

BUSINESS JET TRAVELER

HOW BIZAV PAYS OFF

IT GIVES COMPANIES AN EDGE—
AND WE'VE GOT PROOF

TIME ON BOARD

8 WAYS YOU CAN STAY
PRODUCTIVE ON A BIZJET

WHY I FLY PRIVATELY

BY SUZE ORMAN, RUDY GIULIANI,
JAMES CARVILLE, RICHARD BRANSON,
T. BOONE PICKENS AND 14 OTHERS

THE **BIZAV**
advantage

A SPECIAL SECTION

a down-to-earth look at flight departments

HOW BUSINESS AIRCRAFT HELP THREE COMPANIES
BEAT THE COMPETITION_by James Wynbrandt

THE **BIZAV**
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WE'VE WATCHED CEOS SLINK AWAY RATHER than defend their aircraft and waited to hear from executives willing to go on record about the benefits of business aviation.

The wait may be over. While some companies continue to maintain a low profile for their flight departments, others are starting to speak up. Frustrated by politicians' and the public's misconceptions, they are explaining what business aircraft really mean to their operations.

Here's a look at three such companies.

NAMES AND NUMBERS

On a Sunday morning, Ken Brock, founder and CEO of phonebook publisher Names and Numbers, learned that the much-pursued sales team from a cratering competitor was meeting in four hours, in a Texas town 500 miles away,

to decide whose ship to jump to. "I called our chief pilot at church and said, 'We need to be airborne within the hour,'" Brock recounted. The pilot, Chris Hoffinan, picked up the story: "Another competitor was also trying to get there," he said, "but they flew the airlines, and they were a day behind us."

Names and Numbers signed the sales team, helping to continue the company's growth and reaffirming the value of its Beechcraft Premier I and Premier IA business jets.

"Our flight department is a necessity, not a perk," said Brock. "We couldn't operate today without the airplanes."

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Based in Pittsburg, Kan., Names and Numbers publishes Yellow Pages directories in 11 Midwestern states. It's a tough business—in some markets there may be five or more competing directories—and the company's flight department gives it a distinct advantage.

"We have about 100 salespeople in satellite offices," Brock said. "We use all forms of electronic communication, but [face-to-face meetings] are particularly valuable for employee training, discussing a salesperson's performance and many other needs."

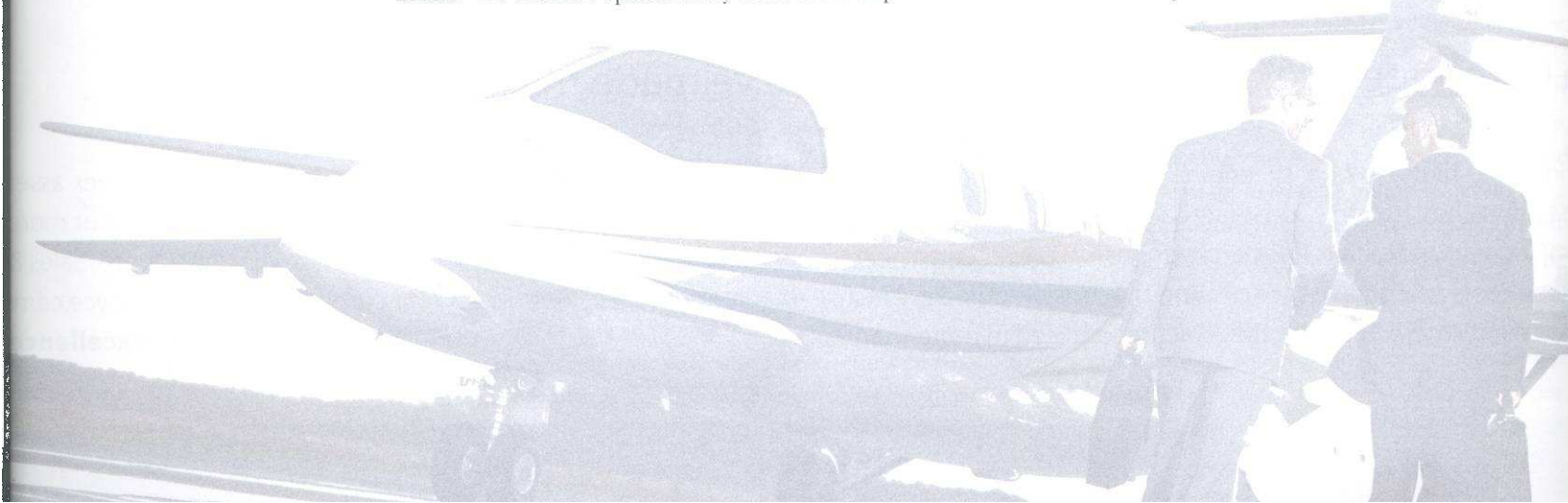
Names and Numbers' small-town location allows employees to enjoy a low cost of living and a high quality of life. But Pittsburg is two hours from the closest commercial airport, and company executives must often travel to towns equally remote from airline service. With its flight department at the local airfield, "we can leave Pittsburg and arrive at our destination quicker than we can get to the nearest commercial airport," Brock noted.

A pilot himself, Brock first used a single-engine Piper Archer. In 1996 Names and Numbers bought a twin-engine Beechcraft Baron and hired its first pilot; the firm subsequently moved on to a King Air 90 and then a King Air 200 before trading up to its Premiers.

The company puts about 200 hours per year on each aircraft. The flight department has three full-time pilots and Brock is also qualified to fly the jets.

While pop-up trips like the Sunday flight to Texas occur occasionally, Names and Numbers schedules most departures about two weeks in advance and informs employees about upcoming trips. "Anybody who needs to visit that satellite office is welcome to use an empty seat—IT, marketing, once in a while our recruiter will go," Brock said.

Onboard, "we always use our time for business," he added. "If I'm by myself or the v-p of sales is by herself, we're on our computers. If we have a team together, we can



have a meeting without interruptions."

And what does all this capability add to the bottom line? "It's a little hard to quantify," said Brock, "but we know we're able to accomplish more [and] save many, many executive days by utilizing these business jets. And after 15 years, we still are just as enthused with business aviation as we were in the beginning."

REW, INC.

Coming of age in the 1990s in a family tied to the tradition-bound food-services industry, Brad Pierce often saw his business ideas laughed off as "blue sky." Said Pierce: "Anytime you'd bring up 'online,' they'd laugh and say, 'You can't sell a refrigerator online!'"

The family business, REW, or Restaurant Equipment World, in Orlando had done well selling and installing kitchens for restaurant chains and other institutional customers. But Pierce believed the Web created new opportunities. And by adding an airplane to the growth recipe—another of his "blue-sky" ideas—the company has expanded dramatically since he became president.

"We had half a dozen employees," Pierce said. "Now we have 50. We had a 10,000-square-foot facility. Now we have 45,000 square feet.

And it's directly related to general aviation. That has been a game changer." REW now operates about 300 Web sites and sells 26,000 items online. Its Internet presence has gotten a foot in the door of potential customers, but it is a four-seat Cirrus SR-22 that seals the deals.

"It's ironic," Pierce said. "We are considered the Web's leading [restaurant equipment] dealer. But what really grows the relationships and builds loyalty are face-to-face meetings. When you say, 'I'll be there this afternoon,' or when we can be there when equipment is being installed, compared with a guy who says, 'Call me if something doesn't work right,' that's a different value proposition."

"On Monday I was in Houston, Dallas, San Antonio and Austin in one day," Pierce added. "I'd pay somebody a million dollars if they could figure out how to get that travel done [by] driving or flying on an airliner. It's a situation where cost difference doesn't come into play because it's not possible [to do that] any other way."

Pierce earned his pilot's license in 1996, and bought his first Cirrus from the factory a few years ago. He later upgraded to a turbocharged Cirrus that has anti-icing equipment, a glass panel with synthetic-vision capability and a built-in oxygen system. Nonetheless, he recognizes that a single-engine piston airplane can't handle every weather challenge.

"When I absolutely have to be somewhere, I buy a refundable airline ticket, just so I have it in my pocket," Pierce said. "In six years of doing this I've had to use it only once. The dispatch reliability of the [Cirrus] aircraft and the ability to make the flights has been phenomenal."

Pierce now has a deposit on Cirrus' Vision, a single-engine jet scheduled for certification in 2012. The only problem is that he may not be able to wait that long.

"I don't want to sound like I'm just free flowing with money, because I'm one of cheapest people you'll find," Pierce said. "But with the amount that business is growing, I may need to move into [a turbine aircraft] even quicker."

AIR PRODUCTS AND CHEMICALS, INC.

At Air Products and Chemicals, Inc., a *Fortune* 250 company with operations in 40 countries, "business aviation plays a significant role," according to Gene Ervine, who oversees the flight department.

Based in Allentown, Pa., Air Products provides gases and high-performance chemicals to a wide spectrum of industrial users. Its flight department—which was founded in the 1960s with a twin-engine Beech 18—currently operates a Gulfstream GIV-SP and a Dassault Falcon 2000EX and employs six full-time pilots. The company recently installed Internet equipment aboard its aircraft, making travel time more productive.

"We use the planes to get senior executives to key meetings, to meet with customers or potential customers, to get our engineering people to production or construction sites," said Ervine. "We have facilities in fairly remote locations throughout the world. Having our own aircraft aids in getting any person we need to the site."

Ervine admitted that no one can attach a figure to what the flight department adds to the company's profitability. "We track the direct cost of flights and compare them with commercial flights. The problem is in defining all the intangible benefits the planes provide. What is the true value of the time savings? If it's an emergency situation, what is the value of getting people there promptly? In hindsight you say, 'Boy, it was really good we had that airplane.' But trying to put a dollar value on it is difficult."

Added Ervine: "We don't want something sitting around that's not producing. But every time we review our flight operations, we realize it is very important."

James Wynbrandt welcomes comments and suggestions at: jwynbrandt@bjtonline.com.

The airplane is a "game changer."

Business jets connect a world-wide operation.