased.

I remember when buyers were racing to bid on aircraft that were placed on the market that morning only to find out they were sold before the sun set that same day-in some cases for full asking price.

With all of these emotions and disappointments, there are some strategies worth considering. when deciding to sell understand the following: What you paid, what you owe or what the last

plane sold for are not key factors in the pricing of your plane. Having a skilled sales professional assist in the sales process has never been more valuable, than at this market juncture. Price, which can only be established by someone who spends every waking hour in this market, is not enough to sell the plane. You must choose a professional that has a degree of expertise in the particular market segment that you are entering.

Today's marketing techniques must be finely honed in the area you are competing in. The ability to have the aircraft exposed to a very targeted market is key to the exacting market exposure needed to be successful today. After all, if your aircraft lingers in a market with little or no awareness for any period of time, price could continue to erode around your effort.

Non-traditional marketing ideas like electronic targeted messages to a permission-based group could be invaluable to quick market awareness. Traditional print media continues to be a very important vehicle, but the message in print must be tweaked to instantly capture the exact audience and motivate them to respond to your offering first. For instance, if the message is off mark even slightly, the message could be missed and rather than being the next aircraft to sell, your aircraft is lumped with all the others in your category.

A great example would be trying to market an Astra SP, and out of the entire market yours is one of only two that are RVSM Certified. If that information is not prominent in the message because someone was not aware of the fleet conformity, then a critical differentiation is missed. However, if the aircraft is properly priced and this critical feature is delivered skillfully to a target market, Bingo! The chances of a quicker sale are greatly increased.

As the circle begins again, many of these aircraft are being purchased by "First Time Buyers". This is exciting because it delivers health and vigor into a market that has been rocked with fear and anxiety. It is the new dawn of our day. As a first time buyer, the opportunity to buy at prices never before seen on many category aircraft abounds. So

does the opportunity to make mistakes.

I recently wrote an article entitled "Don't Buy a Cheap Plane Cheap, Buy a Great Plane Cheap". The title alone says it all. Right now with so much to choose from, the inclination is to buy the cheapest and declare victory. Here again the need for skilled-experienced professionals rings clear. Seek out the person who has recently been selling and buying in your chosen target area. Exact choice of plane should begin with a detailed Mission Analysis of your needs. The choice of salesperson, on the buying side can be narrowed at first more by category, meaning expertise in small medium or large class equipment. Then comes the analysis, then a more specific choice within the range category of exact brand and type of plane.

There is no reason to think that because prices are so low that one should overbuy. This might seem like a great idea now but it is a decision that could cause pain later. Buy the aircraft strictly by the analysis, design and plan. There are many operational possibilities to consider as a first time buyer. Be sure the professional you choose has the knowledge and experience in providing operational guidance as well. For instance, should you hire a management company? Should you build your own flight department? Are 135 operations important to your budget or tax planning? Have you considered all aspects of local, state and federal tax issues? Many factors other than great prices brought on by economic conditions must be considered to complete a successful plan.

So you see, this straight line really does go around and around. Every end can lead to a new beginning, a new opportunity. The trick is to enter or leave the circle with a full understanding of how the other end can benefit you. With the right information and the right sales professional at your side, you can make a successful entrance and a successful exit even in these trying times.

■ Jay Mesinger is the CEO of J. Mesinger Corporate Jet Sales, Inc. He hosts the Aviation Leadership Roundtable found at [www.jetsales.com](http://www.jetsales.com) and is also the Chairman of NARA (National Aircraft Resale Association).