

A man and a woman in business attire are seated at a table in an airplane cabin, looking at a laptop. The woman is on the left, wearing glasses and a patterned top, with her hand to her chin. The man is on the right, wearing a dark jacket over a checkered shirt, with his hands on the laptop. The background shows the interior of an airplane with a window and overhead storage bins.

NO PLANE NO GAIN

The Case for Business Aviation

Why Do Companies Use Business Aviation?

#BizAvWorks

Business aviation – the use of an aircraft for a business purpose – is a valuable productivity tool used by thousands of companies of all sizes. Forward-thinking organizations use business aircraft to minimize travel time; enhance the efficiency, productivity, safety and security of personnel; and remain nimble, competitive and successful in today’s highly-competitive global marketplace.

Companies needing to reach multiple destinations in a single day – an itinerary often impossible using other modes of transportation – rely on business aviation. Business aircraft are time-multipliers, essential to thousands of U.S. companies trying to compete in an environment that demands speed, flexibility, efficiency and productivity. Business aircraft can:

- **Access communities with little or no airline service.** Business aviation serves more than 5,000 community airports in small towns or rural communities, versus about 500 airports with scheduled commercial airline service.
- **Support a variety of travel needs.** A survey conducted by the National Business Aviation Association (NBAA) found that 72% of passengers aboard

85%
of business aircraft operators are small and mid-size businesses



75%
of passengers aboard business airplanes are non-executive employees

business airplanes are non-executive employees, often sent in teams to a destination because it is the most cost-effective means of rapid transportation.

- **Ensure flexibility.** Business people don’t always know in advance where or when opportunities will present themselves. In today’s business environment, companies need to be nimble enough to move quickly. Business aviation provides travel flexibility for companies that need to ensure employees can respond to changing business demands and circumstances.
- **Increase employee productivity and provide security.** Business aviation enables passengers to meet, plan and work en route, discussing proprietary information in a secure environment without fear of eavesdropping, industrial espionage or physical threat.
- **Provide schedule predictability.** Crowded airliners mean that if your flight is canceled, or a delay causes you to miss a connection, the odds of you getting on the next flight are substantially reduced. Business aviation is an important tool when a business deal may depend upon arriving on time.



“At Enterprise Holdings, we know a lot about the importance of having the right travel option. And for us, business aviation is a transportation mode that helps us be more efficient, productive and successful.”

PAMELA NICHOLSON
CEO, *Enterprise Holdings*

STUDIES PROVE BUSINESS AVIATION'S VALUE

There is indisputable evidence, backed up by real data, of business aviation's value. For example, the Harris Interactive study, *The Real World of Business Aviation: Survey of Companies Using General Aviation Aircraft*, cited the following metrics as proof that business aviation provides safe, efficient transportation to companies of all sizes, particularly those in smaller communities with little or no airline service:

- Scheduling flexibility remains a key driver for business aviation, with more than half of passengers stating that traveling on business aircraft enables them to keep business schedules that could not be met efficiently using the scheduled airlines.
- A significant percentage of business aircraft passengers are technical specialists, managers and other employees, as well as customers. These passengers spend an average of 63% of their time on business

aircraft working, compared to just 42% when traveling commercially.

SIGN OF A WELL-MANAGED ORGANIZATION

The research firm NEXA Advisors has confirmed that business aviation is a powerful tool for the nation's largest

62%

of pilots and aviation managers stated their companies utilize a single, turbine-powered aircraft



>42%

of business aircraft
are flown to towns with
little or no airline service



and best-managed companies. The research firm's comparison of the financial performance of S&P 500 companies that operate aircraft, versus those that do not, proves that.

NEXA Advisors' study, *Business Aviation and the Top Performing Companies*, determined that companies using business aircraft outperformed those that did not in a variety of important metrics, including employee

productivity, accelerating transactional closings and boosting customer interaction.

The most important measure of impact is a company's enterprise value, by both share amount and share appreciation, the study stated. "S&P 500 business aviation users outperformed non-users by about 70% over the past five years."

BUSINESS AIRCRAFT ARE TIME MACHINES

An article in the prestigious *Harvard Business Review* offered an important insight as to why many chief executive officers rely upon business aircraft to meet their grueling professional schedules.

Although CEOs are able to draw from a host of company resources, "they, more than anyone else in the organization, confront an acute scarcity of one resource. That resource is time," said the article, which also noted that more than half of a CEO's work "was conducted



"Business aviation takes Salamander Hotels & Resorts to new heights by putting us on the ground where we're needed most."

SHEILA C. JOHNSON
CEO, Salamander Hotels & Resorts



while visiting other company locations, meeting external constituencies, commuting, traveling, and at home.”

Similarly, John Sheehan, in his book *Business & Corporate Aviation Management: On Demand Air Travel*, said, “The advantages of having one’s own aircraft are evident. The harried entrepreneur, chief executive officer,

and senior manager are all victims of the same deficiency: not enough time. This is usually coupled with the need to visit with customers, deal makers, and company personnel who will make a difference in the future.”

Separately, business aviation also has been recognized as an important productivity asset by the prestigious Darden School of Business at the University of Virginia.

BENEFITING SMALLER COMPANIES

Another NEXA Advisors study, *Business Aviation, An Enterprise Value Perspective of S&P Small Cap 600 Companies*, showed that, just as with larger companies, small and medium-sized companies in America that utilize business aviation consistently outperform non-aircraft users in terms of superior financial performance, reduced recession impact, better customer access and in returning value to shareholders.

NEXA Advisors’ S&P Small Cap 600 study noted, “The



“Business aviation is a business tool that helps Bass Pro Shops in its mission to inspire people to love, enjoy and conserve the great outdoors.”

JOHNNY MORRIS
Founder, Bass Pro Shops

98%

OF FORTUNE MAGAZINE'S
Top 50 "World's Most
Admired Companies"
USE BUSINESS AVIATION



question individual companies and their executives must answer is: Under what conditions will the uses of business aircraft drive growth in enterprise value, and, by extension, provide the best solution? After all, business aviation is one of many tools companies will use to meet their business travel needs. Companies rely upon business aviation when it is the right tool for a particular mission."

BUSINESS AVIATION ALSO VALUED IN TOUGH TIMES

Throughout the Great Recession of 2008-2009, many companies suffered deteriorating revenues, substantially lower profits (or no profits at all) and weaker balance sheets.

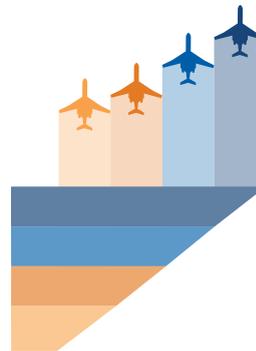
According to the NEXA study, Business Aviation Maintaining Shareholder Value Through Turbulent Times, business aircraft can materially improve a company's ability to create shareholder value – and subsequently shareholder returns – even during economic downturns.

The study determined that business aviation users represented 84% of all S&P 500 companies and accounted for 96% of total revenue.

PROVIDING TAXPAYER VALUE

Business aircraft are utilized not only by public and private companies, but also by local, state and national governments.

According to the NEXA study, Government Use of Aircraft: A Taxpayer Value Perspective, more than 2,000 aircraft in government operations provide cost-effective transportation for civil servants in public safety, security and law enforcement, and the aircraft also are used in a variety of other roles that benefit taxpayers.



**BUSINESS AIRCRAFT USERS
OUT-PERFORM
NON-USERS BY
23%
in revenue growth**

THE BOTTOM LINE ON BUSINESS AVIATION

The bottom line is that business aviation is a vital tool for companies of all sizes, offering safe, secure and flexible transportation worldwide while enhancing their competitiveness throughout the global marketplace. Rather than a luxury, business aviation is an indispensable resource in managing the world's most successful companies and ensuring they are capable of meeting the needs and expectations of their customers. ✧

EVOLVING ALONG WITH THE COMPANY

Masco Corp. – a leader in home improvement and building products, including Delta® faucets and KraftMaid® cabinets – has grown through acquisitions. However, after the 2008 housing recession, the company, which has flown business aircraft since 1966, consolidated its fleet at one base in Detroit, tailoring the aviation operation to Masco's evolving strategic priorities.

“One of my jobs is making sure what we're doing at the flight department is aligned with what the home office is doing,” said Jay Orwin, director of aviation.

“With the aircraft we [now] have, we're able to fly in and get right to work,” said John Lindow, Masco's VP-controller. “We're focused on getting the maximum usage out of the airplanes.” Employee teams often travel together, and the aircraft can make up to five stops in a day.



BUSINESS AVIATION A PERFECT FIT

MacNeil Automotive Products produces Weathertech floor liners, using sophisticated tools to capture data and reverse-engineer complex vehicle geometry to ensure its accessories fit specific makes and models perfectly.

“To have that custom fit, we have to measure every vehicle that is built,” explained founder David MacNeil. To do that, sensitive measuring equipment must be transported to automakers' plants. The equipment will not fit in an overhead bin, and it might be damaged if checked as baggage or sent via an overnight shipper, so MacNeil carries it aboard the company aircraft.

“Because we have our own airplanes, we don't have to worry about what the airline schedule is and transporting our very expensive technical equipment on a commercial flight. We just get in the plane, put the gear into the cargo hold and we're on our way.”

“Our planes [also] get us in front of our customers. That hands-on approach has been a significant factor in the growth of our company.”



SINGLE-PILOT TRANSCONTINENTAL FLYER

Brad Pierce, president of Orlando, FL-based Restaurant Equipment World, regularly flies his single-engine Cirrus SR22T across the country in support of his company. Although a substantial portion of his sales come through his company website, Pierce believes in going out and seeing existing and potential new customers in person as often as possible.

“This business would not be what it is today without the use of an aircraft,” said Pierce. “Online is the transactional side of our business, but when we are there, in person with the customer, that's where the relationship flourishes.”



NO PLANE NO GAIN



ABOUT NO PLANE NO GAIN

No Plane No Gain, a joint undertaking of the National Business Aviation Association and General Aviation Manufacturers Association, is designed to educate the public on the importance of business aviation to our country and its communities, companies and citizens. Learn more at noplanenogain.org.