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Flight Planning with Your Family Office

Partnering With Professionals Supports Your Aviation Investment

BY LEE ROHDE

Essex Aviation Group / Irohde@essexaviation.com

Your family office staff has a great deal of experience in managing your wealth and investments, and are familiar with your current aviation travel needs and assets, but most have limited experience with or exposure to business aviation.

Business aircraft are not just asset investments; they are tools designed to meet specific business and/or personal travel needs. Determining the aircraft and/or operating option – whether charter, jet card, fractional share, or whole aircraft ownership – that best fulfills those needs as well as your target investment return, requires aviation-specific expertise. A knowledgeable business aviation consultant can help your family office make the best decisions for your aviation investments, by:

- Conducting a thorough analysis of your travel details and requirements, including regular destinations, frequency of travel, length of stay, number of passengers, and baggage requirements, as well as specific security, medical, catering, and other needs.
- Presenting a range of options to meet those defined requirements, such as: acquiring a new versus a preowned aircraft; if charter or jet card, choosing a local or national provider; and determining whether or not an owned aircraft should fly for charter revenue when you're not flying.
- Assisting with creating proper ownership and operational structures, such as deciding whether to establish an independent flight department or use an aircraft management company, whether to operate the aircraft under FAA regulations governing corporate or commercial aircraft regulations, and determining proper staffing based on annual flight hours.
- Representing you during transactions when needed, from initial aircraft acquisition to resale and/or replacement, or from initial charter contract negotiation to contract renewal.
- Recruiting, vetting, and recommending qualified flight crew members and maintenance technicians as required.

When you are ready to purchase or replace an aircraft, your aircraft consultant, sometimes working in conjunction with a pre-owned aircraft broker or manufacturer's representative, will help your family office to determine, identify, and acquire the appropriate aircraft, by guiding them to ask questions essential to properly structuring the deal. He or she also will provide you with the most current aircraft data, information on operations, acquisition costs, and compliance requirements.

If you plan to purchase a fractional share or whole aircraft,



consider adding aviation tax and legal counsel to your “aviation team.” Ownership structures in aviation do not follow those traditionally used for your other assets. For example, aviation assets are subject to scrutiny by multiple government agencies including the FAA, IRS, SEC, DOT, and state tax authorities. Often, an action taken concerning one federal or state agency could have an impact on how another agency views the matter.

And just as aircraft ownership structures vary from other asset ownership structures, so do aircraft operations structures. For example, owning a car does not require employing a full-time maintenance technician, but owning a business jet does, to insure operational safety, dispatch reliability, and asset preservation. Your aviation advisor will help recruit a qualified technician who stays current with best practices and evolving technology.

He or she also can support your family office by conducting regular reviews of your aircraft operation and asset value. For example, expanded travel may dictate adding a jet card or fractional share. Ongoing, proper analysis will help ensure that your operation is appropriate and cost effective for your evolving needs.

Where can your family office staff find these professionals? Most established business aviation consultants belong to one or more national aviation trade associations. Contact the National Business Aviation Association (www.nbaa.org), the National Aircraft Finance Association (www.nafa.aero), or the National Aircraft Resale Association (www.naraaircraft.com) for further information.

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LEE ROHDE, President and CEO of Essex Aviation Group, has 25+ years' experience in financial and operational analysis and corporate business development. He advises clients on aircraft acquisition, strategic planning, financial, operational, and management matters.

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