



Value On A Budget

Justification for a Cabin Avionics Upgrade.
by Brian Wilson

The last few years have brought us new insight as we look at our current vehicles, homes and aircraft to seek how we can increase the value of our existing commodities on a limited budget.

Sound economic fundamentals and principles should not just be a doctrine to which only bankers and Wall Street power brokers adhere. Nor would a steadfast old-school investor like Warren Buffet forgo a "valued" investment for the latest hot stock.

In the heyday of 2006-07 we all chased after the latest technology in our homes, the biggest house on the street and the largest, newest aircraft that we could buy, thereby circumventing standard practices and paying premiums for new aircraft slots, just because we could.

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STAY UNDER THE RADAR

Today corporations have tended towards hiding their aircraft at the back of hangars to avoid exposure, and purchases of new aircraft have declined dramatically due to tight credit, exposure to shareholders/media, or the inability to sell the existing aircraft. Currently, larger airframes are selling for 15% below market value.

For these reasons, many owners have, are, or will consider modifying their existing aircraft to have some of the features of a new one. From avionics enhancements and entertainment upgrades that improve productivity, allow the passengers to stay informed and/or arrive relaxed and prepared at their destination, to structural modifications that allow the aircraft to fly further and climb to a cruising altitude and reach destinations faster, thus saving fuel and reducing

refueling stops along the way, naturally there are costs associated with upgrades, but you need to keep your aircraft marketable as the industry will bounce back eventually.

Our particular focus here is on the cabin avionics enhancements that can increase productivity of the cabin occupants.

Since maintenance inspections and other time-life components occur each year, most corporate flight departments allocate money annually for maintenance and avionics, sometimes shifting the percentage of funds when a large inspection is due, engines are in need of overhaul, the aircraft might need to be painted, or other FAA mandated occurrences take place. It may not be a bad opportunity to use monies already approved in the budget to have some upgrades made during the maintenance cycle to enhance in-flight comfort and productivity.

This is also the time to separate the 'wants' from the 'needs' on your wish list. Sure, it would be nice to have the interior refurbished or the aircraft painted, but if you had to substantiate that investment, could you justify the cost? Increased productivity, efficiency, information and preparation: these are terms Corporations and Shareholders can relate to. These benchmarks are the tools of the trade, and how business gets done. They are not 'luxuries' that will be frowned upon.

In August of 2008, London-based Inmarsat Plc launched a third and final satellite from Kazakhstan and now offers Swift BroadBand (SBB) services throughout the world. The size of a London double-decker bus and weighing six tons, the three satellites have completed a series of comprehensive tests and maneuvers, and are strategically positioned to provide

Global coverage.

The data rates when combined with acceleration technology allow passengers to review their emails, access corporate VPNs and surf the web - all with their own personal devices. Important office reports, emails and breaking news can be sent and received whether on the ground waiting to take-off or at 40,000 feet. Presentations and proposals can be viewed on the aircraft's High-Definition monitors or sent to a network printer. Further, pilots can access the latest real-time weather charts and upload flight plans.

Having flown many trips over the last ten years both domestically and internationally, I used to revert to catching up on un-read magazines and books before hurrying to the hotel room to work into the wee small hours of the morning. Now when flying, I can access the company network to work on proposals, research data on the web for articles and sales strategies, and improve my overall productivity. Consequently, I can rest when I reach the hotel, and be far more prepared for my next busy day.

As well as internet and office capabilities, existing entertainment systems can be enhanced to mimic home theaters with limited exposure to the cabin wiring, therefore keeping the upgrade within a reasonable budget. Perhaps you would consider replacing or augmenting the existing system with a Blu-ray Disc player or an iPod interface for video and audio, and even High Definition monitors.

Another cost effective idea might be to add a Jet Juke Box, a compact audio/video hard drive with 500GB of memory - enough to store 100 full-length movies, countless digital pictures and an array of compact disks, thereby saving significant amounts of space with the removal of the existing bulky library of DVDs and CDs.

For those with a little more discretionary money, live television is now more affordable than ever, due to aggressive pricing discounts from some vendors. Whether you fly in the contiguous United States or other selected regions of the world, you can select from a list of over 100 channels of real-time news, financial, sports and entertainment programming.

TESTIMONIAL TO THE ABOVE...

A recent testimonial to the preceding paragraphs came in the form of an upgrade to a Bombardier CL604 whose occupants previously relied on important company reports and news events to be faxed to the aircraft while in flight.

Many of us can confirm that fax transactions to the aircraft are unreliable, slow (due to limited technology) and time consuming. The company that owned the aircraft also had interests in a country recently devastated by a horrific natural disaster. Following the cabin avionics upgrade, not only could those flying in the CL604 watch the latest headline news on the aircraft in real time, they could send and receive important documents on their laptops.

The passengers literally were strategizing their next move while flying to the destination.

Plane Sense on Cabin Avionics



While we hope your passengers do not have to fly to a disaster zone, this scenario could easily play out on any business trip - situations and circumstances change in an instant, to potentially alter the purpose of your visit.

The pilot on board this particular Challenger 604 commented that he could get on with focusing on the aircraft departure, rather than endure the anxiety of waiting for the company reports to arrive via fax before the CEO arrived.

VENDORS READY TO CUT A DEAL

Over the last two years, discretionary money has been almost non-existent, and this has motivated vendors to offer discounted pricing. We are used to seeing prices increase annually and I'm

sure there are vendors increasing pricing - but I have seen discounted package deals and promotions throughout the industry.

Vendors are calling more frequently and inquiring, "what can we do to close a deal?" Now is the time to visit your local Maintenance and Avionics shops and talk about the upgrades you have been thinking about. Pull out those old proposals and ask the shop to re-visit their quotes and pricing.

Most shops will be glad to do this because they are not reducing margin or absorbing cost; all the while, the vendor is reducing their cost.

WRAPPING IT UP

As the Global economy starts to recover this year

and with vendors and outfitters eager for your business, now is the time to perform some upgrades that have been put off the last few years. Perform some modifications that gives your aircraft a new look, makes it more productive and feel more comfortable. After all, corporate aircraft and business go hand-in-hand. And like our jobs, we spend a lot of time there, so we might as well make our aircraft comfortable and useful!

➤ Brian Wilson oversees all activities related to Banyan Air Services' avionics department - including sales promotions, aircraft avionics installations, bench and line troubleshooting, engineering and used

avionics component sales. His avionics career started 30 years ago, when he joined the U.S. Navy as an Avionics Technician. Wilson has also worked at Midcoast Aviation, Raytheon, Bombardier/Learjet and most recently at Jet Aviation in West Palm Beach where he headed the Avionics, Engineering and Interior departments. He also serves on the Rockwell Collins Dealer Board. He can be reached at 954-232-3606 or email bwilson@banyanair.com ■

