



## The TOOL BOX Series

### *Survival Guides for the Corporate Aviator*

## Creating Value

*“Do YOU Know Who Moved Your ‘Jet Fuel’, i.e., Cheese?”*

The World has changed for all of us involved with Business Aviation – Owners, Pilots, Cabin Managers, Technicians, Passengers and, of course, AVIATION LEADERS.

In fact, it's a New World. Will YOU have a place in it? Have you EARNED the right to LEAD in AVIATION? Are you prepared to lead in today's market and every day moving forward? Are your business skills and leadership practices 'reality-based' or focused on a sense of 'entitlement'? Take a moment for a great, quick read – “Who Moved Your Cheese” by Spencer Johnson and Ken Blanchard. This modest book will reset our paradigm!

### **A new economic environment**

The slate is clean, so to speak. We are starting anew in a totally different economic environment. For those of us in Business Aviation, the slate may not be clean – the score could be negative. How many business and economic surprises did you face last year? Were you caught off guard by what happened to the 'Detroit Three' in December 2008? It's easy to feel somewhat behind the 'Eight Ball'. And, while some folks are complacent and state 'oh well, what can I do??' others truly raise the question, “What **can** I do?” Sadly, many choose to stay in limbo, on the fence. Afraid to make a decision.

It's time to face reality. Stare it in the eye. You'll discover you **do** have choices. In fact, you have many choices. And the faster you develop a 'reality-based' focus, the

healthier you and your organization will be.

Over the past few years, Business Aviation enjoyed growth and success; a profitable period that provided a forgiving cushion for many companies. You could sit back and relax while earnings soared. Not now! Today, you need to evaluate your skills, your business, your personnel, your revenue, your cash flow, your margins. You can sit back and hope the situation improves. Do nothing – and it's highly probable that you – and your organization – will make an unscheduled landing!

### **Succeeding as a Business Aviation Leader**

If, on the other hand, you wish to succeed as a Business Aviation Leader, then you need to fine tune your Leadership Skills, develop a keen sense of Vision, muster up the Courage to implement a 'whatever it takes' culture to affect a successful renewal and prepare for 'reality-based' Analysis & Action.

In this series, **Survival Guides for The Corporate Aviator**, we will offer you some helpful tools and resources. Granted, none of this is 'rocket science'. We are talking about the basic building blocks of a high performance, service-driven, and safety-oriented organization with a high performance culture that rewards success.

### **The Importance of Creating Value**

This position paper deals with the Creation of Value. We create value by knowing 'what's important to the organization?', 'to whom is it important?' and 'why is it important?' These are questions that you and your team should ponder, answer and respond to each and every day.

### **Let's start with a couple of basic questions:**

From a reality-based perspective – “what are the unique and distinctive qualities, skills, and abilities that you bring to your host organization and its members?” What would your company's key decision makers, opinion influencers and most frequent travelers say if asked, “How does Business Aviation create the greatest value for you?”

Question number 1 is directly related to your individual success. Question number 2 is directly related to your organization's success. Have you asked and answered these important questions? You and your entire team had better know the answer to both questions, and clearly understand all of the answer's implications.

### **Value.**

It is what your host organization and the organization's stakeholders are willing to pay, in the form of a premium, to obtain and retain the services that you offer. The larger the premium paid, over available alternatives, the higher the value indicator (while not always the case, that's the way it's supposed to be!). In other words, the more you are paid, the more you had better be worth. How is your worth be measured? When someone looks at your department's budget or year-to-date expenses, a value judgment will be made. It's your job, as the department's leader, to ensure that the value judgment is positive and that it validates your worth.

### **Is Your Value Focus Reality-Based?**

We have enjoyed the privilege of working with many Business Aviation Flight Operations. A noticeable and disturbing trend has surfaced in several assignments - the Value Focus is not reality-based; it has become introspective. That is, Business Aviation department's leadership determined that they could arbitrarily assign a 'Value' measurement. The metrics they used to determine 'Value' related more to internal department activity than anything else. We viewed reports about hours or miles flown, fuel consumed or price per gallon paid, number of days per month the aircraft was utilized, hours of maintenance per flight hour, and so forth. Yes, these statistics are important. The question is ..... To whom?

We also enjoy the pleasure of spending a significant amount of time with the Senior Executives of some of the world's leading for-profit and not-for-profit organizations. We commonly get around to discussing the pros and cons of Business Aviation and which 'flavor', or combination of 'flavors, suits them and their requirements best - full ownership, co-ownership, fractional share, jet card or charter. One of the most

interesting findings in our research is that there is absolutely no consensus on this topic. And therein lays a HUGE OPPORTUNITY for you!

### **How does business aviation create value for your client?**

So, let's go back to Question 2 – “How does Business Aviation create the greatest value for your clients?” You may have to probe a little to get the ‘reality-based answer’. From time to time, we receive ‘ear candy’ responses, so take the time to gently press for the real answer. When you are getting close to the ‘real answer’, you will likely hear passion in the voice accompanied by demonstrable body language. Here's an essential tip..... Do not judge whether the answer you receive is right or wrong, acceptable or not acceptable. Rather, accept it for what it is – A statement of what he/she is ‘buying’, what's valuable, and what's worth more than the less expensive alternatives.

### **Reality-based value sets the course for victory.**

This knowledge provides you with a TREMENDOUS COMPETITIVE ADVANTAGE. You now possess ‘reality-based’ information as to what your customer (read that as your Host Organization) wants to buy! If your messaging and operational focus are based on what YOU and OTHERS in your company thought your customer wanted, you may need to re-structure your culture and your operations to provide your client (Host Organization) what he/she values and what he/she is willing to buy, at an acceptable cost. By arming yourself with ‘reality-based’ value, your department will be successful.

### **Your first challenge on the course.....**

Your first challenge ... “Given that we now know how VALUE is defined by those who are willing to pay for it, how can we systematically and sustainably CREATE IT?” Answer: You and your team can use the SUCCESS TARGET that has been clearly defined by the person who will evaluate your success and pay for it! How cool is that!

Let's look at a couple of examples. Perhaps the answer to the question, “How does Business Aviation create the greatest value for you?” is answered with .... “The aircraft

creates more usable time for me to focus, for an uninterrupted period, on the particularly intractable issues within my company.”

What can you and your organization do to create a ‘Raving Fan’ each and every time that the individual is aboard the aircraft? Grab a big sheet of paper, assemble your team and begin brainstorming. Keep the rules simple – all ideas are welcome! Ideas will come fast and furiously. Capture all of them – the good, the bad, and the ugly – debate validity later. Capture your team’s ideas right now!

Next, as a **Team**, pick the Top 5 ideas. Take some time to develop each idea, i.e., define how you and your team will implement each aspect of the idea. Use the RUMBA tool when vetting these ideas.

In case you are unfamiliar with **RUMBA**, it is a Peter Ducker assessment acronym. Here’s a quick recap. As you consider each idea, question if its:

**R** **Realizable** – You have to actually be able to do it. The Idea must be realistic and practical.

**U** **Understandable** – Everyone on your team must ‘get it’. This will generate a shared understanding and common purpose (alignment) within your team.

**M** **Measurable** – You must have ways to determine if the implementation of this ‘Idea’ is having the desired effect. In Corporate Language, these ‘determinations’ are called ‘Metrics’. Key Tip – Involve the person who defined ‘Value Creation’ in the validation of your measurement criteria.

**B** **Behavioral** – Everyone who is involved with the implementation and continuous execution of this idea must ‘get it’ and ‘support it’, at the visceral level. This is not an ‘idea of the week’. This is a permanent change to your operational protocol. Interestingly enough, watch for Behavioral Changes in your Key Travelers. When the ideas are properly implemented, your client will notice the change/improvement and will likely comment upon it. If they don’t, seek their input in order to assess what’s working and what’s not. Then, ADJUST!

**A** **Agreed Upon** – Once the Top 5 Ideas have been implemented, have that ‘How Goes It’ chat with your most influential travelers to solicit agreement that significant additional VALUE HAS BEEN CREATED! When you hear them saying, “Yes, this is REALLY WORTH a lot more than we are paying”, you and your entire Business Aviation Team are creating and delivering VALUE.

**Timing is critical.**

This position paper provides a quick outline of the Value Creation process. Timing is critical - start the Value Definition & Creation process right now! If you don't, someone else will, and you, and your organization, will likely be left behind.

The world of Business Aviation has changed; it will continue to change, faster now than ever before. It's up to Business Aviation Leaders to maintain a strong market position by understanding and creating value. Change creates OPPORTUNITY for those of us who are willing to take the initiative to tackle the challenges.

Explore the path to Value Creation for you, your team and your Host Organization. It's not a well-traveled path; too many leaders do not take the time to understand their strategic core competencies and their organization's 'reality-based' value. Don't miss this competitive advantage.

**Value must be created every day!**

What you and your team did yesterday is 'old news'. Value must be created each & every day. You owe it to yourself, your organization and your clients.



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