

A man in a light blue shirt is seen from the back, looking out over a city skyline at sunset. The sky is filled with warm, golden light and soft clouds. The city buildings are silhouetted against the bright sun, which is low on the horizon. The man's hands are in his pockets, and he appears to be in a contemplative or thoughtful mood.

# CLOSING THE

## *Between Hangar and Headquarters*

Rather than considering themselves an island separate from the rest of the company, flight department managers are finding that participation in a company's activities and planning are essential.

# GAP

**T**he recent economic recession resulted in a major shift in the business aviation department model and an evolution of the role of flight department manager. Flight departments came out of the economic downturn facing a new challenge: how to bridge the gap often seen between the flight department's activities in the hangar and the company's activities at the headquarters office.

Often, the traditional flight department model considered the flight department as separate from company headquarters – in many respects treating the flight department as simply a transportation provider. The new flight department model requires the flight department to function as an integral part of the core business, determining strategy, collecting data and meeting established metrics.

“The global economic recession has changed the business aviation environment dramatically,” said Steve Brechter, senior advisor of operations at Gray Stone Advisors, the Knoxville, TN-based advisory firm that helps business aviation leaders align flight department operations with corporate expectations. “Flight departments used to be protected, highly resourced and off the radar. Now flight departments are out front and center with laser focus from senior corporate executives and shareholders.”

Flight departments should be prepared to demonstrate efficiency and prove that the department is bringing value to the company. It's not enough to present the executive team with city pairs, hours flown and other basic metrics. In many cases, this shift in the successful aviation department model requires the flight department manager to transition from being primarily a pilot to being an asset and business manager.

# CLOSING THE GAP

## Delving Deeper Into Connecting Hangar With Headquarters

The next three issues of *Business Aviation Insider* will help flight department personnel bridge the disconnect between the hangar and headquarters by presenting guidance on the following topics:

### CHOOSE (OR BECOME) A STRONG AVIATION DIRECTOR

The second article in this series will discuss the attributes that make a strong aviation director. For example, some aviation department managers aren't comfortable participating in business discussions, but it is important managers develop skills and increase knowledge to become a valued partner in the organization's business planning.

"Flight departments historically chose management or leadership positions by seniority," said Mike Nichols, NBAA vice president of operational excellence and professional development. "The pilot who has been with the organization the longest ended up being the aviation department manager. But piloting skills and longevity do not ensure a good aviation department manager. Companies should conduct a thorough search to choose an aviation director who will be a successful business partner or invest in human capital improvement for aviation managers currently in place."

This article will focus on choosing a qualified aviation department director or improving your own skills to ensure you become a good aviation department leader.

### BECOME A STRATEGIC PARTNER WITH YOUR COMPANY HEADQUARTERS

The third article in this series will identify common issues in communicating with the executive team at headquarters and will provide guidance to help the flight department become a strategic partner with company headquarters. "Flight departments can't just be viewed as 'airplane drivers,'" said Steve Brechter, senior advisor of operations at Gray Stone Advisors. "Flight department managers have to have a seat at the table for business planning in order to help anticipate the needs of headquarters."

### MANAGE YOUR FLIGHT DEPARTMENT LIKE A BUSINESS

The fourth and final article in this series will provide guidance on how to manage your flight department like a business.

"Flight departments are a business within a business," said Brechter. "Assets must be managed effectively and efficiently. They are capitalized like small- or mid-cap publicly traded companies."

This article will give recommendations on developing data, determining metrics and making a business case for the aviation department.

"Business aviation departments are being asked to play a new role in their company's overall structure," said Nichols. "Flight departments are on the radar now and flight department managers need to become active participants in the strategy of the core business."

“Most flight departments have faced the cost-cutting knife at some point in recent years,” said Dustin Cordier, regional sales manager for Embraer Executive Jets. “A flight department has to prove they have more value than just providing safe transportation.”

### DETERMINING IF YOU ARE DISCONNECTED

How do you know if your flight department is disconnected from headquarters or even perceived to be disconnected? Cordier’s observations of countless flight departments suggest the following characteristics be considered:

- **Where is the aviation office?** Is it in the hangar, away from headquarters, or does the flight department have a fixed location at company headquarters as well? Physical separation from company headquarters can be more than an occasional inconvenience. It can also signal a perceived separation of the flight department from headquarters, or if not indicative of a cultural separation, it can deter communications between the flight department and company executives.
- **To whom does the flight department report?** Is the individual a revenue generator, a security manager or an asset manager?
- **Are aviation department managers invited to all-hands management meetings, or are they treated as separate from the rest of the management team?** Flight department managers should make every attempt to be part of their company’s overall management team.

“A flight department can tell a lot about its perception within the company by considering who they report to,” said Mike Nichols, NBAA’s vice president of operational excellence and professional development. “Is your flight department looked at as an expense on the books, or is it

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**STEVE BRECHTER**, *Senior Advisor of Operations, Gray Stone Advisors*

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considered to be an asset? Flight departments that do not report to a revenue-generating executive should take greater care to track and communicate their alignment with the company’s strategic objectives and how the aviation function adds to the bottom line.”

Cordier emphasized the importance of flight department managers participating in management meetings and events. “Are you tuned into long- and short-term business priorities of the company?” asked Cordier. “Flight departments can’t just be thinking about providing safe transportation for the company personnel or clients. Flight department managers need to ask themselves, ‘How can I come up with new ways for the company to address its business priorities? How does the flight department help the business grow, increase the number of jobs and ultimately improve communities?’”

Brechter notes that not only is the economic landscape changing, but the corporate landscape as well. “Flight departments used to report quite high in the corporate infrastructure, often to the CEO, making them almost a ‘protected species’ in terms of resource allocation, but those days are over,” he said.

Flight departments are now reporting lower in the corporate hierarchy, notes Brechter, and they have to stand in line and vie for scarce resources just like any other corporate entity. “The aviation director of today needs to be really good at making compelling business cases to justify whatever he or she needs,” he declared.

*Be sure to read the next three editions of Business Aviation Insider to learn more about how flight departments can stay connected with headquarters (see sidebar). ❖*