



DUNCAN
AVIATION



AIRCRAFT SALES & ACQUISITIONS

CASE STUDY

It's All About The Data
And Duncan Aviation Has It

Duncan Aviation's Aircraft Sales and Acquisitions team has been in the business of helping clients locate, buy and sell aircraft for more than 60 years. The eight-member team is backed by Duncan Aviation's full aircraft service resources, which include 2,233 technical and aviation experts at service centers and offices located worldwide. These knowledgeable experts are known to be especially good at resolving seemingly impossible challenges.



THE CHALLENGE

Duncan Aviation had hosted 12 members of an organization called YPO (Young Presidents Organization) from Houston, Texas. The group had flown to Lincoln, Nebraska, and spent the day touring the facilities at Duncan Aviation. They met with members of Duncan Aviation's SMT (Senior Management Team), several technical experts and managers, and members of Duncan Aviation's Aircraft Sales and Acquisitions team.

The day-trip to Duncan Aviation provided an opportunity to discuss running businesses, and the evening culminated with further discussions at Chairman Emeritus Robert Duncan's house.

Several months later, one of the members of the YPO, the President of a company in Hattiesburg, Mississippi, set a budget to spend a maximum of \$14 million on an aircraft that he could fly for approximately 250 hours per year for business and comfortably travel with his family. Another important criterion: He wanted to fully stand up in the cabin, unlike the King Air that he currently owned and operated.

Having run his own company for many years, the buyer knew the value of data and information. He wanted an aircraft that not only met his mission requirements but also that could be purchased at a price and in a condition that would maintain its value after four years of ownership, taking into consideration depreciation, the cost of ownership, and costs of improvement.

Initially, he'd considered a Falcon 2000EX EASy, Gulfstream 450, and Falcon 900EX, and he had an upper-limit budget of \$14 million.

THE CHALLENGE

He knew he wanted Duncan Aviation to perform the pre-buy inspection on whichever aircraft he eventually settled upon, and he was leaning toward a specific Falcon 2000EX EASy. Before making his final decision, however, he wanted a bit more information.

As a data-driven man, he wanted to see an analysis of the three aircraft models (Falcon 2000EX EASy, Falcon 900EX, and Gulfstream 450) and a detailed projection of the operational costs for the next four years and life-cycle expenses of owning an aircraft.

“The prospective buyer remembered meeting me and Bob McCammon at the YPO event and discussing aspects of our Aircraft Sales & Acquisitions Services business,” says Rene. “He contacted me and asked if we could procure the data.”

THE OPTIONS

Due to the multiple makes and models Duncan Aviation supports and in which the company has significant history and experience, the Aircraft Sales & Acquisitions team has access to information that is outside the realm of what a typical broker/dealer would have. As a result, the team was able to provide the information the buyer wanted on the three aircraft.

The analysis included cost-of-ownership information:

**COST OF
INSPECTIONS**

**OUT-THE-
DOOR COST**

**OPERATIONAL
COSTS FOR THE
NEXT 4 YEARS**

At first glance, the Falcon 2000EX EASy appeared to be exactly what he wanted. It was in turnkey condition, with a neutral-colored interior. It had a solid, well-documented maintenance history and what salespeople in the industry refer to as good bones. Additionally, it was well-maintained and in great shape for a pre-owned aircraft.

Before making a final decision, though, the buyer wanted to study the data.

THE SOLUTION

Using the requested data, the buyer studied the cost comparisons among the three aircraft. His economist flew to Duncan Aviation and looked at the relevant data—past cost of maintenance and estimates of costs of inspections, fuel, and labor, based on the economic forecast for the next four years.

After the buyer's economist and personnel from his flight department had studied the data, the buyer was confident about proceeding with an agreement for the Falcon 2000EX EASy.

The Duncan Aviation Aircraft Sales and Acquisitions team negotiated terms on behalf of the buyer. The overall transaction time from the start of the LOI (Letter of Intent), APA (Aircraft Purchase Agreement), and pre-buy evaluation to the delivery of the aircraft took about 6 weeks.

THE RESULT

Although there's no set time for making a decision about buying an aircraft, the Aircraft Sales and Acquisition Services team at Duncan Aviation and the buyer were pleased with the relative speed of this transaction. The buyer had been ready to buy—he had a selection of aircraft that met his need. He wanted to see the data on the operational costs before signing the acquisitional/representational agreement. Once the agreement was signed, the Aircraft Sales and Acquisition Services team began negotiating on the buyer's behalf.

Because the knowledgeable and experienced team had negotiated such favorable terms, the buyer was able to replace the entire interior and completely repaint the exterior. Working with a designer from his business and the Duncan Aviation Design team, the owner was dazzled by the eye-catching new interior.

Duncan Aviation has been in the business of selling aircraft since Donald Duncan founded the company in the late 1950s. Donald's legacy remains strong today, and every member of the Duncan Aviation Aircraft Sales & Acquisitions team knows how to navigate the complexities of the aircraft transactional process. When a customer asks for information, due to Duncan Aviation's vast, in-house technical resources, the team is able to provide accurate, critical data in a timely manner.