



BEST PRACTICES:
MANAGING AN AIRCRAFT MANAGEMENT COMPANY
5 SCENARIOS THAT COULD COST YOU MONEY, AND IMPACT SAFETY

1

How qualified is this aircraft management company to adapt to the changing needs of my business and the marketplace?

2

Am I paying fair prices and flying with an operator focused on passenger and aircraft safety?

Information is power and provides protection. Following are a series of conceivable scenarios to consider when negotiating with an aircraft management company.

- 1. Market Fluctuations** – The aviation market is a fluid, constantly evolving industry. Changes in aviation fuel prices, charter rates, hangar costs, and staffing fees occur often, meaning you may pay more than necessary for aircraft management services.
- 2. Management Changes** – Even a seemingly small change in an aircraft management company’s senior leadership team can directly impact the operator’s attention to safety and performance.
- 3. Company Growth** – Growth in an aircraft management company can benefit an individual aircraft owner i.e., increased resources, better buying power, but if the growth isn’t properly managed, it can significantly affect your service level, and potentially compromise the

safety of all passengers.

4. **Changing Service Needs** – Were you a domestic flier who now has international needs? Are you buying a larger or more complex aircraft? Don't assume your current aircraft management company has the expertise to satisfy your new needs.
5. **Length of Contract** – If you signed the original management agreement years ago and give renewal notices a cursory read, now is the time for a more in-depth review of the business arrangement and the company's commitment to safety and quality.



If any of the above situations sound familiar, consider conducting a thorough review of your management company. Focus on the company's contract terms and invoicing practices. In many cases, an on-site review of operations and safety practices is also appropriate and recommended. Reviewing your aircraft management company every two to three years can help ensure you receive favorable pricing and a safe flight experience. A legal advisor with qualified aviation experience can help you navigate the process.

For more information, contact www.jetlaw.com.

Kent S. Jackson is a partner with the law firm of Jackson & Wade, L.L.C. and counsels clients on the acquisition, financing and operation of corporate jets operated under Part 91 and Part 135 of the Federal Aviation Regulations. Jackson & Wade, L.L.C. can be found at www.jetlaw.com.