



Jay Mesinger is the CEO and Founder of J. Mesinger Corporate Jet Sales, Inc. Additionally, Jay is a Member of the Board of the National Business Aviation Association (NBAA), and the Chairman of the Associate Member Advisory Council (AMAC). He also sits on the Jet Aviation Customer and the Airbus Corporate Jets Business Aviation Advisory Boards. Mr. Mesinger can be contacted at jay@jetsales.com

Risks and Rewards: Tactical Aggression in Today's Resale Market.

From his perspective of decades evaluating the resale market for business aircraft, Jay Mesinger sees prompt action tempered by a modicum of caution as a winning strategy for today's rapidly changing environment.

This month's title deals with two very important concepts. First is the idea of being aggressive in a quickly changing market. Second is the concept of being tactical.

Some participants see markets that are in flux and try to find opportunities for advancement. If we could always operate with hindsight we would never make a false step. Unfortunately we must move forward without the benefits of seeing precisely what lies ahead. This reality means that constantly gathering "intel" to be able to move with confidence and making sound business decisions are required.

To me, moving deliberately is a much better principle to employ when making decisions, especially in today's marketplace that is in so much flux.

Moving aggressively, however, can blind you to obstacles that could yield hugely negative outcomes. Moving deliber-

ately and methodically is much more prudent and is likely to be more successful. (Note: Moving deliberately does not mean you cannot move rapidly once a great opportunity clearly presents itself.)

ANALOGY WITH A DIFFERENCE

"Tactical" is a battlefield term that conjures up the idea of first strikes or small scale actions serving a larger purpose. Adding the element of aggression may be appropriate when seeking to overpower an enemy, but the battle analogy may be dangerous when dealing with a commercial endeavor.

First, do not think of the other side of a business transaction as 'the enemy'. Your counterparty must ultimately be a partner in a transaction. On the battlefield you want to keep yourself



What the Boardroom needs to know about Business Aviation



from being surrounded and overpowered. In the marketplace you just want to be sure you are the best informed player. Once armed with quality intelligence, one must be nimble and capable of moving rapidly when an opportunity arises.

Employing the finest in aviation professionals is key—no different than having the best fighting talent around you when facing battle. These professionals should include tax, legal as well as market resources. Aviation brings about some very particular skill sets, so in-house general counsel and tax strategists can be wonderful team leaders. Their skills, however, should be augmented by specialists with knowledge of Business Aviation. While such team resources may seem like an extra layer of professional expertise, not understanding or overlooking important nuances can be hugely expensive. The aviation market specialist is absolutely critical. There would be no way to identify the real opportunity in a market without his or her layer of skill.

Back to the battlefield analogy, you may misjudge the landscape if you cannot recognize enemy fire from friendly fire, and the consequences could prove disastrous. Frequently people tell me they bought the cheapest deal. I congratulate them on that outcome and ask the follow-up question: “Did you buy the best plane cheap or just the cheapest

plane”. There could be a huge difference.

Whether considering a first time acquisition, adding to your fleet or capitalizing on market dynamics to restructure your flight department, how should you proceed? My advice is:

- Pick the right ‘troops’
- Pull them in close
- Be very clear about the outcome you desire
- Trust the troops you assemble
- March ahead.

Once an opportunity has been identified, have your tax and legal group review the deal and give their input. Mix that tactical input into the big picture and then build the plan, step-by-step to capture the opportunity.

Today’s market can be ripe with opportunities and can yield favorable outcomes. The Board and key internal players can structure a deliverable plan conceived on reality and founded on good business principles.

Do you have any questions or opinions on the above topic?

Get them answered/published in World Aircraft Sales

Magazine. Email feedback to: Jack@avbuyer.com

Business Aviation and the Boardroom continues on Page 54

“ Mix that tactical input into the big picture and then build the plan, step-by-step to capture the opportunity.”



Compare aircraft performance using our

Aircraft Performance Guide at www.AvBuyer.com

And select from the World’s finest Business Jets, Turboprops and Turbine Helicopters for sale