

REJECTION AT HIS OR HER SOLE DISCRETION

When it is not a fair play



During the past twelve months I have written several articles about process. The process of selling, buying and operating aircraft. This article is written for the first time buyer. It is about what to expect in

an aircraft consideration process and what the responsibility of the buyer is in the process of the prebuy and acceptance of the aircraft. Buyers coming to the market for the first time should come prepared to play the game with rules and expectations that have been established long ago. Rules, boundaries and expectations that if followed will result in almost all cases with a transaction whose memory will fade away like a first day of spring and not like a tidal wave that brings devastation and sorrow to those caught up in it. The process of the transaction should be a great start instead of an unhappy beginning. This article will look at the areas where buyers must begin to take responsibility and not fall back to an idea that "I have no risk so I can act like an observer rather than a buyer".

The process begins in earnest with the choice of aircraft to buy. As I always say, there is no better way to have a successful process than to employ a **skilled, knowledgeable** aircraft sales professional that can even help the most seasoned buyer and seller come to the market.

In this first stage the buyer with his or her sales professional is responsible for the choice of both the category that best fits the profile established and then the specific aircraft to consider and contract. A buyer must realize that there is risk on all parties involved in a transaction. When a buyer decides to submit an offer on one aircraft over the other, careful consideration should be placed on history and past records. Just as important is the consideration that must be

placed on future events such as inspections and engine hot sections and overhauls. It is the job and responsibility of the buyer and his or her buying team to review future maintenance runs before even making the offer. Not realizing the proximity of these events up front can lead to terrible choices and in some cases have the wrong price offered for the aircraft. This is however the responsibility of the buyer and not the seller.

I was involved in a transaction recently where the buyer made an offer on a plane. The offer was accepted, the plane was placed into prebuy, the inspection was finished and the buyer presented a list of items from the findings of the prebuy to the seller which aside from airworthy items, also included near-term inspections needing to be accomplished. These inspections were not due and fell outside the contracted obligation of the seller. The buyer said "I cannot buy an aircraft that will need major inspections done in less than one month after purchasing it". This put the seller in a position of having to accept the buyer who basically demanded that the seller perform at the seller's expense another prebuy, including what could be another set of discrepancies to be responsible for or lose the entire deal!

The buyer's representative failed to look at the information provided early in the consideration process and failed to scope out a prebuy that included those near term items. This left the seller having his plane down for over 30 days, out of service and under a microscope only to find the first time buyer using the "rejection at his or her sole discretion", as a means to twist the arm of the seller to do these things or lose the deal.

The idea of giving a look at an aircraft one is considering buying through the process of a prebuy is not a cheap expense for buyers or sellers. The seller has some very critical responsibilities in this part of the transaction, as he or she has agreed contractually to fix airworthy and system functioning items. Planes are taken out of service for what is often a considerable length of time

while this invasive procedure takes place. I do not believe a seller should be expected to go beyond that and be responsible for a buyer's lack of preparation.

As a buyer prepares to begin the prebuy, careful and diligent work on the buyer's part should precede this. Choosing a facility that will have an intimate knowledge of the aircraft category being inspected should be chosen. The facility must agree to provide a list of discrepancies at the end that denotes the airworthy nature of the item. The facility must be willing to provide quotes on all items for corrective action to bring the item into an acceptable condition based upon the maintenance manual.

Prior to the inspection beginning, the facility should work with the buyer to take a look at upcoming events so as to build a prebuy work scope that possibly either incorporates the near-term events into the inspection or at least points them out so that surprises do not occur for all parties deep into the inspection.

It is not necessary to have completed a log book inspection to build this scope and that is not to say that surprises will not come up during that phase, but a quick review of the aircraft's maintenance run is enough to know what is next and when.

What becomes unfortunate is when these simple steps are not followed and new buyers work to shift the responsibility off on sellers. Believe me, sellers have huge responsibilities in the transaction process. They are tasked with correct representation of the aircraft and they have the financial responsibility to correct airworthy items. The seller's responsibilities go on and on.

Remember, if you are a buyer, one day you will be a seller. Everyone in this game gets a chance at the responsibility bat. No one should have to carry the game.

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