

Activity is in Slow Climb

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FBOs see slow growth in European, Asian and Middle Eastern markets

by Charles Alcock

After a year of jittery one-step-forward-one-step-backwards recovery in 2010, FBOs in Europe generally saw more sustained increases in traffic over the first quarter of 2011. Growth in other international markets outside the Americas was stronger, but in most cases only because it is building on a fairly low foundation.

Compared with one year ago when AIN was preparing last year's special report on international FBOs, the outlook for those in the business aviation handling sector is certainly rosier this spring. The uptick in optimism for this niche business is manifest in a number of FBO acquisitions, partnerships and expansions around the world.

In Europe, FBO managers

reported month-on-month traffic growth of between 5 and 10 percent. Until the first quarter of this year, the recovery still seemed patchy to many, with unpredictable swings in traffic making it harder than ever for handling operations to ensure they were providing the right level of service in a cost-effective way.

Growth rates in Asia and the Middle East have generally been higher, but in most cases that growth reflects the low starting point for business aviation in these locations. Expansion of traffic is certainly fueling FBO growth in these potentially promising regions, but in countries such as China and India at least, the process of rolling out dedicated handling infrastructure for business aircraft is still

far from straightforward.

FBOs are also reporting interesting fluctuations in average sizes of aircraft handled. For example, with more intercontinental traffic from North America, Asia and the Middle East, many European FBOs are seeing growing numbers of larger-cabin jets. At the same time, new-generation light jets, such as Embraer's Phenom 100 and 300, are increasingly being employed in the air-taxi sector.

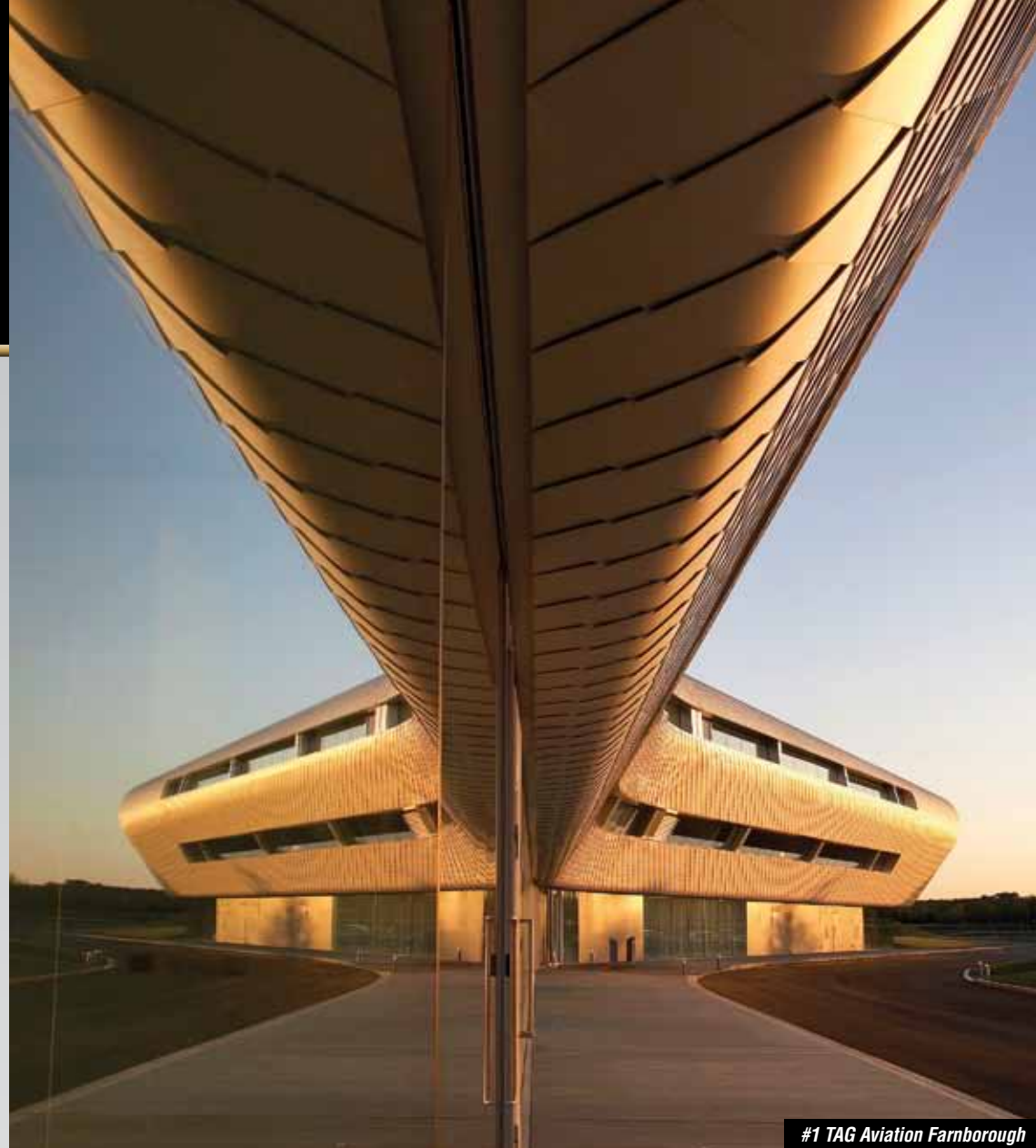
Compared with the withering economic climate FBOs endured in the Northern Hemisphere winter of 2009/10, when many smaller FBOs were being harassed by creditors and

banks unwilling to accept the established seasonal fluctuations of the business, the past few months have been significantly better. But privately, many FBOs are still complaining about cash-flow problems resulting from having to chase too many customers for slow payment of bills. More customers, particularly charter operators, are exerting increased pressure to suppress prices for highly bespoke services, which are by their nature expensive to deliver properly.

Survey High Fliers

The annual AIN survey of international FBOs has once again seen a concentration of the well regarded bases in Europe's busier business aviation airports, but also includes a number of shining stars from farther afield. Managers from these bases give their views in the articles below.

Nearly 30 FBOs received the minimum number of 30 responses required to be included in AIN's annual survey listings (see survey methodology box on page 30). Many of the high-ranked facilities are familiar names from business aviation's busier hubs such as London, Geneva, Paris, Zurich and the French Riviera. Others point to business aviation's future farther east, with high-flying



#1 TAG Aviation Farnborough



#3 Harrods Aviation Luton



For an electronic version of this report, and the complete survey results for the Americas (North, South and Central America as well as the Caribbean and U.S. territories), go to www.ainonline.com/resource-center/.

FBOs now showing up in points east, such as Hong Kong, Dubai, Istanbul and Moscow.

First the anti-climax: TAG Aviation's exceptional London-area private airport at Farnborough has once again topped AIN's poll with an average rating of 8.53. This put it markedly ahead of the number-two ranked FBO, the Hong Kong Business Aviation Centre with a score of 8.18 (see story on FBOs in Asia on page 32).

The London market had four FBOs that achieved AIN's minimum response rate. In addition to TAG Farnborough, there

was Harrods Aviation's facility at Luton Airport (8.05) and its local rival Signature Flight Support (7.54). Below them, with an aggregate score of 6.85, was Biggin Hill Airport's own Executive Aircraft Handling division (6.85), which now competes with two other handling providers—Jet Aviation and newcomer Rizon.

Jet Aviation had a trio from its two dozen facilities worldwide in the published international rankings. Top among these was its five-year-old base at Dubai International Airport, with an average score of 7.79. Close behind it were the Switzerland-based group's Geneva (7.68) and Zurich (7.31) facilities. TAG's Geneva base was just ahead of these last two with an average score of 7.89. Another high-flier in Switzerland was ExecuJet Aviation's Zurich base (7.58).

Signature Flight Support had five of its bases in the top rankings. Foremost among these was its FBO at Munich International Airport in southern Germany (7.91). After its London Luton base came those in Shannon (7.26), Paris Le Bourget (7.24) and Nice-Cote d'Azur (6.79). The Shannon facility, located on Ireland's west coast, is benefitting from the airport's arrangement for the U.S. Customs and Border Protection agency to allow pre-clearance of immigration and customs procedures for flights to the U.S. It is currently the only airport in Europe to offer this provision.

The French capital boasts three other highly ranked FBOs. Dassault Falcon Service topped the local rankings with an average score of 7.77. Close behind was Universal Aviation (7.65) and Landmark Aviation (7.31). The top-rated FBO on France's well heeled Mediterranean coast is Swissport Executive Aviation's facility at Nice-Cote d'Azur (7.47). Along the coast, Cannes-Mandelieu Airport's own handling division scored a 6.33 average.

Italy has two FBOs in the list: Eccelsa General Aviation (7.04), serving Sardinia's exclusive Costa Smeralda; and the Universal Aviation facility at Rome's Ciampino Airport (6.91).

Moving eastwards, at 7.25 Vienna Aircraft Handling scored higher than both of the Italian FBOs. Also in Austria is

Salzburg Airport Services (6.71).

In Turkey, Gozen Air Services (7.08) made it into the full AIN survey listings for its Istanbul Ataturk facility. Close to it in the rankings were Abelag Aviation (7.07) in Brussels and Amsterdam's KLM Jet Centre (7.06). Hamburg's Service People, a former top-rated FBO in the AIN survey, scored 6.62. Despite the growing volume of Russian business aviation traffic, there was only one Moscow-area FBO with more than 30 responses in the survey—Vipport FBO (6.05) at Vnukovo Airport.

The up-and-coming list of international FBOs (see chart on page 32) shows those facilities that garnered between 20 and 29 responses. In some cases, the

leased it from the UK government), has also been cleared to boost annual weekend movements from 5,000 to 8,900 over the same time frame.

This year, TAG will increase the overall movements limit to 31,000 and the weekend limit to 5,500. In 2012, these limits will climb again to 37,000 and 6,500 movements and will then keep increasing gradually through 2019.

The successful appeal ruling came just in time for TAG, which was fast running out of capacity at Farnborough. It also means that the company will no longer have to turn away some weekend traffic.

"It is not just about building a fantastic piece of infrastructure," O'Reilly told AIN when

the way of people wanting to use their aircraft. The facilities were designed with the customer in mind, and our employees have been recruited for that same purpose. Everyone here understands that this is truly a bespoke service and that it is not in any way procedural."

Part of this human touch is a pair of experienced concierges who meet everyone who enters the building, quickly and tactfully addressing their needs. For a British FBO, TAG Farnborough also boasts an impressive array of multi-lingual staff.

This focus goes beyond TAG's iconic Farnborough building. The NATS air traffic controllers who run the private airport's tower under a long-term contract are

supply company to rent a couple of tractors to be deployed to sweep Farnborough's taxiways and runway at short notice. Farnborough was closed for less than one day this past winter.

"We are under no illusion that FBOs at other airports are [not] developing their capabilities and facilities as well," said O'Reilly. "We know that we have to raise the [service] bar every year."

One part of this bar is the new hangar complex that is set to open in September. It is the second of three sets of three-sectioned hangars being built under a plan approved in 2000. This will double Farnborough's hangar space from 120,000 sq ft to 240,000 sq ft, and another 120,000 sq ft is due to be provided in the third phase of the development. The TAG board had delayed the go-ahead for the second hangar with the onset of the economic downturn in 2008, but then opted to advance with its long-term investments in the site.

New Owners, Same Aviation Passion at Harrods

It is now a year since sovereign-wealth fund Qatar Holding acquired the Harrods group for approximately \$2.3 billion. Alongside the company's Harrods department store, Harrods Aviation is a relatively small subsidiary that joined the group in 1995 when the store's former owner, Mohamed Al Fayed, acquired Hunting Business Aviation (then trading as Metro Business Aviation). Last year, there was some concern among Harrods Aviation employees that the company would be losing Al Fayed's personal passion for private aviation, but sales and marketing director Will Holroyd insisted that Qatar Holdings is no less committed and is eager to further advance the Harrods brand in aviation.

At the London-area Luton Airport, the Harrods FBO has been seeing average traffic growth rates of 5 percent over the past 12 months. "We are seeing a slow build-up of traffic again," said Holroyd. "It has been fairly steady and any increase is good."

What's more, the aircraft that the Harrods Luton team has been handling of late have generally been larger, with more

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#4 Signature Flight Support Munich

average scores of these operations were higher than for FBOs in the 30-plus rankings but an insufficient statistical foundation to make it to the top table.

TAG Farnborough Going Strong and Now Unshackled

TAG Aviation Farnborough CEO Brandon O'Reilly was delighted that the facility once again topped AIN's FBO polls. But his delight was probably greater still on hearing another more significant verdict issued earlier this year when the UK government accepted TAG Aviation's appeal against an earlier local government decision to block its proposal to increase annual movements at Farnborough from 28,000 to 50,000 by 2019. The airport, for which TAG now has freehold (having previously

asked for the secret to TAG Farnborough's continued popularity. The house that TAG built at Farnborough is one of the world's most architecturally impressive FBOs. But what really sets the airport apart is the fact that from the day TAG took over its management of the former military base it has been dedicated to serving business aviation traffic and this is reflected in every aspect of the way it is run.

"Its location—within striking distance of a truly world city—makes it a compelling proposition," said O'Reilly. "It was developed specifically with the business aviation customer in mind as a private airport with absolute discretion. Everything is done to ensure speed and efficiency so that nothing gets in

well versed in the particular needs of Farnborough's users. "They understand the tempo and rhythm of a business aviation airport," explained O'Reilly. "Our controllers are used to the idea that our passengers will be ready for an expeditious takeoff within just 15 to 20 minutes of arriving at our front door." This is a marked difference with larger major city hub airports where bizjets have to dance to the beat of an airline-led drummer.

This fundamental difference in attitude also manifested itself this past winter when an exceptional snowfall brought Britain to a halt. Unlike major airports like Heathrow, whose response to the snow was found to be woefully inadequate, the TAG team had thought ahead, making a deal with a local farm



#5 TAG Aviation Geneva



#6 Jet Aviation Dubai

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intercontinental jets in the class of the Bombardier Global Express. This grade of traffic means more work and increased equipment requirements for an FBO, including the need to have tow bars of different dimensions. Of course, larger aircraft do generate larger handling fees and Harrods calculates its rates based on the aircraft's footprint on the ramp, rather than simply weight, because ramp space is a precious commodity.

According to Holroyd, one factor in Harrods' popularity with clients is its insistence on having all its own ground support equipment. "We have invested so that we can be self-supporting and not dependent on third parties for things such as tow bars, toilet and water servicing vehicles," he explained. Harrods has also bought its own de-icing and fuel trucks at both its Luton and London Stansted bases.

Like most FBOs, Harrods has been facing rising costs. Foremost among these, especially in the UK, are increased

security requirements that have seen companies having to buy explosives-detection equipment and train staff to use these devices or search bags manually.

"We can't necessarily pass these costs on to our customers because many of them still want a break on [handling] rates," said Holroyd. "We are firm on this, offering a good price for incredible services."

Harrods' Luton FBO tends to see a high concentration of transatlantic traffic, while the base at Stansted is generally more popular with operators from the Middle East and Far East. Stansted has fewer movements than Luton, but many of the aircraft it handles are the largest class of business jet, and the base also sees a lot of charter flights carrying the UK's top soccer team to games in Europe.

According to Holroyd, the competition that Harrods faces in the London area's rich array of airport and FBO choices has been beneficial in stimulating the best levels of service and commitment from its handling teams. "At

Luton we have two competitors [Signature Flight Support and Ocean Sky], each with a different style of service, and customers notice these differences," he told **AIN**, explaining that having the right levels of staffing available at all times is a key service differentiator.

Engaged Staff and Technology are the Tools of Signature's Trade

At Signature Flight Support, people and technology are the keys to ensuring consistently high levels of service at its more than 100 FBOs around the world. "A common theme for us is a high degree of employee engagement in contributing to customer service," said Joe Gibney, managing director Europe, the Middle East and Africa. What he means by that is that Signature's staff genuinely grasp their personal responsibility to deliver on the service promises the company makes. This might seem like a statement of the obvious but FBO managers have repeatedly told **AIN** how hard it is to recruit

and retain people with this level of commitment and the right personality to meet the rarefied service needs of business aircraft operators and their passengers.

Signature doesn't take employee engagement for granted and has been rolling out an extensive training program over the past 18 months to bolster this. "It starts with the service ethic, our Signature Service Promise, which is our commitment to customers as to how they are going to be treated, that they are going to have fair and competitive pricing, that we will be ramp ready, that we will have clean, modern facilities and a compelling network," Gibney told **AIN**. With the assistance of a five-star hotel chain, Signature launched a training program called Service With a Leading Edge, delivered by a network of regional trainers and also via computer-based courses.

There is an element of cultural relativism to service. In a fine French restaurant, for example, an American guest might feel that the waiters are ignoring him because they don't keep asking him if he wants something every five minutes. The French waiters, meanwhile, feel that this approach gives diners indigestion and so prefer to hover in the wings rather than, as they would see it, hassle their guests with constant interjections and unsolicited advice about the menu. The guest leaves frustrated and the waiters leave without a tip, with neither side understanding what went wrong.

"Excellent service is in the eye of the beholder," said Gibney, acknowledging this factor. "So part of our training does involve making employees aware of what is considered good service among all our customer types."

The past 24 months have also seen a technology drive around the Signature network, with the group introducing a new common customer relationship management system to allow staff at any base to have instant access to information about the preferences of any given client. Signature uses an online survey process to track customer loyalty by location. "We follow up with any customer who indicates he is not satisfied, generally on the same day, and the goal is to make sure that ultimately every customer is satisfied," said Gibney. Over the past few years, Signature claims to have raised its customer satisfaction levels from less than 70 percent to more than 80 percent.

Another recent development for the

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Skynet Puts FBO Pricing Out in the Open

Before the financial crisis in the days of the money-no-object approach to business aviation, the attitude of some FBOs when asked what handling services would cost was a rather snooty, "If you need to ask the price, it's probably not for you, sir." Preposterously inflated prices and widespread inconsistency and lack of transparency were all too common in the industry.

But increasingly operators are watching the pennies and want to know exactly what they are paying and what they are getting for their money. The trouble is that it is still hard to compare prices without contacting FBOs individually.

That's where a new system from start-up company Skynet comes in. The software is intended to allow operators to view real-time pricing for handling at different locations, as well as rates for associated services, such as ground transportation and catering. They can also use the system to book handling directly with FBOs and handling agents, and this is their main motive for signing up.

Skynet managing director Tim Gill explained that the software allows all parties involved in managing a trip to have access to the information they need, to make bookings and to store account information. This covers the aircraft operators themselves, FBO staff, flight planners and third-party service vendors. He claimed it is the only FBO management tool that allows FBOs to upload all real-time prices, and it allows operators to complete a full trip profile, including costs.

"Since the recession profit is king [for aircraft operators] and estimating prices doesn't work anymore," Gill told **AIN**. "In markets where there is no competition [for handling], there is some tendency not to quote prices, but operators are now demanding transparency as there is no longer so much fat on a trip." By implication, FBOs that refuse to post prices will allow operators to draw their own conclusions as to why they will not publish their rates.

Operators and flight planners who are licensed users of Skynet will be

able to create accounts in which they nominate their preferred suppliers at any given location, with specified contracted rates linked to a particular FBO. This should be more efficient for larger companies responsible for significant volumes of traffic through particular locations in that they will not have to specify a particular rate with a particular service provider each and every time one of their aircraft is in town.

Skynet will also display the status of orders for requested services with color coding and confirmation of the agreed rate for each of these. The system can automatically reissue supply orders for these services in the event that a flight's arrival times changes, following an update from the FBO or operator.

The UK company has not yet finalized its complete pricing policy for licenses, with rates depending on the scale of the organization. For example, an FBO chain with 10 sites will pay a fee for each site but an unlimited number of users will be able to log on at each site. FBOs will have the option of paying a larger license fee to build their own online store to market specific services and goods. Eventually third-party service providers, such as local concierges or limousine providers, will pay a small fee for posting their rates.

In the first year, following a free trial period, Gill indicated that a single-site FBO "of a reasonable size" would pay approximately £5,000 (\$8,000). This rate covers training and support, and in the second and subsequent years it would fall to about 25 percent of this (that is, £1,250 per annum). Skynet is also considering a pay-per-use charging option. Skynet is putting together a team of specialists to help initial users set up the system and input pricing data.

Beta testing of Skynet has been under way for nearly three years, with more than 400 users signed up for the free trials. This month, the company expects to announce a major international handling group as a launch customer. Gill said his initial target is to have at least one FBO from each of the 100 most-visited business aviation airports in the Skynet system. —C.A.



#7 Dassault Falcon Service Le Bourget International

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Orlando, Fla.-based group has been to build a global sales organization so that sales teams can be more actively and personally engaged with customers. "We have plenty of technology to assist us, but nothing replaces relationships," said Gibney.

Much of Signature's network is concentrated in the

Americas and Europe. Beyond this the company has an FBO in Cape Town, South Africa, and another in Hong Kong. In recent years, rivals such as Jet Aviation and ExecuJet have made significant strides into the key emerging markets of Asia and the Middle East, and Signature appears to have been reticent to follow.

Gibney refuted the suggestion that Signature risks being left behind and insisted that it will move into these fast-growing markets when it feels the time

is right. He said that Signature's UK-based public company parent, the BBA Group, has given it a mandate to expand through acquisition and organic growth.

Signature recently appointed Karl Bowles a new sales manager for the Middle East. He works out of the Bahrain office of BBA sister company Dallas Airmotive. Meanwhile, Gibney is preparing to relocate to the London area later this year to advance his plans for Signature in Europe, the Middle East and Africa.

TAG Eases the Bizav Squeeze in Geneva

Business aircraft movements have bounced back more quickly at Geneva than at many other European airports. That's the good news. The bad news is that capacity at the Swiss airport, where about 30 percent of traffic falls into this category, is becoming seriously constrained. The airport management is supposedly working on a plan to deal with the squeeze but no one knows when this will be rolled out.

This is the environment in which TAG Aviation's Geneva operations and maintenance manager, Ertürk Yildiz, has to strive to leave no client disappointed. The average size of the aircraft Geneva-based TAG handles is increasing, with more Gulfstreams and Dassault Falcon 7Xs on the FBO's ramp. At the same time, charter operators, in particular, are increasingly using new-generation light jets such as Embraer's Phenoms. While acknowledging that smaller aircraft represent less handling income for not that much less

work on the part of FBOs, Yildiz said that his team serves these customers just as well "because you never know what their next aircraft might be."

TAG and its Geneva clients now have to contend with the need to get prior permission for landing as well as a slot. In busier times, the airport feels obliged to limit aircraft to just one night's overnight stay, with parking a particular problem during major events such as the city's annual car show and Ebace.

But TAG is making the best of Geneva's constraints. Over the past year, it has built a new

claims 50 percent of the market. "It's all about attitude," added Yildiz. "Everything has to be done the right way, and continuity of staff really matters because the clients are demanding." Yildiz requires his staff to study the "What makes a good FBO" and "What makes a bad FBO" sections of AIN's annual surveys to give them a vivid picture of what makes their customers tick.

Being sure he knows what makes his own staff tick and how to get the best from them is arguably the greatest challenge for Yildiz and other FBO managers like him. But increasingly

#8 Jet Aviation Geneva



43,000-sq-ft hangar. This has allowed it to relocate the reception area for maintenance clients from the main section of the FBO to create more space for handling customers. TAG is an authorized service center for both Dassault and Bombardier business aircraft.

By the end of May, TAG intends to open a new 2,150-sq-ft crew rest area on the first floor of the FBO, alongside a pair of conference rooms. It is also remodeling the reception area to create a separation between crew and passengers to cater to their different needs.

But everyone in the business knows that it's not bricks and mortar that set FBOs apart from their peers. "You've got to have the mentality of a five-star hotel," Yildiz told AIN. "The client has the right to expect the best and, within the legal limits, we do everything necessary to ensure that this is what they get. Our competition is always just two meters away, so we need to keep our customers and make them feel good. We want them to feel that nowhere else are they served better than here."

Not so long ago, TAG was one of the smallest handling agents at Geneva, and now it

he also has to resolve headaches imposed on him by the ever-shifting demands of regulators.

Jet Aviation Hangs Tough On Service

"When the going gets tough, it's time to turn to the toughest" is a rough translation of Jet Aviation's mantra, according to the group's senior vice president for MRO and FBO services, Christof Spath. The past couple of years have been rough for those in the business aircraft handling sector, and Spath believes that it is the financially stronger groups that have stayed focused on building their brands and customer relationships that are best placed to emerge from the downturn.

Spath acknowledged that some handling clients are under pressure. "Some charter operators have been badly squeezed [on flight hour rates and operating costs] and they have had to cherry pick FBOs based on cost," he said.

Jet Aviation sets great store by leaving its local FBO managers to establish and maintain the tone of their facilities, to deliver a highly personalized service. "We try to keep our people long-term to ensure that the brand is delivered," Spath explained.

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Rockwell Collins Ascends to Global Support

It is just over a year since Rockwell Collins acquired flight planning group Air Routing International and rebranded the business Ascend Flight Information Solutions. The Houston-based operation has had a lower global profile than rival Universal Weather & Aviation for many years but that could be set to change as its new owner supports efforts to get closer to key emerging markets for business aviation.

According to flight operations manager Matt Pahl, the Ascend team in Texas can support operators around the world at any hour of the day or night. They are supported by regional offices in London, Paris, Moscow and Beijing, as well as a network of more local agents who can provide back-up on the ground in countries such as Thailand, Taiwan and Vietnam. From Pahl's perspective, traffic levels have fluctuated in emerging markets such as Asia and have shown some significant increases over the past six months or so.

"We do now have plans to establish some more operations beyond Houston because some service items require more of a local approach," Pahl told AIN.

The former Air Routing operation has a 30-year pedigree in flight support, employing more than 90 staff in its weather department, as well as 10 flight planning specialists and almost 40 operations personnel. "We have a long training process and a big database covering operations in different regions," explained Pahl.

What the Ascend teams find is that dedicated business aviation support infrastructure generally exists only in countries that are receiving significant and sustained volumes of traffic. "The infrastructure will only improve when this is warranted [by the volume of traffic,] so for now we try to make the best of what there is," said Pahl. "What matters most is not the building but whether there is someone there who can meet the needs of the passengers and crew."

According to Pahl, most handling headaches start before a flight arrives with arrangements for landing and overflight permits, as well as for parking, being exceptionally onerous and confused in countries such as India and China. Managing expectations is a key part of the flight support role, because companies like Rockwell Collins can rarely control all the outcomes.

—C.A.



#9 Universal Aviation Le Bourget International

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"We have to have a training concept in place so that our people have a holistic view of services in connection with our global network."

Despite this, Jet Aviation believes

that the strength of its customer base is founded on loyalty. Spath also believes that the depth and breadth of the group's maintenance capabilities is another key factor in keeping operators coming back to its international bases.

At Geneva, Jet Aviation is close to making final decisions on how to upgrade, expand and re-equip its facility there. Similarly, at Zurich, the company is in talks with the airport about a modernization program

for the business aviation terminal there.

In the Middle East, Jet Aviation has completed the development of its successful FBO at Dubai International Airport. During May it will hold an opening ceremony for its new facility in Jeddah, Saudi Arabia, which complements its established FBO in Riyadh.

One challenge Spath flagged is the real prospect of business aviation traffic being restricted at airports that have little or no way to expand, such as Geneva and Dubai. He indicated that in some respects the recent downturn in traffic has been "healing" for the FBO sector in giving companies some breathing space after a period of utterly frenetic expansion. "We now have growth levels we can cope with and this should be in line with healthy, stable development of the market," he told AIN.

Jet Aviation still harbors ambitions to expand more in the highly promising, but slow to take off, Asia-Pacific market for business aviation. It keeps pressing to have its own FBO at Hong Kong

International Airport, where growth is already constrained.

In mainland China, Jet Aviation has conducted its own internal assessment of growth opportunities there and expects to make an announcement shortly.

Falcons and Other Birds Flock to DFS

You don't have to be flying a Dassault Falcon to get a warm welcome at the French manufacturer's Paris Le Bourget FBO. If for no other reason than the stiff competition among FBOs at what is arguably Europe's leading business aviation gateway, Dassault Falcon Service (DFS) is highly motivated to provide a high standard of service to any brand of jet.

The lounge in the dedicated executive terminal overlooks the facility's own ramp space. The FBO is about to get upgraded with a modernization that will equip the crew rest area with new high-tech armchairs. The exterior of the building is also getting a makeover, featuring a new paint scheme in Dassault colors.

In response to operator demand, DFS is increasing the size of its weekend shift inside the terminal to support customers and is also extending the FBO's hours on Saturdays and Sundays to 6 a.m. to 10 p.m. (from 9 a.m. to 7 p.m.). Ramp staff continue to be available around the clock.

DFS handled 5,186 movements last year, a modest recovery from the recent low point of 5,017 movements in 2009 (which was a drop of more than 2,300 from 7,392 in 2008). The first quarter of this year (typically a quiet period) saw 1,384 movements. DFS managing director Bernard d'Yvoire said this by no means indicates that the business aviation downturn is over, but it does appear to be a promising improvement, especially given the increased prevalence of larger jets in the movement mix. A good proportion of DFS clients are making inter-continental flights.

People Power Meets With Universal Acclaim at Le Bourget

At Paris Le Bourget Airport, the Universal Aviation FBO has been bucking the downward traffic trend, according to the group's country manager for France, Sandrine Jackson. Overall, she indicated that traffic levels there have been rising in the early months of this year, stimulated in part by flights associated with the political upheaval in North Africa and the Middle East.

Despite Le Bourget's importance as one of only a few dedicated business aviation gateways in Europe, it seems extraordinary to some that the airport can support so many FBOs—more than half a dozen at last count. Jackson acknowledged that spreading the handling business this thin does weaken some FBOs but, in her view, it also instills the local market with a real sense of "survival of the fittest" and she views Universal as being firmly among the survivors.

"It's not a question of having the perfect facilities," Jackson told AIN. "Some

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Top International FBOs

Rank	FBO	Airport	City	Line Service	Passenger Amenities	Pilot Services	Facilities	Overall Average
1	TAG Aviation	Farnborough (EGLF)	Farnborough	8.34	8.61	8.38	8.79	8.53
2	Hong Kong Business Aviation Centre	Hong Kong Intl.	Hong Kong	8.23	8.20	8.03	8.28	8.18
3	Harrods Aviation	London Luton (EGGW)	London	8.02	8.26	7.76	8.17	8.05
4	Signature Flight Support	Munich (EDDM)	Munich	8.16	7.84	7.78	7.86	7.91
5	TAG Aviation	Geneva (LSGG)	Geneva	7.90	8.06	7.57	8.04	7.89
6	Jet Aviation	Dubai International (OMDB)	Dubai	7.51	8.12	7.34	8.17	7.79
7	Dassault Falcon Service	Le Bourget International (LFPB)	Paris	7.92	7.88	7.53	7.76	7.77
8	Jet Aviation	Geneva (LSGG)	Geneva	7.80	7.75	7.55	7.62	7.68
9	Universal Aviation	Le Bourget International (LFPB)	Paris	7.96	7.55	7.60	7.47	7.65
10	ExecuJet Switzerland/Aviation Ground Service	Zurich (LSZH)	Zurich	7.42	7.59	7.66	7.63	7.58
11	Signature Flight Support	London Luton (EGGW)	London	7.96	7.43	7.58	7.21	7.54
12	Swissport Executive Aviation	Nice-Cote d'Azur (LFMN)	Nice	7.76	7.38	7.25	7.48	7.47
13	Landmark Aviation	Le Bourget International (LFPB)	Paris	7.95	6.95	7.16	7.19	7.31
13	Jet Aviation	Zurich (LSZH)	Zurich	7.79	7.03	7.40	7.01	7.31
14	Signature Flight Support	Shannon International (EINN)	Shannon	8.35	6.73	7.17	6.70	7.26
15	Vienna Aircraft Handling	Vienna (LOWW)	Vienna	7.26	7.34	7.09	7.32	7.25
16	Signature Flight Support	Le Bourget International (LFPB)	Paris	7.04	7.42	7.01	7.47	7.24
17	Jet Aviation	Basel-Mulhouse (LFSB)	Basel	7.27	6.87	7.17	7.03	7.08
17	Gozen Air Services	Istanbul Ataturk (LTBA)	Istanbul	7.06	7.26	7.10	6.91	7.08
18	Abelag Aviation	Brussels National (EBBR)	Brussels	7.52	6.97	7.00	6.80	7.07
19	KLM Jet Centre	Amsterdam (EHAM)	Amsterdam	7.42	6.89	7.16	6.79	7.06
20	Eccelsa General Aviation	Costa Smerelda (LIEO)	Olbia	6.39	7.92	6.25	7.61	7.04
21	Universal Aviation	Rome Ciampino (LIRA)	Rome	7.42	6.55	7.05	6.61	6.91
22	Biggin Hill Executive Aircraft Handling	London Biggin Hill (EGKB)	London	7.10	6.71	6.87	6.74	6.85
23	Signature Flight Support/Aviapartner	Nice-Cote d'Azur (LFMN)	Nice	6.30	7.08	6.74	7.05	6.79
24	Salzburg Airport Services	Salzburg (LOWW)	Salzburg	7.30	6.43	6.50	6.60	6.71
25	Service People	Hamburg (EDDH)	Hamburg	6.90	6.48	6.63	6.45	6.62
26	Cannes Airport Handling	Cannes-Mandelieu (LFMD)	Cannes	6.26	6.53	5.97	6.55	6.33
27	Vipport FBO/Vnukovo	Moscow Vnukovo (UUWW)	Moscow	6.15	6.81	5.34	5.92	6.05

Compiled by Jane Campbell with data provided by Forecast International of Newtown, Conn.
Shaded area indicates FBOs with an overall of 8.0 or higher
Source: AIN, 2011 Europe, Middle East and Africa FBO Survey. Overall average out of a possible 10.

FBO Survey Rules and Methodology

This report of **AIN's** 2011 FBO survey covers facilities in the Eastern Hemisphere. See last month's report for coverage of FBOs in the Western Hemisphere (the U.S., Canada, Mexico, South and Central America and the Caribbean).

AIN has been conducting surveys asking about the service that FBOs provide their customers and publishing reports of the results from these surveys since 1981. Initially, **AIN** mailed a paper survey questionnaire to qualified subscribers in the U.S. (Qualified subscribers include pilots, flight attendants and dispatchers, the people who use or make arrangements with FBOs.) In later years, qualified subscribers in the rest of North America and Europe were added.

In 2006, **AIN** moved the FBO survey online and engaged Forecast International of Newtown, Conn., to design the survey questionnaire to **AIN's** specifications, administer the survey and tabulate the results. One unexpected benefit of offering the survey online was that survey respondents could add FBOs not already in the questionnaire, making these added FBOs immediately available for other respondents to evaluate. The following year this Web-based survey was expanded to include qualified subscribers throughout the world.

AIN invites all qualified subscribers to participate in the survey via Web site. Each invitee receives a code that must be used to enter the Web site, to prevent individuals from filling out the survey questionnaire more than once. The Web site was open from January 1 to midnight on February 7 for subscribers in the Western Hemisphere and until midnight on February 28 for subscribers in the Eastern Hemisphere.

The survey questionnaire asks readers to evaluate FBOs they have visited in the last year in four categories: line service; passenger amenities; pilot amenities; and facilities. For each of these categories, the participant is asked to assign a number from one to 10, one being the lowest and 10 being the highest.

To arrive at the averages for the categories, each FBO's ratings in each of the four categories are added separately and the resulting sums are then divided by the total number of responses received for each rating.

An FBO's overall average is calculated by adding all the individual category ratings received by that FBO and dividing the resulting sum by the total number of all category ratings received by the FBO. In other words, if a particular FBO was evaluated by

50 people (and assuming that all these 50 evaluators gave that FBO a rating in each of the four categories), then the FBO would receive a total of 200 category ratings. These 200 category ratings are added together and then the sum is divided by 200 to get the overall average for this FBO.

AIN's 2011 FBO Survey By the Numbers

- ▶ Number of FBO evaluations provided by all respondents: 23,452
- ▶ Number of respondents who evaluated at least one FBO: 1,970
- ▶ Number of FBOs evaluated by at least one respondent: 1,718
- ▶ Number of FBOs evaluated by only one respondent: 236
- ▶ Highest number of evaluations received by one FBO (Jet Aviation, Teterboro): 255
- ▶ Number of FBOs that received the requisite number of evaluations (30) to be included in the **AIN** FBO ratings tables: 187
- ▶ Number of FBOs added to the online survey questionnaire by respondents this year: 177
- ▶ Average number of evaluations received per FBO: 13.4
- ▶ Average number of FBOs evaluated per respondent: 11.9

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FBOs have better facilities than ours; the real need is to have the right staff, and it is still difficult to find the right people—dedicated people, with a passion for the job and a willingness to work a lot of hours to get it done.”

So from her perspective, the success of Universal Aviation Paris is in large part the result of its success in keeping the right people on its team. “This builds confidence with our customers who are loyal to individuals who know their preferences like the back of their hands,” said Jackson.

Universal hasn't made any big physical changes at Le Bourget. One new service offering is on-site line maintenance for Bombardier and Gulfstream aircraft operators provided by Jet Aviation through a local partnership with Universal, which has its own hangar there.

Fine handling service isn't cheap to deliver but that's what some aircraft operators want these days. “Prices are mentioned more often these days,” Jackson told **AIN**. “We can consider discounts for volume business, but we do need to pay our staff. Some FBOs will drop their prices quite quickly, but we've never followed them.”

In Jackson's view, one of the biggest headaches for FBO managers these days is trying to pass on costs from new regulations and requirements, such as security, to customers. In some ways she feels some business aircraft operators are a little irrational in this respect. Since airlines routinely share such costs for using commercial airports, like nearby Paris Charles de Gaulle, why would the same principle not apply to business aviation?, she reasons.

Meanwhile, Universal Aviation has just opened its second facility in Spain at Girona Costa-Brava Airport. This provides the company with a base in the Catalonia region at an airport that is conveniently located for nearby resorts. Universal Aviation's main operation in Spain is at Madrid Torrejon

International Airport. The 24/7 operation at Girona can take aircraft as large as the Boeing 777 and features a crew lounge, private access via the main terminal for business aircraft users, wireless Internet access and catering.

ExecuJet Spreads Its Handling Wings

After several quiet years, ExecuJet Aviation seems to be in expansion mode as far as its FBO network is concerned. In February it moved into the Spanish market, taking over the assets and employees of local company Assistair's operation at Valencia. Legally, ExecuJet could not actually acquire the facilities formerly occupied by the Assistair FBO and so instead it has rented new premises on the other side of Valencia's business aviation terminal. According to ExecuJet Europe managing director Cedric Migeon, the real value of Assistair's business lies in its service reputation and the quality of its staff.

In early April ExecuJet also started providing handling on the Spanish island of Ibiza, and Migeon told **AIN** that it is looking to expand in other Spanish locations. Assistair has been in business for 22 years and also has FBOs in Palma on the Spanish island of Mallorca and at Barcelona on the mainland.

Last October, ExecuJet entered into a joint venture with France's Advanced Air Support group to open a refurbished FBO at Paris Le Bourget Airport. It already has other European FBOs at Zurich and Berlin's Schoenefeld Airport, as well as other bases at Johannesburg, Cape Town and Dubai. Migeon indicated that Germany could be another focal point for ExecuJet's FBO expansion plans.

With the aircraft sales side of its business still slow as the recovery in trading remains slow, ExecuJet is consciously placing a stronger emphasis on its FBO operations. “[Running] FBOs is quite a stable business and relatively low risk compared with aircraft operations [ExecuJet is also active in bizjet management and charter],” Migeon told **AIN**. “It is all about customer service and it is a good gateway for selling the ExecuJet brand.”

That must make the Switzerland-based group's Zurich FBO an excellent showcase for the ExecuJet brand,

since it was the company's highest ranked base in the **AIN** survey. Zurich is a busy hub where airliners are king, but ExecuJet's customers benefit from its dedicated ramp with ample space for smaller jets right in front of its building. Larger aircraft can usually drop off passengers at this ramp before repositioning, or ExecuJet collects passengers on arrival before the jets taxi to a remote parking stand.

Also available is a dedicated 19,375-sq-ft hangar right next to the FBO with space for covered parking. This is also where ExecuJet provides line maintenance for the Bombardier Global Express, Challenger 300 and Learjet 45, as well as for the Hawker 4000 and Hawker 125 series.

Last year ExecuJet refurbished its passenger and crew lounges in Zurich to make its customers feel at home in a more private and relaxing environment. The company has also introduced a concierge service based at the FBO's main entrance to help with luggage and car parking and to transport crews to and from airport hotels.

Tough trading conditions have prevented ExecuJet—like many other FBOs—from raising its handling fees since January 2009. However, the company envisions having to introduce a modest increase beginning July 1, 2011, if only to cover inflation.

ExecuJet's European FBO director, Nicole Gut, told **AIN** that generally customers are more price sensitive these days. ExecuJet has been obliged to limit the number of operators who get handling on credit, with all others required to pay with credit cards or cash. It is one of the few FBOs to acknowledge a problem with slow payment of bills by clients, even though several others privately complained to **AIN** that it is taking longer than ever to get paid.

According to Gut, people management is at the heart of running a successful FBO. “It is nice to have a lovely FBO facility, but it is ultimately all about the people working in the FBO, with their attitude, motivation and the pleasure of giving the best service, which makes a really good FBO,” she commented. “My team and I are passionate about the FBO work and try to do our very best to make our customers happy.” □

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#10 ExecuJet Switzerland/Aviation Ground Services

Asian FBO stars are few and far between

by Liz Moscrop

You would not expect to see a VIP step out of a limousine and walk into a shabby burger bar. Unfortunately, the makeshift buildings and rudimentary facilities on offer at airfields in many parts of Asia offer just such a down-market experience.

In addition to the meager accommodation, there are language barriers, as well as difficulties in obtaining crew and passenger visas in a timely manner, often with short-notice flight changes. As we have seen recently in Japan, the region also suffers from extreme events of nature. There can also be doubts about the availability and quality of catering, as well as security concerns for passengers, crew and aircraft.

Against this backdrop, every major FBO provider is looking to the wider Asia-Pacific region, since the geographical spread will account for the world's strongest economic growth in the future. And regional players also are weighing in. For example, Hong Kong- and China-based aircraft management company BAAsia intends to create a full FBO network across China. The company is constructing an FBO

in Tianjin near Beijing, and is planning to develop other facilities. Currently there are few such "VIP" facilities at Chinese airports, but Jeffrey Lowe, director of sales and marketing, told AIN BAAsia will duplicate its Beijing model in other major cities such as Shanghai.

Australia's Hawker Pacific won the franchise to operate the first true FBO in China in Shanghai. The firm secured its Chinese foothold by entering into a joint venture with the Shanghai Airport Authority, which operates the city's two airports. The 40,000-sq-ft FBO at Hongqiao Airport opened in spring 2008 and can handle up to 6,000 movements a year.

Apart from Hawker Pacific's Shanghai operation, the Civil Aviation Administration of China's (CAAC) development of Tianjin Binhai Airport in the Dongli district near Beijing is due to have a major impact. Tianjin Airport Industrial Park lies to the northeast of the airfield, 69 miles away from Beijing, to which it is connected with high-speed rail links. The park is a special economic zone catering to manufacturing,

#2 Hong Kong Business Aviation Centre

logistics, high-tech research and development and international trade. "The airport will be a big development in the near future in China," said Lowe. BAAsia has taken land next to the runway, next door to Airbus. ExecuJet and Jet Aviation have also announced plans for Tianjin, and Lowe added that there is a great deal of interest in the site because many companies believe all business aviation flights into Beijing will be directed there. If this comes to pass then Tianjin is set to be the Chinese capital's answer to New York-area Teterboro or Paris Le Bourget Airport.

China is gradually starting to provide private aviation services. Other airports offering VIP services include Chengdu Shuangliu

International Airport, Guangzhou Baiyun Airport, Shenzhen Airport Feiyue VIP Club, Dalian Airport and Huangzhou Xiaoshan International Airport.

Hong Kong

Hong Kong is home to the region's flagship FBO. The Hong Kong Business Aviation Centre (HKBAC) provides support facilities for owners, operators and charter companies. In addition, it offers aircraft refueling, ground handling, passenger services and aircraft hangarage. With 24/7 service it is the most convenient and centrally located arrival and departure point for destinations in Mainland China, Asia and beyond. Jet Aviation and TAG Asia are tenants, as is local maintenance provider Metrojet, which has a hangar on site, housing a \$9 million inventory of Gulfstream parts.

Philippines

Hangar space is at a premium in the region, so Metrojet plans to invest \$40 million in a seven-acre MRO facility inside the Clark Airport Complex in Pampanga. The company will start construction in June and operations by year-end. Secretary Ramon Carandang of the Philippines Presidential Communications Development and Strategic Planning Office believes that the initiative will help bring his country back into the international aviation fold.

Singapore and Malaysia

Hong Kong has strong competition from Singapore's Seletar, which is attempting to position itself as the region's premier aerospace center. In May 2006, the Singapore Government, together with the Economic Development Board and JTC Corp., unveiled a plan for

a new S\$60 million aerospace park. Slated for completion in 2018, the park will create 10,000 jobs and double the output of the country's fast-growing aerospace sector, from 2006's record of S\$6.3 billion.

Jet Aviation is there, as are Hawker Pacific and ExecuJet, whose 30,000-sq-ft hangar offers operational and maintenance support to several regional Gulfstream and Bombardier aircraft and is the company's first foray into the region.

Subang Skypark means to emulate Seletar's success at Subang Airport in the Malaysian capital Kuala Lumpur. Infrastructure there includes a new FBO facility, offering VIP lounges, meeting rooms and food and beverage services. Other support includes aircraft and ground services, on-site customs and immigration facilities, and dedicated crew amenities and concierge services, as well as MRO facilities.

In Asia, large global flight planning organizations rely heavily on sophisticated local ground handling and flight planning teams. These teams are essential in airports with little or no infrastructure, such as Hanoi and Cambodia, which, for example, will ground aircraft that do not have enough cash to pay for refueling. "A good ground handler will provide aircraft security and arrange permits, as well as pay for fuel and concierge services," said Hong Kong-based ASA Group CEO Simon Wagstaff.

FBO development in Asia is still in its infancy, but it is apparent that there is growing competition in the region, especially in popular destination airports. This will raise the game across the field, transforming the burger-bar experience into breakfast at Tiffany's. □

Up-and-Coming International FBOs*

FBO	Airport	City	Total Responses
Mallorcair	Palma de Mallorca (LEPA)	Palma de Mallorca	28
Signature Flight Support	Dublin (EIDW)	Dublin	24
Gozen Air Services	Istanbul Sabiha Gokcen (LTFJ)	Istanbul	24
Jet Aviation	King Khaled International (OERK)	Riyadh	24
Abelair Aviation	Larnaca (LCLK)	Larnaca	24
JetEx Flight Support (formerly Flying Group)	Le Bourget International (LFPB)	Paris	23
Jet Aviation	King Abdul Aziz International (OEJN)	Jeddah	23
Fraport Executive Aviation	Frankfurt Main (EDDF)	Frankfurt	23
Signature Flight Support	Athens International (LGAV)	Athens	23
Gestair	Girona-Barcelona (LEBL)	Barcelona	23
Save General Aviation	Venice (LIPZ)	Venice	23
Grafair Jet Centre	Bromma (ESSB)	Stockholm	22
Signature Flight Support	Hong Kong International (VHHH)	Hong Kong	22
Hawker Pacific	Kingsford Smith (YSSY)	Sydney	22
KLM Jet Centre	Rotterdam (EHRD)	Rotterdam	22
Airport Authorities	Samedan (LSZS)	Samedan	21
Ali Transporti Aerei	Milan Linate (LIML)	Milan	21
London City Airport Jet Centre	London City (EGLC)	London	20
Jet Aviation	Dusseldorf (EDDL)	Dusseldorf	20
ExecuJet FBO	Dubai International (OMDB)	Dubai	20
Sky Services+A34	Milan Linate (LIML)	Milan	20
Pulkovo Aircraft Services	Pulkovo (ULLI)	St. Petersburg	20

*FBOs that received 20 to 29 responses. Thirty responses were required for an FBO to be listed in the FBO survey results. Compiled by Jane Campbell with data provided by Forecast International of Newtown, Conn. Source: AIN, 2011 Europe, Middle East and Africa FBO Survey