



Air Charter Operators: **HOW TO STAND OUT** From the Competition

Third-party audits and higher training standards help air charter operators differentiate their businesses.

“When choosing a business that will be responsible for your safety, the minimum safety standard might not be acceptable to all clients.”

—TIM SULLIVAN
COO and Director of Operations, Chantilly Air



There's no doubt the on-demand charter industry is a bit leaner than it was prior to the economic crisis of 2008, with fewer FAR Part 135 certificate holders in business now than before the collapse. For some operators, this means renewed competition to earn the business of retail charter customers whose previous charter providers are no longer in business.

So how can you set your business apart from your competitors to earn new business?

“It's important for an air charter company to know what they want to be to their customers,” said Brian Koester, NBAA's project manager, operations and staff liaison to the NBAA Domestic Operations Committee. “The first step in differentiating your service from a competitor's is determining what level of service you want to provide.”

The Value of Third-Party Audits

Tim Sullivan, chief operating officer and director of operations at Chantilly Air in Manassas, VA, reminds potential clients that the FAA sets a minimum standard, and when choosing a business that will be responsible for your safety, the minimum might not be acceptable to all clients.

He recommends that potential charter clients look for charter operators that have passed a third-party safety audit. Chantilly Air is International Standard for Business Aircraft Operations (IS-BAO) registered, and the company has procedures in place to ensure continuous compliance with the IS-BAO program and improvement between audits.

“Third-party audits are not necessarily a case of ‘more is better,’” said Sullivan. “One recognized third-party safety audit at a minimum of every two years should be adequate to determine your level of safety and identify areas in which you can improve. A company that invites the objective set of eyes and viewpoints of auditors is showing its willingness to improve its operations and ensure it is consistently working to achieve the highest level of safety and compliance.

“Racking up additional safety audits tends to be a marketing decision and does not necessarily add to the safety of an organization.”

In addition to completing regular third-party audits, focusing on providing more detailed pilot training than that which is required by the FAA and supplying internal operational experience-type scenario-based training all can increase safety.

It is also a good practice to use only full-time, salaried pilots. This can be a critical differentiation as there is no financial incentive to the pilot to fly. Incentivizing flying days and penalizing non-flying days – whether intentionally or not – can lead to poor judgment and dangerous decisions. Plus, monitoring contract pilots' training, flight and duty time, and overall ability can be difficult.

“It's easy for a charter operator to claim they are safer, more professional or more customer-focused than their competitor,” said Sullivan. “But at some point, the charter operator has to prove its value. Some of those qualities can only be validated over time, after you've had an opportunity to work with the client.”

“Identify the minimum standard – which in the U.S. is set by the FAA – then determine where you as a business will go beyond the minimum standards. In some cases, this will mean even exceeding industry best practices,” said Sullivan.

A Commitment to Better Training

One way to differentiate your charter company from the next is to commit appropriate resources to pilot training and use full-motion simulator



“When a business competes based on price alone, you are creating a loyalty based only on price, and as soon as your competition beats your price, you lose the client.”

—ASHLEY SMITH
President, Jet Logistics

training. Operators can demonstrate their commitment to safety by exceeding regulatory requirements and requiring all pilots to complete full-motion simulator training twice a year.

Although most operators that use full-motion simulators do so through Part 142 authorized training centers, it is important that the charter operator maintain sufficient oversight of Part 142 training events.

Ashley Smith, president of Jet Logistics, an IS-BAO-registered company, in Charlotte, NC, said, “Just because a company does all their training at a Part 142 training center doesn’t make a good training department. There’s more to it than just shipping a pilot off and waiting for him or her to return. Is the company actively involved in the entire training process? That’s the key.”

Sullivan agrees. “Proper oversight of a Part 142 training center is necessary to ensure pilots are trained consistently with the charter operator’s processes and procedures. The charter operator has to be an active participant in the entire training process.”

Smith also recommends keeping equipment clean and in good working condition, including seemingly minor items like tray tables, DVD players, and so on. “An operator can often defer maintenance on these items if authorized by the FAA, but clients don’t appreciate that,” said Smith.

Don’t Discount to Win Business

NBAA, Smith and Sullivan all agree – don’t just cut your price to get business. “When a business competes based on price alone, you are creating a loyalty based only on price, and as soon as

your competition beats your price, you lose the client,” said Smith. “Instead, you want to earn your customers in ways that make them loyal to you for every reason but your price.”

One way to differentiate your company is by committing to a set business model. For example, Smith only accepts retail air charter flights and only round-trip itineraries. “Some operators think they have to fly these planes at cost – or below. Many operators assume that so long as they are busy flying they are making money.

“Nothing could be further from the truth.”

Smith recommends committing your company to a profitable business model and not straying from that model just to get a trip. Sullivan agrees. Although 90 percent of Chantilly Air’s charter flights are retail, Chantilly Air does work with brokers and will take one-way trips if they are priced appropriately.

As the economy recovers, new charter customers will be entering the market, and customers familiar with the industry will be looking for new lift. How should you differentiate your company from others in order to earn more business? Consider what type of business you want to run, and then identify ways to exceed minimum requirements and differentiate yourself from competitors.

“Don’t compare yourself to others while selling your service to a potential client,” cautions Sullivan. “This method of selling can easily backfire, and in the end, it takes the emphasis off what is important, which is an objective discussion of your company’s best qualities.” ❖

FOR MORE INFORMATION

View NBAA’s Aircraft Charter resource page at www.nbaa.org/charter.



This article is reprinted with permission from the September/October 2014 *Business Aviation Insider*, published by the National Business Aviation Association (NBAA). Copyright 2014. Learn more at www.nbaa.org/insider.

For Charter Buyers: NBAA’s Aircraft Charter Consumer Guide

NBAA’s *Aircraft Charter Consumer Guide* provides an overview of the many considerations that arise when selecting an air charter operator for on-demand air travel needs. The valuable information for charter users provided in the guide includes: procedures for finding charter operators and charter brokers; information for locating contractors who audit charter companies for safety; a list of sample pre-screening questions consumers may use to vet charter operators; and a request for proposals (RFP) template consumers can use to obtain and evaluate quotes for specific charter flights.

The guide also addresses pricing. “NBAA recommends prospective charter customers never base their buying decision on price and price alone,” said Koester. “Charter operators vary widely in the services they provide, level of safety they operate under, and so much more. Pricing might be one factor, but it should never be the only factor.”

www.nbaa.org/publications