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# What is the same about the Difference?

*The more things change the more they stay the same...*

Jay Mesinger ruminates on the nature of the market for business aircraft in the turbulent years following the financial crisis of 2008.

"Even as aircraft age, as sales territories expand, as regulations become more complex... the very foundational support of our community remains the same."

Six years have elapsed since we encountered the most impactful downturn our industry has ever experienced. Now, as we see the signs of recovery, it is interesting to explore the differences in market characteristics before the downturn, when times were great, and what exists now. What indeed are the differences, and what are the similarities? If we do not recognize both the differences as well as the similarities, we may be misguided as buyers and sellers entering this recovery.

Much has changed. Sales activity has grown in several areas of the world, resulting in changes in fleet composition. Regulations related to avionics differ between regions. Our industry has grown as the boundaries of sales activity have expanded compared with earlier years. Yet the fundamentals have not changed.

## BASICS

The basic foundation of our industry is exactly the same today as it was in the past. The market for aircraft transactions has always been, and will always be a people business. Even as aircraft age, as sales territories expand, as regulations become more complex and airspace becomes more congested, the very foundational support of our community remains the same. People are the key ingredient of our community.

This fact, which is not meant to oversimplify the differences between various phases in market cycles, is great news. Rather than focusing on

aircraft, per se, we should be concentrating on people and their needs. The marketplace consists of people selling other people aircraft, people fixing other people's aircraft, people piloting and managing aircraft—these activities are the cornerstones of our community. The significant reductions in the values and other differences we all experienced during the last six years

continued on page 38



THE WINDS OF CHANGE HAVE NOT SHIFTED THE MARKET FUNDAMENTALS

# What the Boardroom needs to know about Business Aviation



do not affect the wonderful parts of our industry.

As our community emerges from its long downturn, the demand for Business Aviation expands solidly throughout the four corners of the globe. In the 2007 time frame Africa was not as developed a market as it is today. Emerging markets are still emerging. Areas that had started to demand business aircraft after 2004 still show signs of growth. India, China, Russia and the Middle East all continue to be interesting, not just because of their size, but more importantly because of the role that people play in those markets.

New trade associations have emerged in the Middle East and in Africa, reflecting the confidence that regional leaders have in Business Aviation and the positive momentum of the industry's growth globally. Associations created within the regions help foster safety, promote acceptance of business aircraft and improve the flow of information about operating in these regions of the world. Like the community's more mature associations (NBAA in the US and EBAA in Europe), these people-centric groups will help regions expand their use of Business Aviation.

## PRICING AND OTHER DIFFERENCES

Pricing for business aircraft as a result of the downturn presents opportunities. First-time prospects who may have been discouraged by price before the downturn now realize that the benefits of Business Aviation are within their reach. That fact is a positive. With the advent of so many new regulatory authorities in emerging markets, however, there are distinct differences in regulations and requirements for operating in some regions.

As complex as this situation may be, business

leaders and regulators are expanding their knowledge of Business Aviation and growing in capabilities as well. Differences that appear to be obstacles are being overcome.

Looking back and then looking forward, we see many changes that on the surface seem like differences. With greater perspective, however, we see that the people of our industry are continuing to develop the educational as well as communication tools to bridge these apparent differences and instead see them as similarities—indeed as opportunities.

The present period may be the best time in the history of our industry. Now may be an optimum time for companies that were considering Business Aviation to embrace this excellent form of transportation. Providers of Business Aviation offer many options ranging from helping firms establish a flight department to selling charter on an ad hoc basis—there are many ways for a company or entrepreneur to participate in the benefits of Business Aviation.

Remember, Business Aviation is a people business. The community offers knowledgeable people in the areas where expertise is required. Because responsible, dedicated professionals are available, more companies throughout the globe will embrace the use of business aircraft. As we digest the ingredients of our community's recovery from the stress of the last six years, be confident in the value of Business Aviation and the people who facilitate this excellent form of transportation. Get involved and be a positive difference.

**Do you have any questions or opinions on the above topic? Get them answered/published in AvBuyer Magazine. Email feedback to: [Jack@avbuyer.com](mailto:Jack@avbuyer.com)**

*Business Aviation and the Boardroom continues on Page 40*

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