

Why Companies Utilize Business Aviation



Business aviation is defined as the use of a general aviation airplane for a business purpose. It is essential to tens of thousands of companies of all types and sizes in the U.S. that are trying to compete in a marketplace that demands speed, flexibility, efficiency and productivity. The vast majority of these companies – 85% - are small and mid-size businesses, many of which are based in the dozens of markets across the country where the airlines have reduced or eliminated service.

A company's decision to utilize business aviation for any mission depends on a variety of factors, including availability of commercial service in the departing or arrival destinations, the number of sites to be visited in a single day, the number of employees traveling, the need to discuss proprietary matters en route, the need to move specialized equipment and a host of other considerations. The following list details some of the primary reasons companies utilize business aviation as a solution to some of their transportation challenges.

- **Accessing communities with little or no airline service.**

Business aviation serves ten times the number of communities (more than 5,000 airports) served by commercial airlines (about 500 airports) This means business aviation can allow companies to locate plants or facilities in small towns or rural communities with little or no commercial airline service. Since nearly 100 communities have lost airline service in the past year, this is important.

- **Reaching multiple destinations quickly and efficiently.**

Companies that need to reach multiple destinations in a single day may elect to use business aviation, because that type of mission could be hard or impossible to complete with other modes of transportation.

- **Supporting the travel needs of many types of company employees.**

An NBAA survey revealed that 72% of passengers aboard business airplanes are non-executive employees. Companies often send teams of employees to a given destination because it is the most cost-effective means of transport.

- **Moving equipment.**

When companies need to immediately move sensitive or critical equipment, business aviation is often the best solution.

- **Ensuring flexibility.**

Business people don't always know in advance where or when opportunities will present themselves. In today's business environment, companies need to be nimble enough to move quickly. Business aviation provides flexibility for companies that need to ensure employees can respond to changing demands and circumstances.

- **Increasing employee productivity and providing security.**

Business aviation is a productivity tool – when traveling aboard business aircraft, employees can meet, plan and work en route. Business aviation also allows employees to discuss proprietary information in a secure environment and without fear of eavesdropping, industrial espionage or physical threat.

- **Keeping in contact.**

Many aircraft have technologies that allow employees to remain in communication throughout the duration of their flight. This can be critical for companies managing a rapidly changing situation.

- **Providing a return to shareholders.**

Studies have found that businesses which use business aviation as a solution to some of their transportation challenges return more to shareholders than companies in the same industry that do not utilize business aviation.

- **Schedule Predictability.**

Over 3 percent of all commercial airline flights are cancelled. Nearly one quarter are delayed. Today, because of record load factors on commercial airlines, if your flight is cancelled or a delay causes you to miss your connection, the odds of you getting on the next flight are significantly reduced. When the future of a company and its employees is dependent upon you arriving on time, business aviation is an important tool.

Studies



[Business Aviation - An Enterprise Value Perspective](#)

This study, conducted by NEXA Advisors, shows that by a host of measurements, companies using business aviation outperform those without aircraft. According to the study, business aircraft users had a dominant presence, on average of 92 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. The report also finds that business aviation alone is the only asset capable of accelerating strategic transactions and therefore providing a competitive edge to top-performing companies.



[Business Aviation In Today's Economy: A guide to the analysis of business aircraft use...](#)

This study "identifies the range of business aircraft utilization strategies," available to companies, and assesses whether each type of use benefits a company "in the form of greater shareholder value." The study explores the specific benefits business aircraft provide not only to a company's shareholders, but to its employees.



[Business Aircraft Operations: Financial Benefits And Intangible Advantages](#)

Developed by PRC Aviation in 1990, this study determines the cost savings for companies using business aircraft when it is the best alternative to use of the airlines. The study confirms that the advantages of business aircraft use in such situations can help minimize idle periods for employees and help deliver workers to an airport located in close proximity to a business destination, helping make the best use of their time.



[Survey of Companies Using Turbine-Powered General Aviation Aircraft for Business Transport](#)

This survey, completed in 1997, explores the wide variety of benefits general aviation has for businesses across the country. Among other valuable findings, the survey concludes the passengers on business aircraft often include technical staff, middle management and customers.



[1999 NBAA Business Aviation Study by J.D. Power And Associates](#)

This presentation by J.D. Power and Associates investigates the trends in aircraft utilization by organizations.



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