

5 Tools to Effectively Explain Your Flight Department's Value

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Central Hall, Innovation Zone Booth #C9749

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NEXA Has Been A Valued Partner with NBAA in Proving Business Aviation's Importance to Corporate America



Since 2001, NBAA, GAMA and other sponsors have funded 6 studies to examine business aviation's role in the creation of shareholder value

- The Study Series:
 - Provided important confirmation of the tangible benefits that business aviation contributes to corporate America
 - Offered strong and continued value to charter operators, pilot owners, manufacturers and corporate flight departments in the intervening years
 - Periodically produced fresh data and findings to bring new dimensions to the discussion
- In 2017, the latest report is garnering national attention and strong praise from industry and the media



“Importance” vs. “Value” to a Corporation

What’s the difference?

$$U = B = V$$

The UBV Framework



How are business aircraft utilized?

What benefits result from utilization?

How is enterprise value affected?

Our Approach: 3 Methods

- Analyzed performance of the S&P 500 from 2012 – 2016, and compared financial performance of “Users” versus “Non-Users”
- Sample interviewed CEOs and CFOs of Users
- Analyzed “Best of” lists for cross-confirmation

500 companies

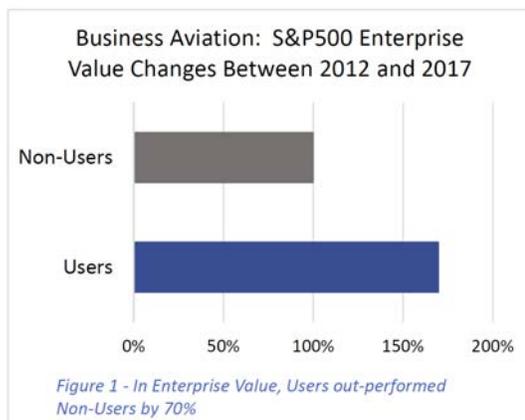
415 sustained listings over entire 5 years

10 industry sectors

367 Users

Business Aircraft Users Outperformed Non-Users

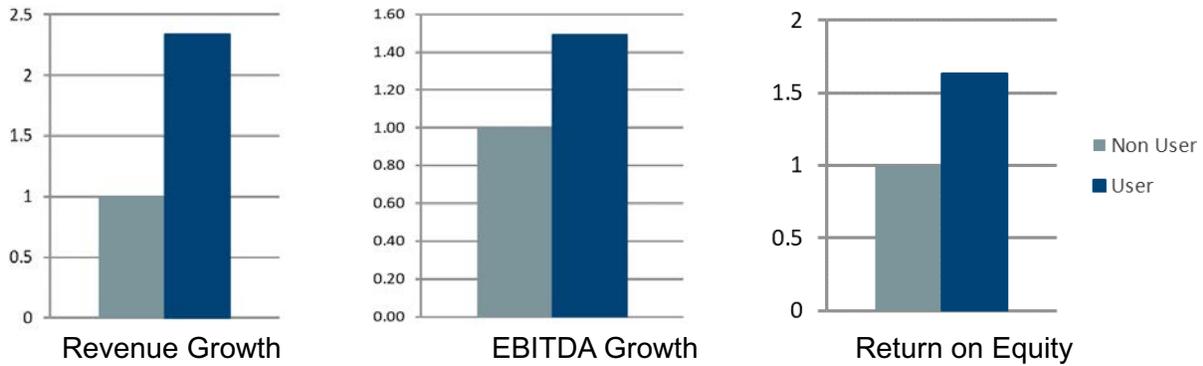
Difference in Enterprise Value from 2012 – 2016 inclusive



In essence, Utilization strategies yield Benefits, which in turn contribute to the key drivers of enterprise Value (UBV) for a company.

Other Indices of Performance

Differences in Performance from 2012 – 2016 Inclusive



S&P 500 “Best of” Performance (Part 1)

50 Top Performing Global Companies <i>Forbes 2017</i> 95%	100 Most Trustworthy <i>Forbes 2017</i> 100%	S&P 500 Top 50 Performers <i>S&P 500 2016</i> 86%	Change the World Top 20 <i>Fortune 2017</i> 95%	100 Best Corporate Citizens <i>The CRO 2017</i> 92%
1 Exxon Mobil	AADN, Inc.	Vertex Pharmaceutical	General Electric	Hasbro, Inc
2 JPMorgan Chase	Alamo Group, Inc.	NRG Energy	Gilead Sciences	Intel Corp.
3 Chevron	Alpha and Omega Semiconductor	Align Technology I	Nike	Microsoft Corporation
4 Apple	American Public Education, Inc.	Activision Blizzard	MasterCard	Altria Group Inc.
5 Microsoft	Apogee Enterprises Inc	Wynn Resorts Limited	United Technologies	Campbell Soup Co.
6 MetLife	Badger Meter, Inc.	Illumina Inc.	First Solar	Cisco Systems, Inc.
7 Intel	Bazaservice Inc	Intuitive Surg Inc	Coca-Cola	Accenture plc
8 Google	Big 5 Sporting Goods Corporation	Centene Corp	Intel	Hormel Foods Corp.
9 Caterpillar	Big Lots, Inc.	Nvidia Corporation	Walmart	Lockheed Martin Corp.
10 Prudential Financial	BJ's Restaurants, Inc.	Paypal Holdings	Bank of America	Ecolab, Inc.
11 Boeing	Boise Cascade Co	Lam Research Corp	PayPal Holdings	Abbott Laboratories
12 American Express	C R Bard Inc	Autodesk Inc	McDonald's	Clorox Co.
13 United Technologies	Casey's General Stores Inc	Red Hat Inc	Salesforce.com	S&P Global Inc
14 Walt Disney	Cato Corp	Boeing Company	CVS Health	DXC Technology (formerly CSC)
15 Abbott Laboratories	Cavco Industries, Inc.	FMJ Corp	Johnson & Johnson	Texas Instruments Inc.
16 United Parcel Service	CenterPoint Energy, Inc.	Adobe Systems Inc	LinkedIn	Johnson Controls Int'l
17 McDonald's	Century Communities Inc	Electronic Arts Inc	Beaton Dickinson	NVIDIA Corp
18 Deere & Co	Childrens Place Inc	Facebook Inc	CVS Health	Adobe Systems Inc.
19 Quilcomm	Cirrus Logic, Inc.	SBA Communications	Gap	General Mills, Inc.
20 Aflac	Citi Trends, Inc.	Micron Technology	Starbucks	Bristol-Myers Squibb Co.
21 EMC	Comfort Systems USA, Inc.	Royal Caribbean Cruises Ltd		Kimberly-Clark Corp.
22 General Dynamics	Convergys Corp	Delphi Automotive Plc		PG&E Corp.
23 FedEx	Cooper-Standard Holdings Inc	Mettler-Toledo		Carnival Corp.
24 Danaher	Covenant Transportation Group	C R Bard		AT&T, Inc.
25 Ebay	Cross, Inc.	S&P Global Inc		Owens Corning
26 NIKE	Daktronics, Inc.	Skyworks Solutions		HP Inc
27 Viacom	Deckers Outdoor Corp	Cerner Corp		Jones Lang LaSalle Inc.
28 PPL	Edwards Lifesciences Corp	Phillips-Van Heusen Corp		Mosaic Company
29 Automatic Data	Entegris Inc	Rockwell Collins		Nike, Inc.
30 Las Vegas Sands	Ethan Allen Interiors Inc.	Moodys's Corp		Coca-Cola Co
31 Cummins	ExService Holdings, Inc.	Broadcom Ltd		Praxair, Inc.
32 Sempra Energy	Five9 Inc	Agilent Technologies		Waste Management, Inc.
33 Omnicom Group	Fluion Therapeutics Inc	Estee Lauder Companies		Southwest Airlines Co
34 TIX Cos	Foundation Medicine Inc	Netflix Inc		PepsiCo Inc
35 Marsh & McLennan	Francesca's Holdings Corp	Salesforce.Com Inc		Symantec Corp.

S&P 500 “Best of” Performance (Part 2)

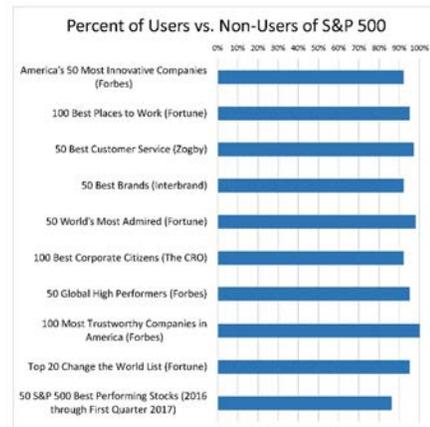
	50 Most Innovative Companies Forbes 2017 92%	100 Best Places to Work Fortune 2017 95%	50 Best Customer Service Zogby 2016 97%	50 Best Brands InterBrand 2017 92%	Worlds 50 Most Admired Fortune 2017 98%
1	Apple	Google	Amazon	Apple	Apple
2	Google	Wegmans Food Markets	Chic-Ri-A	Google	Amazon.com
3	Toyota Motor	The Boston Consulting Group	Apple	Coca-Cola	Starbucks
4	General Electric	Baird	Marriott	Microsoft	Berkshire Hathaway
5	Microsoft	Edward Jones	Samsung Electronics	IBM	Disney
6	Tata Group	Genentech	Sony	Amazon	Alphabet
7	Nintendo	Ultimate Software	Google	GE	General Electric
8	Procter & Gamble	Salesforce	Netflix	McDonald's	Southwest Airlines
9	Sony	Acuity	FedEx	Disney	Facebook
10	Nokia	Quicken Loans	UPS	Intel	Microsoft
11	Amazon.com	Kimley-Horn	Youtube	Facebook	FedEx
12	IBM	KPMG	American Express	Cisco	Nike
13	Research in Motion	Intuit	Hilton	Oracle	Johnson & Johnson
14	BMW	Kimpton Hotels & Restaurants	Starbucks	Nike	Netflix
15	Hewlett-Packard	SAS	Victoria's Secret	Pepsi	Costco
16	Honda Motor	Burns & McDonnell	Costco	Gillette	Coca-Cola
17	Walt Disney	Capital One	Publix	American Express	American Express
18	General Motors	Workday	Bed Bath & Beyond	Pampers	Nordstrom
19	Reliance Industries	Stryker	Southwest	UPS	Procter & Gamble
20	Boeing	CHG Healthcare Services	Discover	Budweiser	Salesforce.com
21	Goldman Sachs Group	Publix Super Markets	Pandora Internet Radio	J.P. Morgan	BMW
22	3M	Camden Property Trust	AutoZone	eBay	JPMorgan Chase
23	Wal-Mart Stores	PwC	State Farm	Ford	3M
24	Target	David Weekley Homes	Nordstrom	Accenture	IBM
25	Facebook	Cooley	Microsoft	Kellogg's	Marriott International
26	Samsung Electronics	Hilton	UnitedHealth Group	Hewlett Packard	USAA
27	AT&T	Veterans United Home Loans	JPMorgan Chase (Card)	HP	Goldman Sachs Group
28	Vigin Group	REI	Trader Joe's	Citi	Whole Foods Market
29	Audi	ET	Kroger	Goldman Sachs	BlackRock
30	McDonald's	Nugget Market	U.S. Postal Service	Boeing	Boeing
31	Daimler	Texas Health Resources	JPMorgan Chase (bank)	Colgate	Delta Air Lines
32	Starbucks	Hyatt	eBay	3M	Home Depot
33	eBay	Marriott International	Barnes and Noble	Visa	Singapore Airlines
34	Verizon Communications	Pinnacle Financial Partners	CVS Caremark	Adobe	Starbucks
35	Cisco Systems	USAA	Dell	Starbucks	Toyota Motor
				Morgan Stanley	UPS

S&P 500 “Best of” -- Media Comments

“... Business aircraft users had a dominant presence, on average of 93 percent, among the most innovative, most admired, best brands, and best places to work, as well as dominating the list of companies strongest in corporate governance and responsibility...”

“... Business aviation is a tool that provides a unique competitive benefit to America’s businesses, manifesting in higher shareholder and enterprise value. In this unique role, business aviation is without substitute...”

“... If the S&P 500 is an indication, America’s Best Run and most principled companies depend upon business aviation for their success...”





Interviews: What Business Aircraft Users Had to Say

"...We have cut time to market for new products..."
CFO, S&P 500 industrial electronics

"...Using our jets, we can accomplish in one 8-hour day what would otherwise take 3 12-hour days using the airlines. Our employees are home at night. They come to work the next day rested and refreshed..."
S&P 500 Cargo executive

"...We carry a wide variety of mid-level managers, sales teams, and professional people to and from plants all over the country. It's all about operating more productively and bringing more dollars to the bottom line for our shareholders..."
Quoted executive

"...Berkshire has been better off by having me in a plane available to go and do deals..."
(Press source) Warren Buffett

"...Business aviation greatly enhanced our ability to expand from a 17 to a 50 state market presence over the last 5 years..."
CFO, S&P 500 executive

"...We paid for our aircraft for an entire year because we were able to respond so quickly to one customer..."

S&P 500 CEO

"...We sell time (as a benefit) to our executives by executing trips in hours instead of days..."
CFO, S&P 500 financial services company

"...Uniform operations across all facilities could only be achieved by deploying quality teams with business aircraft..."
CFO, S&P 500 industrial electronics

"...It costs less to operate the company's shuttle than it does to acquire additional real estate in a high-density city..."
VP Finance, S&P 500 service firm



Interviews: (Part 2)

"...Business aviation provides our company with numerous benefits: time management of our executive base, the security, safety and privacy of conducting our business, and economic growth for our region and business..."
S&P 500 executive

"...We responded to the negative publicity by arming our executives with information regarding operational costs vs. value and time savings so that they can talk about why business aviation is a good deal for them and for the company..."
S&P 500 executive

"...You can't have a productive work day sitting in an airport and on a ramp. We typically see a time savings of 50 to 75 percent on certain trips using business aviation instead of schedule commercial service..."
S&P 500 Senior Executive

"...Our executives use the aircraft to reach meetings they couldn't otherwise attend, (closing deals that) would fund the flight department for years to come..."
CFO, S&P 500 manufacturing company

"...In analyzing the travel history of key executives, we found that due to the complexity of the multi-day trips, the commercial option often is not practical from a time saving and cost perspective..."
Insurance Executive

"...There is tremendous pressure on expenses, whether business aviation or the company Christmas party..."
S&P 500 executive

"...Clearly, business aviation increases the value that our company can deliver to shareholders by maximizing the productivity of our CEO. When he's more productive, he's creating shareholder value..."
Energy executive

Interviews: (Part 3)

"...Our executives spend extra effort to make sure that when they take the business jet the trip is high productivity, with multiple stops in one day and usually six to eight people on board..."

S&P 500 Technology executive

"...We were able to seize control of an overseas market by (using our aircraft) to get our executives on the ground when and where they were needed..."

CFO, S&P 500 consumer products company

"...Keeping the productivity team moving but getting it home for the weekend" and allowed the specialists to "be consistently productive," which "couldn't have happened on a [schedule carrier]..."

Financial Services Executive

"...The Corporate Angel Network enables you to turn an unused seat into a wonderful humanitarian gesture. I think it's a great opportunity for any company with an aircraft and a heart..."

Steven Reinemund, Chairman (Ret'd) PepsiCo

"...The workday can be lengthened without forcing employees to lose time with their families..."

CFO, S&P 500 electronics manufacturer

"...We have the lowest turnover in the industry in our peer group, and our people are telling us that our concern for the efficient use of their time is one reason why..."

Trucking executive

"...Many of our plants and customers are located in regions not served by commercial aviation. Business aviation allows these companies to remain competitive, providing jobs and a tax base for their communities..."

S&P 500 Executive

"...The aircraft (helps us to) increase and protect revenues..."

CFO, S&P 500 pharmaceutical company

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5 Tools (1): NEXA 2017 Report Dissemination

Study finds that, "Business aviation contributes meaningfully to a company's enterprise value, and continues to be a powerful tool of the best-managed companies in America."

- Key audiences:
 - Passengers in the back of the airplane
 - The C Suite: CFO, COO, CFO, CMO each will have a perspective
 - Board of directors
 - Corporate employees up and down the line
 - Airport management and services providers
 - Local community leaders

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5 Tools (2): One Page Seat Back Questionnaire

Capturing value creation as it happens provides regular and fresh inputs that can be passed up the line within monthly performance reports

- Key questions will evolve around matters such as:
 - What the business trip was designed to accomplish (transaction acceleration, marketing, etc.)
 - Elements of cost avoidance and productivity improvement that were noteworthy
 - Notable benefits that were delivered (checklist pulled from U=B=V framework)
 - Advice to the flight department on how it can be more productive
 - How did the trip contribute to enterprise value (checklist pulled from U=B=V framework)

Sample questionnaires available on the No Plane No Gain website

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5 Tools (3): In-House Seminars

Presentations given by the flight department on business aviation and its contribution to shareholder value are novel and interesting, fact based, and can help support flight departments under siege. NBAA/NEXA can also provide seminars.

- The messages communicated follow today's materials closely:
 - Examining business aviation's role in long term corporate performance
 - Highly credible methodologies and findings to support conclusions
 - Leverage opportunities with intangible assets that deliver value
 - Range of tangible and intangible benefits
 - Opinions from CXO suite
 - Opinions from media
- Opportunity to convey good governance aspects of corporate policies surrounding aircraft usage (talk to the CFO). Best practices followed can be part of this dimension.

Sample briefings will be made available on the No Plane No Gain website

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5 Tools (4): Flight Department and Community

Corporate flight departments generally participate in humanitarian missions, yet are reluctant to publicize good deeds for fear of attention.

- In this digital age, shareholders and the public want to see and hear about corporate responsibility in action.
- How to get to “Best Corporate Citizen” has multiple pathways but the stories must be told
- Flight departments must keep the corporate communications team well informed of humanitarian missions and positive outcomes

Sample briefings will be made available on the No Plane No Gain website

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5 Tools (5): Additional Tools in the Toolbox

The No Plane No Gain site is replete with tools to help support flight departments that may from time to time come under pressure.



<https://noplanenogain.org/>

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