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Moving In Tandem: Linking flight departments with Directors.

Aligning flight departments with the corporation's Vision, Mission and Governing Principles facilitates effective Board governance of Business Aviation and provides benefits for the corporation, asserts Jay Mesinger.

Often I have discussions with flight department managers regarding the overall Vision and Mission of their company. Of course the managers know the products or services the company provides or sells, but they frequently are unable to relate to the overarching Vision, Mission and Governance Principles of the company.

In past articles I have spoken about the flight department being an actual business unit of the company, but not surprisingly many are still not considered as such by the Board of Directors. Flight department managers have annual budget responsibility, but unlike heads of fully-fledged business units, they do not have a seat at the table for broader budget and Governance discussions.

Who loses when flight departments are unaware of the corporation's Vision, Mission and Governance Principles and when the Board does not regard the Business Aviation function as a business unit? I think both sides do.

An important "product" of the flight department is the ability to make a positive "first impression," which occurs when the corporate aircraft picks up the customer or potential business partners to take them back to corporate headquarters. Client passengers boarding the company aircraft see an extension of the corporate culture through the flight department. It is important that time spent in the company aircraft reflects the firm's overall direction and governance.

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"Who loses when flight departments are unaware of the corporation's Vision, Mission and Governance Principles...?"



What the Boardroom needs to know about Business Aviation



ALIGNING VISION, MISSION AND FLEET PLANNING

Now let's broaden this discussion of Vision, Mission and Governance to include strategic discussions about fleet planning. Fleet planning can have two very important entry points; first, through the budgeting process and second, as needed, to support a changing Vision and Mission.

If the flight department is not included in these discussions, the outcome could look like a patchwork quilt. If the Board does not have a channel of communication to the flight department, there is no way to achieve good long-range planning. There should be an open and predictable channel between the Board and the flight department for communication about corporate Vision and Mission and how Business Aviation can align with company objectives.

The flight department should be constantly scanning the horizon of our aviation industry and listening to the important connections to the industry, and the Board should have a channel for receiving such information.

WILLING TO LISTEN

Here are some questions for the flight department manager: What was your reaction the last time an aircraft broker called out of the blue to make an introduction? Did you take a moment and let the introduction take place? Did you act on that new relationship by asking a few probing questions to the broker to discover his or her specialty, or did you set a time for discussion if you were occupied?

If you sense a connection based on a market expertise that could build into a great industry resource for you, nurture that new relationship. I am not suggesting that you divulge confidential company information or make any business commitments to a cold caller. Just take the extra time to learn if that aircraft sales professional can be a resource for you.

Now a question for Board Members: When did you

last have a conversation with the flight department manager? Did you have a discussion regarding the near- and longer-term health of the industry? Does the aviation manager sense a strengthening of prices driven by a shift in supply and demand? Is there a near-term reason to look at the long-term fleet plan and amend it, based on what could be changes in market activity or company Mission? Did you discuss the idea that changing conditions may affect the timing of what appeared to be a special opportunity?

You can see how this kind of internal channel of communication, however facilitated, could be critical to the success of fleet planning and transition. Successful fleet transition is marked by several events, the most important being:

- Is the company Mission continuing to be fulfilled by the assets being operated by the flight department?
- Will fleet transition take advantage of favorable market conditions?

Remember there are two sides to every deal, so supply as well as demand must be tilted in your favor. If your transition plan includes the relinquishment as well as replacement of existing aircraft, the demand for relinquished aircraft must have a ready market and the supply of an appropriate replacement aircraft should be sufficiently high to yield attractive pricing.

Dialogue between the flight department manager and the Board is valuable and more predictable than you might imagine if everyone involved has currently accurate information about shifting Missions and shifting market conditions.

There is high value to having the flight department and the Board joined at the hip.

Do you have any questions or opinions on the above topic? Get them answered/published in World Aircraft Sales Magazine. Email feedback to: Jack@avbuyer.com

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