

# Service remains facilities' trump card

by Matt Thurber

### Table of contents

- Top 40 FBOs-Americas . . . . .page 23
- Busiest airports . . . . .page 24
- Busiest FBOs . . . . .page 26
- Survey methodology . . . . .page 31
- Busiest regions . . . . .page 34
- Top 10 FBO rankings . . . . .page 34

### Online Features

[www.ainonline.com/resource-center/](http://www.ainonline.com/resource-center/)

- Survey results
- What makes a good FBO?
- What makes a bad FBO?
- Up-and-coming FBOs (U.S.)
- Up-and-coming FBOs (non-U.S.)



## Top 10 FBOs credit customer service efforts for their success

### 1. Sugar Land Regional Airport

Sugar Land Regional Airport's city-owned and -operated FBO once again takes the top spot in the AIN FBO survey. The airport and the FBO enjoy some distinct advantages that combine to boost its popularity, including strong support from the city of Sugar Land, a dedicated long-term team running the airport, a fabulous FBO terminal and a strong relationship with the field's neighbors. The airport's unique "airport academy" invites local citizens to learn more about their airport and is a strategy that many airports would do well to consider, especially those having trouble persuading neighbors of the importance of their airports.

The first move Phil Savko made when he took over as general manager of Sugar Land Regional Airport west of Houston 12 years ago was to develop a business plan for the airport. The city owns the airport and has elected to run FBO services itself, instead of inviting interested companies to form independent FBOs at Sugar Land. Savko used to run a similar setup at city-owned and -operated Naples Municipal Airport in Florida.

The city bought what used to be Hull Airport in 1991, renamed it Sugar Land Municipal and in 1994 doubled the 4,000-foot runway to 8,000 feet. Savko helped the city council members realize that renaming the airport Sugar Land Regional would help boost traffic and pull new customers away from nearby Hobby Airport

and George Bush Intercontinental. "We saw traffic starting to head this way," he said. West Houston's new energy corridor was rising out of what used to be empty prairie and there was an opportunity to develop the airport to serve the oil companies and other firms building facilities in the area.

Sugar Land's absence of airline traffic is another big advantage over Hobby and Bush airports. "You can get downtown more quickly than from Hobby," said Adam Scott, assistant aviation director, when taking into account delays caused by airlines at the other airports. U.S. Customs and Border Protection agents have been housed in their own building at the airport for

the past three years, so travelers arriving from outside the U.S. can use Sugar Land as a port of entry; the agents come to the Sugar Land ramp to clear arriving customers.

When the customs officers first arrived, Sugar Land used to pass on the costs (starting at \$350 for four to six people, plus \$280 for after-hours arrivals) to arriving visitors, but Savko changed that policy and now covers the expense and provides the service for free. "We're trying to let people know Sugar Land is a port of entry," he said.

The city also built the airport's control tower in 2001 and pays to keep the tower staffed. On April 1, the new Terasita's Café opened in the FBO terminal.

For many years, the Sugar Land FBO was housed in a 2,000-sq-ft building, but in 2006 the city built an impressive new facility, including a 20,000-sq-ft



For an electronic version of the complete survey results for the Americas (North, South and Central America as well as the Caribbean and U.S. territories), go to [www.ainonline.com/resource-center/](http://www.ainonline.com/resource-center/).

terminal that Savko proudly notes looks as good from the front door on the street entrance as it does from the spacious ramp. "We wanted it to look like a little bit of Texas, not overstated," he said. In keeping with the desire for an attractive external view of the building, the roof isn't festooned with bulky air-conditioners and looks more like a dormer-topped hotel. Savko didn't want passengers looking

out the window as they fly over the airport to see an ugly roof. Instead of a holding area for ramp equipment, the building's ramp side features an observation porch with rocking chairs, where customers and the public are encouraged to sit and watch airplanes. All ground equipment is housed in a separate building so it doesn't clutter the ramp.

The effort to keep the airport looking attractive includes design standards that anyone building a hangar has to meet, both for the interior and exterior of the building. "We maintain a lot of control," Savko said. "And customers appreciate that." The airport built 99 T-hangars and larger hangars for corporate tenants, and land is available for more facilities. One recently occupied hangar complex is now empty and was due to be auctioned. It previously housed the flight department for indicted financial tycoon Allen Stanford.

Inside the FBO terminal, the traditional amenities are available, as well as a unique little museum that offers visitors a glimpse of Sugar Land's history as the location of the Imperial Sugar factory, the oldest sugar mill in Texas. A company called

Continues on page 24 ►



Sugar Land Regional Airport has been among the top 10 FBOs in AIN's annual survey since 2007, when it shared seventh place with another FBO. That year it was the only municipal-run FBO to be included in the top 40 list. In 2008 it inched up to fifth place, jumping to number one last year and retaining the top spot this year. The city, which operates the airport, touts the absence of airline traffic as a major draw for business aircraft operators.

### Top 40-rated FBOs - The Americas (according to overall average)

The annual AIN FBO Survey lists top-rated facilities according to the responses from pilots, dispatchers and users of FBOs. This year, the Top 40 FBOs in the Americas received overall averages of more than 8.00. The categories that users were asked to rate were line service; passenger amenities; pilot services; and facilities. Duplicate rankings indicate a tie.

Rank	FBO	Airport	Overall Average
1	City of Sugar Land	Sugar Land Regional (SGR)	9.13
2	Wilson Air Center	Memphis International (MEM)	9.09
3	Tampa International Jet Center	Tampa International (TPA)	8.97
4	AirFlite	Long Beach Airport Daugherty Field (LGB)	8.93
5	Pentastar Aviation	Oakland County International (PTK)	8.88
6	Meridian Teterboro	Teterboro (TEB)	8.85
7	Banyan Air Services	Fort Lauderdale Executive (FXE)	8.79
8	Million Air	Addison (ADS)	8.72
9	Jet Aviation	Palm Beach International (PBI)	8.69
10	Business Jet Center	Dallas Love Field (DAL)	8.68
11	Dulles Jet Center	Washington Dulles International (IAD)	8.66
12	Signature Flight Support	St. Paul Downtown-Holman Field (STP)	8.64
13	Yellowstone Jet Center	Gallatin Field (BZN)	8.63
14	Swift Aviation Services	Sky Harbor International (PHX)	8.60
15	Scottsdale Air Center	Scottsdale Municipal (SDL)	8.59
15	Texas Jet	Meacham International (FTW)	8.59
16	Enterprise Jet Center	Hobby (HOU)	8.57
17	Avitat Westchester	Westchester County (HPN)	8.55
18	Del Monte Aviation	Monterey Peninsula (MRY)	8.53
19	Skyservice Avitat	Lester B. Pearson International (CYYZ)	8.51
19	Wilson Air Center	Douglas International (CLT)	8.51
20	UVavemex	Adolfo Lopez Mateos International (MMTO)	8.49
21	National Jets	Fort Lauderdale/Hollywood International (FLL)	8.47
22	Monterey Jet Center	Monterey Peninsula (MRY)	8.42
23	Million Air	Salt Lake City International (SLC)	8.41
24	Denver jetCenter	Centennial (APA)	8.40
25	Showalter Flying Service	Orlando Executive (ORL)	8.37
25	Signature Flight Support	Minn./St. Paul International (MSP)	8.37
26	Irving Aviation Services	Gander International (CYQX)	8.32
27	Skyservice Avitat	Calgary International (CYC)	8.31
28	Vail Valley Jet Center	Eagle County Regional (EGE)	8.29
28	Jet Aviation	Teterboro (TEB)	8.29
29	Galaxy Aviation	Witham Field (SUA)	8.28
30	Million Air	Hobby (HOU)	8.27
31	Avitat Boca Raton	Boca Raton (BCT)	8.26
32	DB Flight Center (formerly DB Aviation)	Waukegan Regional (UGN)	8.21
33	Business Jet Center	Metropolitan Oakland International (OAK)	8.20
34	Galaxy Aviation	Palm Beach International (PBI)	8.13
35	SheltAir Aviation Services	Fort Lauderdale/Hollywood International (FLL)	8.12
35	Skyservice Avitat	Pierre Trudeau International (CYUL)	8.12
36	Atlantic	Hobby (HOU)	8.08
37	First Aviation Services	Teterboro (TEB)	8.07
38	Atlantic	Chicago Midway International (MDW)	8.06
39	Atlantic	Pittsburgh International (PIT)	8.03
40	DuPage Flight Center	DuPage (DPA)	8.00

Source: AIN 2010 Americas FBO Survey

Data compiled by Forecast International of Newtown, Conn.

► Continued from page 22

## Top 10 FBOs attribute success to customer service efforts

Treasure Hunters has placed gift items for sale at the Sugar Land FBO, and the FBO employees handle all transactions.

Airport services manager Jodie Kaluza likes to point out one of her major contributions to the new FBO terminal, a family restroom for travelers with children. There are showers for staff and separate shower facilities for customers, as well as a movie theater room with eight comfortable chairs, a TV room, exercise room and closed-circuit TV in the flight planning room so pilots can monitor arrival of their passengers and keep an eye on the ramp. A special “professional crew suite” is available only by coded door lock system, and this features three snooze rooms with DVD players, large reclining chairs and private office space. There are no beds for pilots,



#2 Wilson Air Center-Memphis

*Wilson Air Center's Memphis facility is a perennial favorite among AIN survey respondents. The FBO held the number one spot in the survey for eight years. The company's FBO at Charlotte/Douglas took the 19th spot in this year's survey.*

Ivey, Wilson Air vice president. Although business at the three FBOs was affected by the recession, Wilson Air Center has more flexibility when it comes to managing costs because Robert Wilson didn't get caught up in the bidding wars and add more bases when business was booming through early 2008. “I don't feel we were affected as much as other FBOs that have more debt service and higher capital costs,” said Ivey. “Mr. Wilson told me he doesn't expect us to

### Top 40 Busiest Airports for Bizav (according to number of responses)

Airport	Responses
Teterboro (TEB)	688
Palm Beach International (PBI)	308
Westchester County (HPN)	299
Centennial (APA)	259
Chicago Midway International (MDW)	254
Fort Lauderdale/Hollywood Int'l (FLL)	249
Dallas Love Field (DAL)	248
Hobby (HOU)	241
Scottsdale Municipal (SDL)	241
Washington Dulles International (IAD)	240
DeKalb-Peachtree (PDK)	232
McCarran International (LAS)	209
Le Bourget (LFPB)	197
Van Nuys (VNY)	194
Fort Lauderdale Executive (FXE)	187
Lester B. Pearson International (CYYZ)	187
Sky Harbor International (PHX)	174
Los Angeles International (LAX)	172
Hanscom Field (BED)	168
Miami International (MIA)	160
Metropolitan Oakland Int'l (OAK)	158
Addison (ADS)	154
London Luton (EGGW)	154
Bob Hope (BUR)	153
Logan International (BOS)	142
Pitkin County/Sardy Field (ASE)	137
John Wayne/Orange County (SNA)	136
Pierre Trudeau International (CYUL)	135
Monterey Peninsula (MRY)	129
Orlando International (MCO)	121
Boca Raton (BCT)	119
Chicago Executive (PWK)	116
Eagle County Regional (EGE)	115
Nassau International (MYNN)	113
McClellan-Palomar (CRQ)	112
Morristown Municipal (MMU)	111
Austin Bergstrom International (AUS)	109
Boeing Field/King County Int'l (BFI)	109
San Francisco International (SFO)	108
Lindbergh Field (SAN)	107

Source: AIN 2010 Americas FBO Survey  
 Data compiled by Forecast International of Newtown, Conn.

however, because the FBO is open only from 5 a.m. to 11 p.m. “We try to be a good neighbor,” said Kaluza. Pilots can take off and land at any time, but keeping the FBO closed overnight discourages too much after-hours traffic, which helps the airport stay in neighbors' good graces.

The Sugar Land team is well aware of how airports affect local residents and has taken a most unusual step to forestall complaints. Instead of battling residents' perceptions of the airport, three years ago Savko, Kaluza, Scott and facilities and airfield infrastructure manager Gary Hawkins devised a program that helps residents understand the airport and its contributions.

Many cities offer citizen “police academies,” where locals can sign up for multi-week classroom sessions to learn more about how their law enforcement organizations work. Savko and crew offer a six-week airport academy to Sugar Land citizens. Participation is limited to 10 people, and applicants must show that they are not only interested in learning about their airport but are also involved in the community, so they can share their learning with other citizens.

The academy is always over-subscribed, and participants often volunteer to work at the annual airport open-house in October. Citizens learn about the airport's business plan, its impact on the community, traffic patterns and other issues. One of the classes is taught by Sally Sims, a local pilot, who enhances her class with her own aerial photos. Savko has the students tour the airport and see how line personnel take care of arriving and departing aircraft and even makes them do a FOD walk. During the last airport academy, more than 40 Sugar Landers applied to participate. “They become our ambassadors,” Savko said.

Business at Sugar Land has increased about 5 to 10 percent per year, he said, but 2009 was “not so good for us. We're a lot better off than a lot of FBOs are, and

business is starting to increase and is back to where it was in 2008.”

The airport was able to avoid laying off any personnel during the recession, but did cut expenses in areas other than employee training. “If you treat your people well,” Savko said, “they're going to treat your customers well.”

## 2. Wilson Air Center-Memphis

Robert Wilson, son of Kemmons Wilson, founder of the Holiday Inn hotel and real estate development conglomerate, owns three Wilson Air Center FBOs—the original facility in Memphis and two others, at Charlotte/Douglas International Airport in North Carolina and Hobby Airport in Houston.

For top-rated FBOs such as Wilson Air Center, maintaining a high level of service during the recession is just as important as when times are good. And being owned by Robert Wilson, who is an active jet pilot, is a distinct advantage, according to David

*Tampa International Jet Center moved up five places this year from last year's eighth. The FBO received an overall rating of 8.97 this year, compared with 8.64 last year.*



## #3 Tampa International Jet Center



let down our level of service even though we're going through tough times." And as a sign of the company's commitment to its employees, Wilson Air Center has continued to pay its traditional one-cent-a-gallon fuel bonus, split among all employees, as well as funding the 401k retirement plan.

For Wilson Air Center's Memphis FBO, the winter of 2009/2010 proved a blessing in disguise. The nasty winter weather delivered so much snow and ice to the southern U.S. that the FBO was able to generate additional revenue by adding de-icing services for airlines, thus offsetting some of the recession's devastating effects on the business aviation industry. The de-icing services also helped the FBO offer overtime opportunities to employees who are eager to earn some extra money.

The three Wilson FBOs have experienced staff reductions due to natural attrition, Ivey said. June through August last year were the worst months, but business has slowly been improving since then. "We're cautiously optimistic on 2010," Ivey said. Some long-term projects are on hold, such as plans to build a new terminal with a canopy at Hobby, but Wilson Air Center has renewed long-term leases at Hobby and Memphis and its management agreement at Charlotte. At Charlotte, the airport recently added a new third runway and built a new lobby for the Wilson FBO.

Overall, said Ivey, "It could be a lot worse. I'm not saying it hasn't been bad, but we're going to get through this, just a little smarter and wiser."

### 3. Tampa International Jet Center

Tampa International Jet Center is a relatively young FBO, built from scratch just over five years ago and steadily climbing in the AIN FBO survey rankings to third place this year. "We have suffered just like everybody else to some degree or another," said president Phil Botana. The recession took a huge bite out of Florida's usually active real estate market and dramatically reduced the pace of new construction, "so we lost several tenants just to the economic times," he said. "But we have enjoyed continued growth in

market share in our transient business." Tampa International Jet Center is already feeling the effects of the rebounding economy, and activity and demand has steadily improved since November, according to Botana.

The FBO was able to avoid

layoffs. "We made a commitment that we were going to maintain our staffing through the recession," he said. "We wanted to be a place people would be happy with through the recession."

Botana attributes Tampa Jet Center's success to a continued

commitment to taking care of customers with service beyond expectations. "It's easy to say and somewhat harder to do," he said. "We work hard at greeting every airplane and try to look at our place as an extension of the travel

*Continues on next page ►*

#### Sennheiser Headset Winners

AIN readers who participate in the FBO Survey qualify to enter a drawing for one of three Sennheiser headsets. This year's winners are: Bob Bagnall, chief pilot, Arizona Kentucky LLC; Robert Smiley, assistant manager of charter ops, MLW Air; and Tina Holloway, scheduler/dispatcher, Tyson Foods. ■

► Continued from preceding page

**Top 10 FBOs attribute success to customer service efforts**

experience of the people in the back of the airplane as opposed to being a portal from the ramp side to the street side.”

Every arrival is greeted by both a line technician and a customer service agent, and as many airplanes as possible are marshaled in and out from underneath the FBO’s 12,500-sq-ft canopy. “That’s a little extra touch,” Botana said, “particularly on a rainy afternoon in Florida.”

Customers can drive onto the Tampa Jet ramp, Botana added, which they appreciate. “If they’re paying the large premium they are to travel on a corporate airplane, they selected this form of transportation for a reason, for a certain level of travel experience. If we can find little ways to add to that...that’s what our goal is.”

Botana said that he feels better about the state of the economy than he did last year when customers flew less. Confidence is improving in the business community, and customers are flying more. “Hopefully we’re positioned to have a better 2010 than 2009. January was quite good, and so far in February we’re having a strong month, particularly compared with last year.”

**4. AirFlite**

Toyota-owned AirFlite has been operating at Long Beach Airport in Southern California for 21 years, and Peggy Zaun, customer and aviation relations manager, has worked at the FBO for 18 of those years. Zaun joined the FBO just months after it opened its new building in May 1992, and one of her first training events was provided by the Ritz-Carlton hotel company, which helps organizations interested in learning more about serving customers.



Toyota-owned AirFlite moved up two spots this year, to number four. Like other facilities, the FBO has seen a dramatic drop in flying activity since the downturn began and—like other FBOs—it has committed to maintaining the level of service customers have come to expect.

Zaun said she is “pretty darn proud” of AirFlite’s consistently high rankings in the AIN FBO survey. AirFlite is also part of the ExxonMobil Aviation Aviatat network.

Last October, John Tary, a Toyota corporate pilot, took over as general manager of the AirFlite FBO. His familiarity with the FBO, which is also where Toyota bases its flight department, and his experience flying to hundreds of other FBOs helped Tary understand the business and make a smooth transition into the new job. And, he added, “I’ve been working with Peggy for years on FBO projects.”

Business at Long Beach dropped about 40 percent during the recession, according to Tary, but AirFlite was able to avoid layoffs and maintain service levels, thanks in great part to Toyota’s strong backing. AirFlite continued with customer service training and regular safety programs, including NATA’s Safety 1st and ExxonMobil’s PremierCare training systems, Tary said. Since the beginning of the year, business at Long Beach has improved.

When it comes to service, Tary and Zaun are always looking for ways to improve but also believe that consistency is important. Employees are encouraged to take care of any problem right away, and this is facilitated by line service and customer service personnel who have been with AirFlite for many years, including one with 20 years of tenure.

“They’re a great bunch of people,” Tary said.

Small touches make the difference, Tary said, like providing information about local attractions when customers call for reservations and printing a weather update for pilots. AirFlite security includes a kiosk on the street-side entrance staffed 24/7 and matching of baggage to passengers. Visitors can’t access other floors in the AirFlite terminal without either an escort or the correct elevator key card.

Long Beach is an easy airport for access to the Los Angeles area, with fewer ATC delays and lower-priced fuel than Los Angeles International Airport, although Long Beach doesn’t offer U.S. Customs clearance. AirFlite is the Corporate Aircraft Association-preferred FBO for the airport and participates in other contract fuel programs. Ramp fees are usually waived with fuel purchases, Tary said.

“The biggest thing is that we focus on the customer,” said Tary, “not money. We do the safest thing.”

“We have an excellent safety record and we don’t ever want to compromise it,” agreed Zaun.

**5. Pentastar Aviation**

Pentastar Aviation’s FBO at Michigan’s Oakland County International Airport once again scored a top 10 ranking in the AIN FBO survey, a significant achievement given the heavy competition Pentastar faces. There are half a dozen FBOs at Oakland County, and Pentastar continues to earn top grades from AIN readers.

For vice president of FBO services Bob Sarazin, who has worked in the FBO business since starting as a line technician in 1978, it’s all about helping customers solve problems. “I love working with people and pleasing people and giving them what they want. The FBO business is not without challenges, but overall I wouldn’t have done anything else. Most of the people here love it as well; that’s why we’ve been successful.”



**#5 Pentastar Aviation**

Pentastar Aviation earned an 8.88 in this year’s survey, compared with an 8.84 in last year’s survey, when it took the number-three spot.



**#4 AirFlite**

Although the Michigan economy has suffered more than most areas of the U.S. during the recession, Pentastar has been able to thrive. Fuel volumes dropped about 25 percent at Oakland County, according to Sarazin, but Pentastar maintained its market share through 2009. “As long as we stay focused on the levels of service we provide and taking care of our employees, we will

make it much stronger than when we entered [the recession].”

Pentastar also runs charter/management and maintenance divisions, and this diversity helps the company’s FBO deliver better service, Sarazin said. “Being an operator gives us a unique perspective of being able to leverage the experiences we have. We try to share that and serve people same way we serve ourselves.”

**#6 Meridian Teterboro**



Meridian Teterboro reports that it is seeing the light at the end of the tunnel. “Things are definitely pointing in the right direction,” said president Steve Chandoha.

**Top 10 Busiest FBOs** (according to number of responses)

FBO	Airport	Responses
Jet Aviation	Teterboro (TEB)	219
Meridian Teterboro	Teterboro (TEB)	166
Atlantic	Chicago Midway International (MDW)	161
Signature Flight Support	Miami International (MIA)	157
Signature Flight Support	Logan International (BOS)	142
Atlantic	Pitkin County/Sardy Field (ASE)	137
Atlantic	Teterboro (TEB)	130
Denver jetCenter	Centennial (APA)	128
Skyservice Aviatat	Lester B. Pearson International (CYYZ)	127
Atlantic	McCarran International (LAS)	124

Source: AIN 2010 Americas FBO Survey

Data compiled by Forecast International of Newtown, Conn.

Pentastar hasn't skimped on scheduled improvements, such as regular five-year hangar painting, or on those prompted by customer comments. One recent issue was that pilots found the directional signage around the FBO's large campus confusing. "We took a good look at the signage and, working with the airport and within its allowances, came up with a more comprehensive directional signage project," Sarazin said. Another recent addition at the request of a customer was installation of a baby diaper-changing table.

Customer and employee surveys are a key part of Pentastar's ongoing efforts. A newly staffed customer care representative works closely with aircraft owners and charter customers to understand their needs. "We challenge ourselves on a pretty regular basis on what customer needs are and what we can do to enhance and improve their experience," Sarazin said.

## 6. Meridian Teterboro

On top of the severe recession, Teterboro Airport in northern New Jersey, a major gateway to New York City, had to deal with a record amount of snowfall this past winter. At top-rated FBO Meridian Teterboro, "Things are slowly improving," said president Steve Chandoha. "We're not close to our 2008 numbers, but we're on the positive side of the 2009 decline. We've had three positive months now, and things are definitely pointing in the right direction." Chandoha has worked at Meridian Teterboro since 1988, when he started as flight school manager. The school is no longer part of the company, and Chandoha transitioned to general manager then to president of the FBO.

Meridian is also an FBO with sister charter/management and maintenance divisions, and this helps customers maximize the value of their visits, according to Chandoha. "The more you can offer the customer, the better value you are to them."

There is one silver lining to the recession, and that is the ability to spend more time with customers, according to Chandoha. "Having more time available with each customer allows us to be more personalized to their needs," he said. "The

customer has really benefitted."

Meridian Teterboro has occupied its spacious and elegant new FBO terminal for four years, and this helped spur growth. Before the new building opened, a cramped ramp and limited space inside the FBO greeted visitors.

"The new facility helps tremendously," Chandoha said. "We get a lot of positive feedback."

Meridian Teterboro has been managing costs carefully and reduced staff by about 6 percent. "It's a difficult thing to do," said

*Continues on page 34* ▶



**AIN**alerts

FREE twice-weekly e-newsletter for business aviation.  
[www.ainonline.com/subscribe](http://www.ainonline.com/subscribe)

## Once red hot, the market for FBO acquisitions cooled

by Matt Thurber

The buying and selling of FBOs is a good indicator of the health of the general aviation industry. When times are good, transactions multiply rapidly. And when the economy enters a severe recession, buyers stop buying and sellers hunker down, waiting for prices to improve.

At one end of the spectrum of FBO owners are small companies such as family businesses and sole proprietors who don't see now as a good time to exit, said Stephen Dennis, chairman of Aviation Resource Group International, which facilitates aviation business transactions. At the other end are large FBO chain-owning firms that paid high multiples of trailing cash flow during the economic uptick that lasted until early 2008, and they need to hang onto their facilities to try to recoup their investments.

FBO valuations rose rapidly from 2003 through 2007, according to Dennis, then declined abruptly in 2008. "I think it's caused a more rational—albeit lower—valuation in the current period," he said. "We can find bargains and can get a deal if we find a buyer willing to accept something perhaps not what he was told he should get in the preceding 24 months."

Signs of the recession started in early 2008, according to Dennis. "We fell off a cliff," he said. "We started going over the cliff in the first quarter of 2008 and off it in the third quarter. What drives this industry more than anything is production and sale of new aircraft. When that's not happening, there is a domino effect that impacts all of the market."

As after-tax discretionary income dropped, use of business aircraft plunged. Add to that the effect of the political backlash surrounding the Big Three automakers' disastrous testimony in Congress where they were asking for federal loans after flying to the meeting in separate business jets, "and there were a lot of negative images hitting the general aviation marketplace," he said.

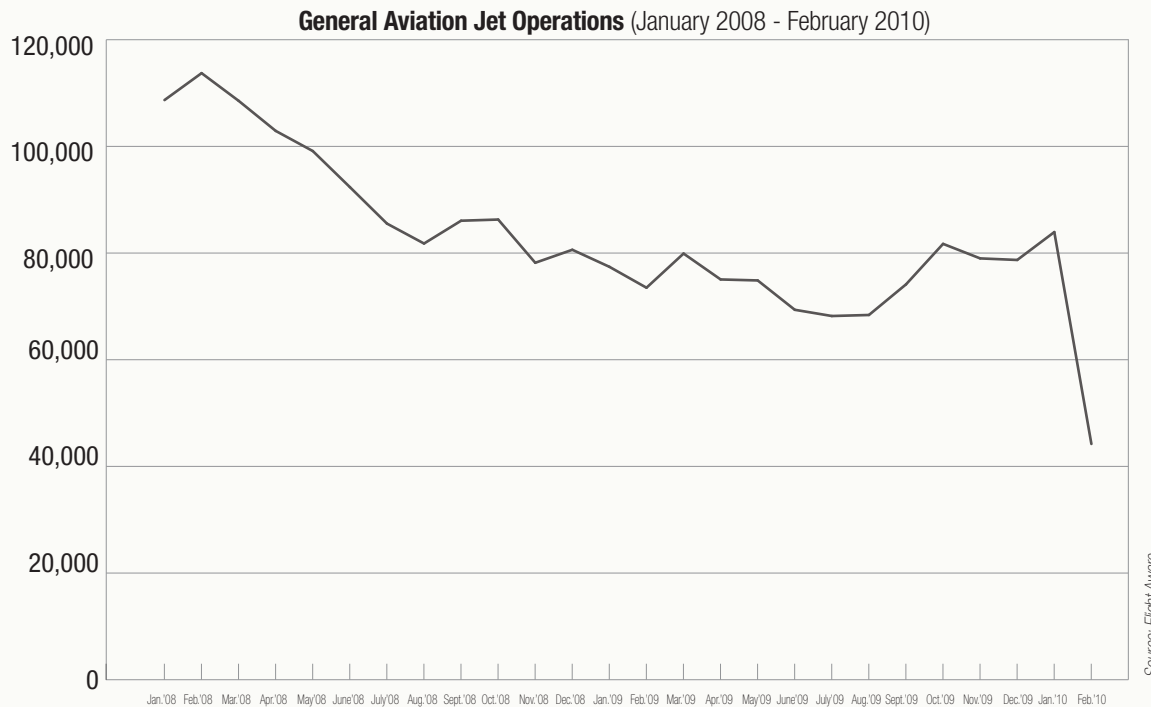
Even if people had the money, many chose to adopt a lower profile, Dennis explained, and either stopped flying their airplanes or reduced their use of charter and fractional shares. "An industry-wide pall fell on business aviation. FBOs are all aftermarket-related, and whatever happens on the front end of the market, when that declines, it affects the service providers."

The result was that FBOs have had to focus on cutting costs, chiefly by trimming unnecessary expenses, according to Dennis, and thus operating at a lower profit margin. Small FBOs have an advantage, he said, "because they have usually paid for what they developed and are much more agile to adapt to the marketplace. They wouldn't have survived this long if they hadn't been sharp."

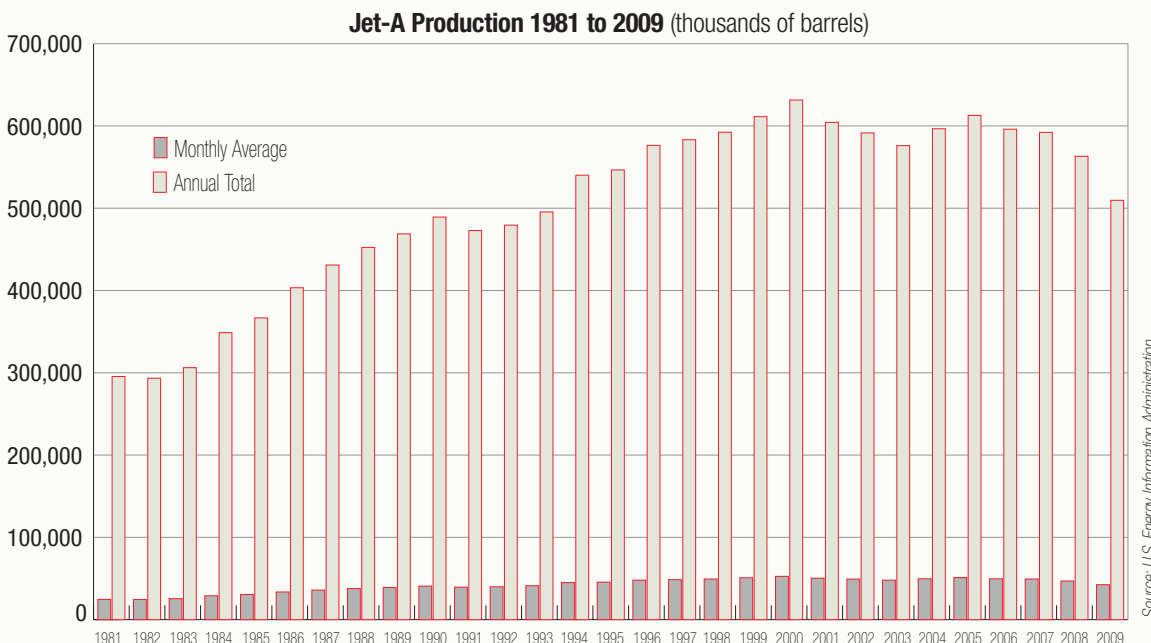
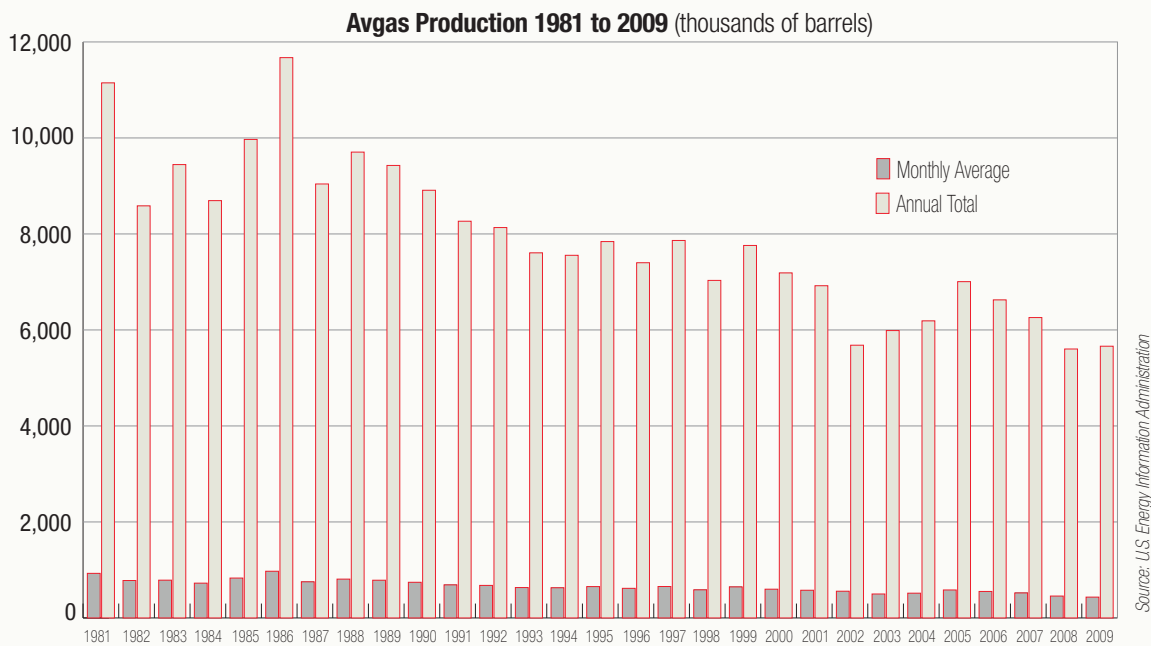
Dennis's advice to FBOs is to sit tight. A review of operations is a good idea, and his firm is happy to help with an evaluation, "something to help [FBOs] focus their priorities, to help them survive the current cycle."

The industry will survive, Dennis said confidently. "It's going to come out of this. I know we're bouncing along the bottom right now. There is nothing that can replace the FBO industry. It's a very finite marketplace, and somebody's going to have to provide that service, meeting, greeting, fueling and supporting those airplanes. We're kind of in hiatus and figuring out what direction we're going and how to make money." □

**Jet-A production since 2005 has steadily declined. Note that most of this jet-A is burned by airlines (94 percent, according to AOPA), and they have been suffering since 9/11. But the numbers support the data that shows people are flying less in jet-A-powered aircraft. The steady drop in production of avgas was mitigated somewhat by a bump in 2005, 2006 and 2007. But 2008 and 2009 numbers show that flying in piston-powered aircraft is down and remains down.**



AIN asked flight-tracking provider FlightAware to crunch some numbers for the busiest business aviation airports in the U.S. At the 35 busiest airports (according to AIN readers who responded to this year's FBO Survey), jet operations declined significantly during the past year, as can be seen in the month-by-month jet operations chart. The high during this period for the 35 airports combined was 113,732 in February 2008, and that dropped to a low of 68,195 during July 2009. The February 2010 numbers, it should be noted, are not final as this chart was produced in mid-February. According to FlightAware, "Traffic overall is down in 2009 by approximately 20 percent. The forecast for the remainder of 2010 remains uncertain; however, nine airports (LAS, PBI, FXE, FLL, MIA, LAX, BUR, MCO and EGE) are on pace to equal or beat 2008 traffic levels."



## FBO chains ride out the recession while planning for brighter future

With business aviation traffic still suffering from the recession, FBOs have had to cut costs as much as possible yet maintain service levels and, more important, high standards of safety. The growth in business aviation that preceded the recession had an expected result: consolidation of a number of FBOs into large chains, financed by plentiful funds that sought a safe investment haven. Now those chains, like the rest of the aviation industry, are waiting out the effects of the recession and, for now at least, are not adding new bases but renovating existing facilities and trying to build market share.

Individual owners of single FBOs might have an advantage because it is easier for them to cut costs and they don't have large debts to pay off or a high cost basis, which some of the chains have incurred because they bought facilities at the peak of the market, according to Stephen Dennis, chairman of Aviation Resource Group International (Argi).

Argi facilitates aviation business transac-

tions, of which there haven't been too many in the FBO business of late. In Dennis's opinion, "FBOs are best held individually or in a network organization that has some synergy and can realize some efficiencies."

Taking advantage of those efficiencies is important now, especially as chains jockey for market share. Signature Flight Support, Dennis noted, "has made important strategic changes in terms of the way it operates. [New chief commercial officer] David Best is a game-changer; he's got his pulse on the market and he's taken Signature from being a high-price leader to being a competitive force in the market. He saw that Signature was not really listening to customers and was allowing its competitors to feed off its high margins. He's created a more competitive organization and has put Signature back into the game. He's really been shaking things up."

Signature's moves have affected the entire FBO industry, Dennis explained. "It created a more competitive environment.

Before, many competitors were able to price just below Signature's level. Now Signature is more on the pricing level of its competitors, and consumers have benefited."

Signature remains the largest FBO chain with 102 bases worldwide, including 18 in partnership with Líder Aviação. Atlantic Aviation, owned by Australia's Macquarie Infrastructure, has 69 bases, all in the U.S. Landmark Aviation has 35 bases in the U.S. and has expanded in Canada and Europe with six FBOs. The Million Air franchise network operates much like a chain, although the 26 Million Air FBOs are owned independently (some owners have more than one base). Million Air's 27th FBO is scheduled to open at San Bernardino International Airport in California next month, and the 28th Million Air will open in Gulfport, Miss., later this year.

Business aviation flight operations are improving, according to J.P. Morgan Research's March Business Jet Monthly report. Flight operations were up 11 percent year-to-year in January, the company noted. "This was the first double-digit increase since April 2004. Flight operations are still 16 percent up from the March 2009 bottom, and we expect this to translate into rising aftermarket demand for suppliers in the coming months."

### Atlantic Aviation

During the past year Atlantic Aviation has built a new terminal and hangar at its Nashville FBO, a new terminal and hangar at Mineta San Jose International Airport, a new eight-acre ramp at Teterboro, new fuel farms at two bases and a four-acre ramp at its Los Angeles International Airport facility, complementing the company's previously completed new FBO terminal.

"Things are picking up," said CEO Lou Pepper. "We are optimistic about the future of our chain, about what's happening in the industry. We're feeling more activity, more enthusiasm and we're seeing a pick-up in people moving [around]." Other positive signs include more requests for services, and interest in hangar space, he said, "things that for a while last year were dead. There's some momentum coming back. I don't want to give the impression that we're booming, but we are optimistic about the future."

Pepper emphasized that in dealing with the business aviation decline, Atlantic



**Lou Pepper**

*Continues on page 32 ►*



This year's Survey of American FBOs marks the 23rd time that **AIN** has asked readers to express their opinion about the FBOs that they frequented during the previous year. FBOs covered in the results of **AIN**'s survey in

this issue are located in the U.S., Canada, Mexico, South and Central America, and the Caribbean. The survey is conducted entirely online and was designed and administered by Forecast International of Newtown, Conn.

For this year's survey, **AIN** and Forecast International opened the online rating form on December 21 and closed the survey on February 2, to make sure that those invited to participate had plenty of time to render their

ratings. Only those invited can fill in the online form, and they include **AIN** readers who are aviation department managers, chief pilots, pilots, schedulers/dispatchers and corporate flight attendants who work for corporate flight

departments and charter/air-taxi and fractional-share companies.

Each invitee receives a code that must be used when filling out the ballot, and that code can't be used by anyone else, thus preventing ballot-box stuffing and ensuring that only those invited to participate can post their opinions.

The **AIN** FBO Survey asks readers to rate FBOs that they frequent in four key categories: line service; passenger amenities; pilot amenities and services; and facilities. For each of the four categories, the survey participant can assign a number from one to 10, one being the lowest and 10 the highest rating. To arrive at the averages for the categories, each FBO's ratings for each of the four categories are added, and the resulting sum is divided by the number of responses received for that FBO. The overall average for that FBO is computed by adding the FBO's four category scores and dividing that sum by the total number of responses received in all four categories.

Forecast International received 1,679 completed survey returns, down from last year's 2,661. The completed return rate was 11.7 percent compared with 18.1 percent last year and 13.3 percent the year before, possibly a reflection of the large number of jobs lost in the business aviation industry last year.

Readers provided a total of 23,007 FBO ratings, which averages to 14.5 FBOs per survey respondent. Last year respondents averaged 15 FBOs each, and the 2008 number was slightly higher at 16.

While the survey asks **AIN** readers to rate FBOs and handlers worldwide, in this issue only the results for the Americas facilities are listed. This issue includes results for North, Central and South America and the Caribbean; the rest-of-world results will be online around May 1 and be published in **AIN**'s May issue. The results covering the Americas FBOs can be found in full at [www.ainonline.com/resource-center/](http://www.ainonline.com/resource-center/).

Survey participants added 118 FBOs to this year's list by writing in their ratings. Write-in FBOs are added to the final results if they receive enough ratings, and they are also added to the list for next year's FBO survey. To be included in the survey results, U.S. FBOs must receive at least 40 responses; those in the remainder of the Americas must receive at least 25. □

► Continued from page 29

## FBO chains ride out the recession, see bright future ahead

Aviation “didn’t change our service pedigree and our service proposition. Service is first and foremost important. All of our customers see value in service, and we continue to operate that way. You can’t bring a second-rate product to the table.”

Atlantic Aviation maintained its spending on equipment, training, insurance and investments in the chain’s infrastructure, he said—“anything that adds value to our customers.” This included launching an iPhone application that allows users to view pricing, frequencies, maps and other information on any Atlantic FBO.

Some planned new projects were put on hold, Pepper acknowledged, but “anything we had committed to, we fulfilled all those. Atlantic Aviation,” he added, “is a big organization with a tremendous amount of moving parts. We have a tremendous senior management team, and we’re all working extremely hard to be able to continue to deliver our product and provide the service and be here

### FBO Chains Top Five Facilities 2009 vs 2010

The four major FBO chains—Atlantic Aviation, Landmark Aviation, Million Air and Signature Flight Support—showed mostly improved numbers over last year’s FBO survey. These charts show each FBO chain’s top five facilities in the 2010 survey and the rankings for those top five from last year. The Million Air chart shows only four FBOs because only four of that chain’s facilities received enough responses (minimum 40 for U.S. FBOs, 25 for non-U.S. FBOs).

#### Atlantic Aviation

	Top Five 2010	2009 Rankings
Houston Hobby	8.08	7.97
Chicago Midway	8.06	8.09
Pittsburgh	8.03	7.85
Nashville	7.91	7.84
Austin	7.90	7.95

#### Landmark Aviation

	Top Five 2010	2009 Rankings
Scottsdale	7.88	7.99
Calgary	7.72	7.22
Raleigh-Durham	7.53	7.46
Dulles	7.52	7.38
Toronto	7.42	7.36

#### Million Air

	Top Four 2010	2009 Rankings
Addison (Texas)	8.72	8.63
Salt Lake City	8.41	8.23
Houston Hobby	8.27	8.25
Burbank	7.70	7.80

#### Signature Flight Support

	Top Five 2010	2009 Rankings
St. Paul Downtown (Minnesota)	8.64	8.12
Minneapolis-St. Paul Int’l	8.29	7.87
Orlando	7.91	7.51
Centennial (Colorado)	7.81	8.07
Las Vegas	7.77	7.53

for customers when they need us.”

The Atlantic Aviation chain’s owner, Macquarie Infrastructure, “is committed to our industry,” Pepper said. “It’s optimistic about general aviation. We couldn’t have better ownership.”

Key to improvement in business aviation is the used aircraft marketplace, and as prices have dropped, the value of these aircraft improves. “There is just a lot of lift sitting out there,” he said, “but it won’t be sitting idle for long. Once those aircraft get back into service, “that will benefit the entire industry. And most important for Atlantic is that the industry does well. I worry a lot more about that than jumping ahead of our competitors.”

Pepper said that Atlantic Aviation has been able to cut operating expenses dramatically “with remarkably few layoffs. We love our workforce and we never forget that they are the backbone of our business. They provide our product hundreds of times a day, and we really appreciate what they do.”

### Landmark Aviation

The Landmark FBO chain includes some bases with maintenance/avionics and charter/management businesses as well as the Encore Support Services division, which serves military customers. The other large chains focus strictly on FBO services. “The biggest thing,” said Landmark president and CEO Dan Bucaro, “is that business has stabilized. By no stretch is it great,” he added, “but it isn’t deteriorating any more. There are some bright spots in MRO and charter/management, but the FBO [business] is flat.” Areas where business has strengthened include Landmark’s Canada and Europe FBOs. The company’s Vancouver facility played a big part in February’s Winter Olympics.

It didn’t help over the winter that so many northeast U.S. airports were closed during the snowstorms that relentlessly attacked the East Coast. “There were so many days we have been closed,” Bucaro said. Some FBOs closed as many as four or five days each month.

Like Signature Flight Support, Landmark operates FBOs outside the U.S. In Europe, Landmark is showing airports and customers the benefits of U.S.-style FBOs that provide fuel as well as other handling services. “Outside the U.S. we’re doing really well,” he said. “In Europe, we control fueling, which is unusual. Usually the oil companies control fuel, but we wouldn’t go without controlling fuel, otherwise we can’t control customer service.”

Staff reductions were necessary at Landmark Aviation, but these were done early last year. “We were just not handling as many aircraft,” Bucaro said. “We were basically ahead of the curve a little bit, and since then we haven’t had to do any more [layoffs].” Bucaro said he is confident that service levels have remained high during the downturn.



Dan Bucaro

“We believe strongly that even in an economic downturn we still have to invest in facilities and people so we do provide customers with the service and safety they expect,” he said. “We don’t deviate from that.”

To that end, Landmark Aviation last year invested \$5.5 million in a major renovation at its Westchester County facility in White Plains, N.Y., \$1 million into Dulles and \$700,000 in Bullhead City, Ariz. “This year we expect to do major refurbishments at San Antonio [Texas] and Greensboro [N.C.],” Bucaro said. “It should be one million to two million [dollars] for each one.”

Bucaro is interested in adding to the Landmark network and believes that the company could benefit from more bases in the Midwest, Northwest and Southeast U.S. Landmark Aviation is owned by GTCR Golder Rauner and Platform Partners.

Meanwhile, hangar space remains “relatively full across the country,” Bucaro said, although customers aren’t flying as much as they did before the recession. There remains a glut of used aircraft, and many owners are hanging on, waiting for prices to improve.

Landmark Aviation expects a gradual improvement in business this year and beyond. “We’re not going to see these huge spikes,” Bucaro said. “And that’s healthier in the long term.”

### Million Air

Million Air’s newest FBO was due to be completed this month at San Bernardino International Airport in Southern California. “It’s going to be stunning,” said Million Air president and CEO Roger Woolsey. More than \$20 million was invested to build the new FBO with a two-story vaulted atrium and new and refurbished hangars, which Million Air will operate for the airport authority. Million Air also operates an FBO in Albany, N.Y., under a similar arrangement. “It’s a good design when a city realizes it is going to take something spectacular to get customers to move back to the airport,” he said. “It’s difficult to get a regular investment, and it’s a great way for the city to bring in a brand name and let us do our magic.”

According to Woolsey, Million Air has weathered the recession quite well. “We’re like everybody else; the recession is real, and we are feeling some pain like everybody else. But at the same time we’re working really hard to overcome it.”

Customers are flying again, Woolsey said, as they realize the time-saving benefits of general aviation travel, including the ability to access markets not served by airlines. “Private airplanes are making mainstream America more competitive,” he said.

In retrospect, Woolsey is happy that Million Air didn’t get drawn into the acquisition frenzy before the recession and add more franchisees in an attempt to grow rapidly.

“We didn’t get caught up in that,” he said. “We’re extremely focused on our customers and employees and trying to run a good organization. Although growth is nice, it has to be secondary to the customer’s needs. In 2008, I’d look in the mirror some days and wonder why we’re allowing the megabrands to move so fast, and am I crazy for not jumping on the bandwagon. Now I thank God every day that we didn’t.”

Nevertheless, Million Air did add two facilities last year, in Tallahassee, Fla., and Indianapolis. Construction of another Million Air will begin shortly in Calgary, British Columbia.

“We are pretty bullish,” Woolsey said. “Million Air is not owned by your typical investment house; it’s owned by aviators. We know recession 101: all recessions end. We’re not going away, we’re not for sale and we’re not looking to try and save every penny to boost earnings.”

Woolsey is enthusiastic about general aviation and the people who work at Million Air headquarters in Houston and at the network’s FBOs. “I get to work with the neatest people in the industry,” he said. “For so many years people looked at line technicians as the guys on the ramp who are paid the least. I had an opportunity to try to change that culture, where the people on the front line are professionals. They’re in charge of our safety and they’re [an important] part of our reputation when people pull up.

“I’m having a blast,” he concluded, “because I don’t have to change our strategy. For the last 10 years [it has been] hug your customer, have the best facility, hire the best people, motivate them, get out of their way and watch them shine.”

### Signature Flight Support

Last year, only one Signature Flight Support FBO made it to the Top 40 U.S. and Canada rankings, the St. Paul Downtown-Holman Field base in St. Paul, Minn., which ranked in 38th place. This year, two Signature FBOs made it to the Top 40 list, St. Paul (12th place) and the company’s FBO nearby at Minneapolis-St. Paul International Airport, ranked this year at 25th place.

The entire Signature chain has undergone significant changes under new leadership during the past year, including reducing fuel prices to more competitive levels, the new Signature Status loyalty program and a fresh look at how customers are served.

“For us [this past year] was a really exciting year,” said David Best, chief commercial officer for BBA Aviation’s FBO division, Signature Flight Support. The FBO chain began last year with a new president, Michael Scheeringa, and a new focus as a global, instead of regionally led business.

“We undertook considerable market research this year,” Best said, “to get a real handle on customer needs.” The results of those efforts included launching



Roger Woolsey



David Best

customer-facing programs such as much more competitive fuel prices—to address chronic customer complaints about the chain's high fuel prices—and Signature Status, a customer loyalty program. Signature has also stepped up efforts to attract fleet operators and has enjoyed success with that program as well, Best said.

A small but welcome change is Starbucks coffee at Signature FBOs. Last year, Signature surveyed more than 8,000 customers, and respondents indicated that their preferred brand was Starbucks, according to Mary Miller, Signature corporate vice president of customer relations. Before, the coffee brand was inconsistent throughout the chain. "We are looking at the entire service environment and service delivery," she said, "studying what affects the customer the most."

Last year, Signature Flight Support switched many of its front-line personnel to part-time status, so that fewer people are working during slow periods. The new demand staffing program "is a positive thing," Best said, "matching the peaks in demand with availability of staff. What we're seeing is our business has peaks and troughs, and we make sure we're available for the customer."

Overall, Best said, "we're experiencing modest volume growth. Big network customers are the ones we've seen having significant growth this year."

While the business aviation industry experienced a cyclical downturn from 2007 to 2009, Best said, "airplanes are out there. And we have significant hangar space around our businesses that continues to be filled with strong and active customers."

Signature has maintained an FBO at Reagan National Airport in Washington, D.C., despite the tight restrictions and requirements to operate at that airport. Recently, an airport official indicated that these restrictions might be too stringent and that they could be re-examined. "We're encouraged by any moves talking about that," said Best. However, he added, "The security restrictions are manageable. We'll happily help [interested operators] walk through the process." The D.C. FBO sees "fairly steady traffic," he said.

Last year, Signature Flight Support added a new FBO in collaboration with AviaPartner in Nice, France, which Best said is the fifth largest general aviation market in Europe. And Signature added into-plane fueling at its

Shannon, Ireland facility. "We provide into-plane at a number of bases in Europe," Best said.

Signature also offers a new service that allows operators to clear U.S. Customs before departing Shannon. We've had a

presence for a long time in Shannon," he said, "and we believe it's an important tech stop."

Additional acquisitions are always a possibility if the right opportunity arises, Best said. "We are continuing to invest where the

opportunity arises. We enjoyed above-market performance last year, and with the launch of the Signature Status program we're optimistic we have got the product focused on the customer, and that will help us expand our business.

"We have engaged significant time and resources in ensuring that we're consistent across the network, customer-centric and that we satisfy customer needs and develop loyal customers for the long-term future," he concluded. □



**#7 Banyan Air Service**

This is the third consecutive year Banyan Air Service has held the number-seven position in the AIN FBO survey. In recent months the company has increased its market share and added 10 new employees.



**#8 Million Air Addison**

Million Air Addison jumped one spot in this year's survey, up from number nine—and a rating of 8.63—last year.



**#9 Jet Aviation Palm Beach**

Jet Aviation Palm Beach cracked the top 10 this year—after a 12th-place showing last year.

► Continued from page 27

**Top 10 FBOs attribute success to customer service efforts**

Chandoha. “We have a really good bunch of people and never want to do anything like that because it’s disruptive.” Some of the departing employees were able to come back part-time during the holidays due to increased traffic. A positive sign is that customers traveled more during the holidays, he noted, “which means that people are more comfortable taking a trip for personal reasons.”

As business continues to improve, Chandoha hopes to be able to reinstate performance raises and move from the recession-induced 37-hour work week back to 40 hours. “We are optimistic,” he said. “I can hear that when I talk to clients and customers; they are flying more. I don’t know if it’s more because of opportunity or because we’re working harder to find opportunity. The year 2008 was a spike. Then again, it’s something to shoot for. Hopefully we’ll look back at this as something we can tell our grandkids about. [Meridian owner] Ken Forester is a tremendous, supportive owner and it’s a pleasure working with him. There’s a real team spirit here.”

**7. Banyan Air Service**

The recession hasn’t affected Banyan Air Service at Fort Lauderdale Executive Airport too badly, according to founder and president Don Campion, because of a consistent focus on the company’s fundamental business philosophy. While business last year was down about 10 percent compared with Banyan’s record 2008, the company is gaining market share in South Florida, Campion said. And during the past three months, Banyan has hired 10 new employees. Banyan Air is an FBO and also offers

heavy maintenance, avionics installation and repair, hangar rental, the Hangar 63 aviation supply store and Tropic Aero online store, and the Jet Runway Café.

Before every shift in every department, employees gather for a huddle, to share information and more specifically name one customer that an employee “went above and beyond for,” said Campion. “The supervisor will ask the team to give an example of what solution they gave a customer on their shift.”

Employees are encouraged to take care of customer needs. Sometimes it’s as simple as driving a customer to a nearby restaurant to have a meal and be back at the airport in an hour instead of making the customer take a cab and possibly return late. In other cases, an employee might notice that a customer aircraft has a low tire and offer to have a technician check the pressure or look at any other maintenance problem. “It’s really about providing a specific solution to an issue,” Campion explained. “They don’t need approval. Between themselves they jump into action.”

Such service is all part of what Campion says is basic business philosophy. “The purpose of business is to create customers for life,” he said. “We come to work for one reason: to serve the customer. That takes a lot of the political issues out of anybody’s roles—the complications on who’s supposed to do what—when you truly do have a customer-first [attitude]. If the reason for business is to create customers for life, then you can be asking yourself when making decisions: ‘Is what I’m doing contributing to the idea of serving this customer?’”

“In the world of customer service, customers want to be treated with respect and have their business appreciated.

That’s the only fixed [item] in a variable world. People can change, buildings can change, your procedures can change, but not that steady mindset of the customer as truly being treated with respect and having their business appreciated.”

All new Banyan employees work with a mentor for at least 30 days, to teach Banyan practices and safety procedures. This applies whether the new-hire has no experience or 20 years in the industry. “We call it Banyanizing our teammates,” Campion said.

“The underlying root of great customer service is,” he said, “happy teammates make happy customers. If they have a passion to serve and are happy to be part of that kind of a company culture, that’s the root of all good customer service. Legendary service comes with a heart of serving. We’re selling an experience here as opposed to your typical FBO fuel stop, with a great terminal, a killer restaurant and killer pilot shop. That combination, along with our serving culture, makes it worthwhile for pilots to perhaps land at Fort Lauderdale Executive or drive eight to ten minutes longer rather than go to Fort Lauderdale International.”

**8. Million Air Addison**

Although the past 18 to 24 months have been trying for the business aviation industry, Million Air Addison (Texas) president Jack Hopkins made a decision not to lay off any employees during the recession, according to general manager Jeff Carr. “We cut costs where customers wouldn’t notice,” he explained. “The one goal was that customers wouldn’t notice anything we’d done.”

Business dropped “the typical 30 percent,” Carr reported, mostly

**Top Ten FBO Rankings - 2009 vs 2010**

Ranking	2010	Overall average	2009	Overall average
1	Sugar Land Regional	9.13	Sugar Land Regional	9.09
2	Wilson Air Center (Memphis)	9.09	Wilson Air Center (Memphis)	8.97
3	Tampa International Jet Center	8.97	Pentastar Aviation	8.84
4	AirFlite	8.93	Business Jet Center Dallas	8.75
5	Pentastar Aviation (Michigan)	8.88	Meridian Teterboro	8.74
6	Meridian Teterboro	8.85	AirFlite	8.71
7	Banyan Air Service	8.79	Banyan Air Service	8.65
8	Million Air Addison	8.72	Tampa International Jet Center	8.64
9	Jet Aviation (Palm Beach)	8.69	Million Air Addison/Texas Jet	8.63
10	Business Jet Center Dallas	8.68	Scottsdale Air Center/Enterprise Jet Center	8.60

on the business travel side while personal travel remained strong. "Now it feels like some of the business travel is coming back."

All of the FBO's employees were asked to contribute ideas for cutting costs, but some expenses were necessary, such as a full-time ground support equipment mechanic. "Those are things that we would never try to cut," Carr said. But having that full-time mechanic on staff did make it possible to put off buying new fuel trucks, a significant saving. "All the FBO staff has done a fabulous job," he said.

What helped minimize the effect of the recession was knowing that Hopkins is focused on the long term, according to Carr. Hopkins helped build the FBO in 1984 and more recently oversaw a two-year, \$2 million renovation that was completed about a year ago. The lobby was refurbished, restrooms enlarged and the ramp improved. The Addison facility is a flagship in the Million Air FBO network and features a movie theater room, BMW crew cars, a full exercise facility with lockers and showers, snooze rooms, private executive lounge, pilot lounge and the traditional Million Air hospitality bar.

Carr rose through the ranks at Million Air Addison, beginning in the line department 16 years ago, then becoming line service manager before being promoted to general manager four years ago. "It's a lot of fun building a relationship with customers," he said. "That's the best part of this whole business."

The strategy of no layoffs and maintaining a high level of service has paid off, Carr said. Employees stick around for a long time, including Doug Williams, the first line service technician hired when the doors opened 25 years ago.

Recently, Carr concluded, business at Addison "has steadied, and I think we know what to expect. Last year we didn't know month-to-month, but now it's getting more consistent. It's going to be a slow process to get it back to where it was, but at least the doom and gloom has stopped and people are more optimistic. All is well at Million Air. Things are always looking up; that's how we all come to work every day."

## 9. Jet Aviation Palm Beach

When it comes to business aircraft travel, a seasonal destination such as Palm Beach, Fla., sees big fluctuations in traffic during a recession. Jet Aviation's Palm Beach FBO, a member of the

ExxonMobil Aviat network, has suffered from a decline in vacation travel, while the company's other U.S. FBOs in Teterboro, Bedford (Mass.) and Dallas, which are business destinations, have recently seen increases in

*Continues on next page ►*



*FBOs located in seasonal destinations, such as Palm Beach, Fla., report a steep decline in traffic, as travelers reduce the number of trips they make.*

**AIN**<sup>mx</sup> reports

FREE weekly e-newsletter about aviation maintenance.  
[www.ainonline.com/subscribe](http://www.ainonline.com/subscribe)

► Continued from preceding page

**Top 10 FBOs attribute success to customer service efforts**

traffic, according to senior vice president Norbert Erich, who is also general manager of the Palm Beach FBO.

“The recession is what it is,” he said. Travelers who used to fly to Palm Beach every weekend during South Florida’s busy season from November through April cut back to about once a month, he said. Charter operators were hit particularly hard, and

that market remains depressed.

But being a seasonal operation means that a core group of employees runs the FBO year-round, usually supplemented by extra workers during the busy season. During the recession, Jet Aviation Palm Beach didn’t have



to hire as many people to supplement the core team, and thus the company did not have to downsize. The core team includes veterans who have worked for Jet Aviation Palm Beach for the long haul, some for 10, 15 and 20 years, Erich said.

Jet Aviation Palm Beach has tackled costs in a few different ways. One is to focus on reducing energy use by turning off unneeded lights and installing more high-efficiency fluorescent light bulbs. The FBO also switched to performing more equipment repairs in-house and cutting the number of crew cars during the slower summer months. All those efforts saved about 10 percent of operating costs, Erich said. Money can also be saved by improving safety, and “We had a phenomenal year in terms of safety,” he said.

Erich understands that many customers focus on fuel prices. “Price is important,” he said. “It seems to be a number-one driver, but we as Jet Aviation don’t want to do battle there. The FBO business is still a people business. When [customers] come, they see that there is a difference, and that has to be in service.”

Jet Aviation hasn’t cut back on training and tries to keep it interesting for employees by adding variety with Ritz-Carlton customer service classes to supplement the ExxonMobil PremierCare training program

**Busiest Regions for Business Aviation**

(according to number of responses)

Country	Responses
United States	18,382
Europe	2,786
S. America, Central America & the Caribbean	1,005
Canada	804
Asia Pacific, Far East	339
Mexico	336
Middle East, Africa	280
U.S. Territories	45

Source: AIN 2010 Americas FBO Survey  
 Data compiled by Forecast International of Newtown, Conn.



**Business Jet Center competes with six other FBOs at Dallas Love Field and has retained its market share. The company's facility at Metropolitan Oakland International ranked 33 in this year's survey.**



available to Avitat members.

The Jet Aviation hangars are almost full, Erich said. Although some tenants have reduced their flying hours, they are holding on to their aircraft and staying in their hangars. Fuel volumes at the FBO dropped by 30 to 40 percent compared with 2006 and 2007, but Erich said, "We can be optimistic because the worst is behind us. It's going to get better. I'm optimistic as I look at what the industry has been through."

#### 10. Business Jet Center Dallas

"We've weathered the storm, we hope," said Bill Moltenbrey, director of Business Jet Center, which operates two FBOs (in Dallas and Oakland) and an active charter/management division from its top 10 FBO at Dallas Love Field. The key to staying healthy, he added, was a good hard look at expenses with an eye toward retaining personnel.

Some positions were lost when people left the company and were not replaced. In another case, Business Jet Center contracted with an outside company—Love Detailing—to provide car-washing services for customer cars, a service FBO employees used to provide. The employees who were dedicated to the washing service are now trained as line technicians, but the FBO still provides valet parking, so all line technicians are cross-trained for that as well. "We were able to cut labor costs and give better service," Moltenbrey said.

The company applied this philosophy

to facility staff as well. "In stabilizing our workforce," said manager of FBO operations Jason Pons, "we took a hard look at everything we do." People who did only janitorial or ground support equipment maintenance now help the customer service reps and line service technicians during busy periods. Managers such as Moltenbrey are trained and put to work walking wings, so the FBO's standard of one person on each wing is always maintained. "We're working smarter," Pons said. "That's one thing we don't compromise on; we don't cut safety in any shape or form."

Love Field is extremely competitive, with seven FBOs, but Business Jet Center has managed to gain market share, according to Moltenbrey, "even with the downturn in volumes. [Business] felt really good in January, and February so far has been outstanding, a little ahead of last year." Business Jet Center is the Corporate Aircraft Association-preferred FBO at Love Field.

Pilots are interested in fuel discounts and they do take advantage of the CAA and other discount programs, according to DJ Korzyniewski, manager of concierge services, but they also enjoy some of the Dallas FBO's unique features. There are four different dedicated areas for pilots. On the second floor, pilots are often seen sleeping in the comfortable chairs in the Zero Gravity room or enjoying the massage chairs and aquariums in Tranquility Base. The Diversion Lounge is equipped with a Wii video game system, which "breaks it up

when they're here for hours at a time," said Korzyniewski. For those needing more quiet time, the Crash Pad features freshly made beds and showers.

Another element that has withstood the recession is Business Jet Center's spring and summer cookouts, where customers and visitors are invited to enjoy a buffet of grilled hamburgers and hot dogs. "They seem to enjoy that," Moltenbrey said. □

For a downloadable PDF of the complete report and AIN FBO Survey results go to [www.ainonline.com/resource-center/](http://www.ainonline.com/resource-center/). See the May issue of AIN for the International FBO Report and Survey results.

**AINonline**  
Check out the new look of AINonline.com!