

Do I Really Need a Buyer's Agent?

A read an article some time ago about a non aviation business owner who realized that using a private aircraft could help his business be more effective. He found that during customer visits it was more convenient to fly into the local airport and rent a car than using the commercial carriers. In one instance, his company was bidding for a particular job and he noticed upon entering this customer's front office that his competitors had a "rumped" appearance since the closest commercial airport was over 100 miles away and these individuals had to spend the night in a local motel in order to make the 9:00 AM meeting. During his presentation, the customer said he liked what he saw but would be interested in a first hand examination of his company's work (he was a commercial builder). "No problem", was his reply and they drove to the airport for a quick trip to see several completed jobs and then returned before the end of the day. Needless to say, the availability and use of a private aircraft helped his company win the bid.

Now, imagine for a moment that you are a small business owner and you have come to realize the importance and utility that aircraft ownership can make to *your* business. You have probably come to realize that the typical security line at the airport and two hour wait on each end is not the best way to spend your time or your schedule simply does not match that of the airlines. Of course, the commercial carriers may not land anywhere close to your destination resulting in more driving time than you would like – as in the example above. You have probably discussed the need for a private aircraft with a trusted friend or even a good pilot but quite frankly you would not know the difference between a good aircraft and a bad one without some guidance. How do you get started, who do you trust and what do you do?

This is the situation I was presented with a few months ago by a customer of mine. He lives on the Virginia Coast and was planning on doing business in costal North Carolina. For those readers not familiar with the Virginia/North Carolina costal area, you should pull out a road map and think about the driving distance and ferry schedules to get an idea of the time and hassle involved in driving from say Virginia Beach to Moorehead City - it is not an easy or quick trip. Commercial air service is not really an option since the commercial airports are not located close enough to his destination and really would not be time efficient. A General Aviation Aircraft could make the flight in about an hour or so thereby making business dealings more efficient - certainly something that could be done in a normal day. My mission was to help this customer find the right aircraft that would meet his needs and his budget.

We began our relationship by discussing the advantages of using this service and the related fees. As a Buyer's Agent, I want to be as fair as possible about my pricing – both to me and my customer. I have seen some individuals base their pricing on a per hour rate or on the projected value of the aircraft. My

personal opinion is that both methods can lead to questionable accounting and customer dissatisfaction somewhere along the way. My approach bases the fees on the type of aircraft under consideration – regardless of the time involved, the number of aircraft examined or the value of the aircraft. In this particular case, the desired aircraft would be a single engine high-performance model and we started our discussion about the pilot's experience level, the typical missions to be flown and the customer's budget for the aircraft purchase. Based on these and other factors, we decided that a Cessna 182 would be the best choice in this particular situation because it met the customer's needs regarding performance and price and the pilot had experience flying Cessna 182s. I also understood that this customer wanted to keep the aircraft for a few years and then trade up to something along the lines of a Piper Saratoga. Therefore, he was looking for an aircraft that he could begin using immediately. Once we reached agreement on the terms and conditions of this project, our hunt was on!

I like to think of this service as a true partnership built on trust that provides value to my customers since they do not have to go through the time and hassle of looking at multiple aircraft, reading between the lines of various ads, contacting the owners and then traveling to the aircraft's location only to find that it is not *exactly* as advertised. Instead, the customer can focus on their normal day to day activities and leave most of that hassle for me to wade through. This service also tends to remove the buyer's frustration and emotion out the process since I, as an unbiased party, provide feedback about their stated requirements versus the aircraft under consideration and let them make the decisions based on this information. I use a variety of sources when looking for candidate aircraft and as I perform this search, I try to find those aircraft that are in "above average" condition, priced fairly and honestly represented. I then present my findings and recommendations to my customer before proceeding further or traveling to the aircraft's location for the on site examination. On occasion when my customer runs across an aircraft that look interesting, we discuss these aircraft in relation to the customer's stated needs and determine if it is truly a good candidate and how to best proceed.

When I get to the site, I perform a physical examination of the aircraft and related records and provide an NAAA Certified Appraisal Report to my customer which is used to determine if an offer should be made and for how much. In our search for a good 182, I made several visits across the Southeast and was surprised to find how many good 182s there were out there. Many of these could not be considered because they ultimately did not meet my customer's needs in one respect or another and in some cases the customer hesitated in "pulling the trigger" on the purchase and lost his opportunity. I also ran across one case where the owner had reduced his price to a more reasonable level and it was a good aircraft but not quite in line with his asking price – but not unreasonably high either. An offer was made which was somewhat more than the appraised value but the owner would not budge from his asking price. The appraisal report helped us make quick, solid decisions based on the facts about the aircraft and

we knew what a reasonable offer had been made for this specific aircraft. As I write this article, that particular aircraft is still for sale several months later and the seller raised his asking price to its previous level – go figure! I can only guess that he really did not want to sell his aircraft or did not know what his aircraft was actually worth.

The aircraft we finally purchased was advertised by a dealer and the pricing was very much in line with the ad. We had put this aircraft on our list some time ago but it was placed on lower priority because we both believed that we could find a good 182 that was reasonably priced on the East Coast and this particular aircraft was out West. When I looked at the aircraft, I found it to be exceptional in many areas and I knew that this was a good candidate. The airframe itself had no obvious blemishes and although the paint was original and over 20 years old it still had a good gloss without any chipping or peeling. The avionics stack was also in line with the customer's stated requirements and the interior looked like it had not been used very much at all. This aircraft actually appraised slightly higher than the asking price which is unusual but we had good data with which to make an offer. Our offer was reasonable and immediately accepted and we began the purchasing process.

At this point I always request that the customer make arrangements to travel to the aircraft's location to perform their own examination and test flight. In parallel with this activity, I am also negotiating the details of the purchase agreement and obtaining a title search with copies of all 337s on file. If needed, I also work with a local shop to perform the prepurchase inspection. In this particular instance, my customer was unable to travel to the aircraft's location. As I indicated earlier, this relationship is built on trust and in this situation, my customer felt fine with my recommendations and judgment calls regarding this aircraft. He had an NAAA Certified Appraisal Report in hand as well as a purchase agreement that was fair to both parties and it had the appropriate exit clauses so that he could back out of the deal without losing his money if it became necessary. When the positive prepurchase inspection came in, the only thing left to do was sign the necessary papers and begin filing documents with the FAA.

Now at this point some pilots and aircraft owners may be shaking their heads and thinking that the purchase of an aircraft without looking at it is extremely risky – and they would have a reason to be concerned. However, this concern is typically based on the premise that very little detail is readily available from the agent in the field. In my case, my customer had a very detailed report with photos that left very little to speculation. This report, along with the prepurchase inspection and continuous communication with the customer allowed him to make intelligent and informed decisions without having to make guesses or “fill in the blanks”. I always believe that the customer should fly the aircraft before making the final decision but sometimes that is not possible – as in this situation.

I also believe that the best proof is of a job well done is the customer's reaction and feedback. When this aircraft was delivered to my customer and his pilot had a chance to fly it, I contacted him to see how things were going. Both the pilot and owner indicated they were extremely satisfied with the aircraft itself and the process used to purchase it. Overall, he indicated that the pilot genuinely enjoys flying this aircraft and feels that his company certainly got their money's worth.

Is a service like this really valuable? It depends. Some people enjoy going to the local marketplace and fighting with customers over a particular product and then arguing over price. Sometimes they win and sometimes they lose (both on price and product quality). Others would prefer going to a store, selecting the product that meets their needs as well as their budget and paying the clerk at check out without any hassle. If you have the time, energy and patience needed to look for aircraft then you may feel that this type of service is frivolous. On the other hand if you would like ensure you are getting the right aircraft at the right price without the hassle, then a service like this most likely would have a great deal of value to you. The question is - what type of buyer are you and do you really have the time and money to invest in the procurement of an aircraft yourself?