



Dave Higdon is a highly respected aviation journalist who has covered all aspects of civil aviation over the past 36 years. Based in Wichita, he has several thousand flight hours, and has piloted pretty much everything from foot-launched wings to combat jets. Contact him via Dave@avbuyer.com

Aircraft Brokers: Minimize Your Sales Frustrations

What are some elements of a pre-owned aircraft transaction that cause frustration, and how can dealers and brokers avoid them? Dave Higdon speaks with Par Avion's Janine Iannarelli...

There are many elements to an aircraft transaction that have the potential to frustrate and confuse the process if they're not firmly managed.

In a worst case scenario, those frustrations could lead to a multi-million dollar deal unravelling and a hard-earned, professional reputation being unfairly tarnished. At the very least, patience could be tested as extra time and expense is needed to get the deal over the line.

But what are some of the common frustrations, and how can they be managed?

Resist the Temptation for Shortcuts

According to Par Avion's Founder and President, Janine Iannarelli, attempting to shortcut the process is one path that can lead to pain.

Iannarelli recognizes the temptation exists to cut corners – especially when the transaction isn't moving fast enough for one party or another, or there is a lack of experience in how an aircraft transaction traditionally progresses. Nevertheless, trying to short-cut the process brings its own risks.

As an example, "foregoing due diligence about who a prospective buyer is in order to rush to the contractual phase is not something we do," Iannarelli highlights. "It's a vital element to know something about the interested party prior to approaching a client to discuss the sale opportunity.

"My clients want to know a little bit about who we are about to engage in a business transaction, particularly if it is not a readily recognizable individual or company name."

The message is clear – brokers need to be meticulous, regardless of the pressures from clients to progress the transaction more quickly.

Don't Make Promises you Can't Keep

At a time of pandemic, there are circumstances that are beyond a broker's control. Nevertheless, buyers and sellers of aircraft will be quick to apportion blame if promises aren't fulfilled, whether the aircraft fails to be delivered on a certain date, the loan comes with a differing interest rate to the one discussed, or any one of several other scenarios fails to materialize.



So, it's important to beware of making promises – however well-intended. Be sure to include a proviso, with a realistic exit should something happen beyond your control that impacts your ability to deliver as planned.

A friend who was shopping for his first aircraft once sought some input on the performance of his candidate aircraft from a broker. Since he planned to travel with his wife and two children, his focus was on payload and useful load.

The broker assured him the aircraft could legally and safely carry both adults, both children, and 200 pounds of luggage. However, he failed to account for center-of-gravity, or the airplane's maximum gross takeoff weight. It was only when the buyer started flight training in that aircraft make/model in preparation of owning it that the error was found.

The buyer, understandably angry, walked away from the deal and the dealer has had a difficult time finding a new prospect.

"It's vital for brokers to avoid misrepresenting an aircraft," Iannarelli shares. "Again, part of that comes down to taking the time to do your homework. As a

broker, it's better to come back to a client with an answer later than to inadvertently misrepresent the aircraft with a quick-fire answer now.

"Spending time on vetting a specification sheet before distributing it goes a long way to relieving angst and obligation later on"

Be Careful how you Spend Your Time

Next, "If a seller wants more money than the market will bear, I tend to move on," says Iannarelli, who asserts you'll be wasting your time with anyone who doesn't understand the value equation.

"If I'm representing the buyer and we determine the airplane is overpriced, we don't even engage with the seller," she adds. "The most common mistake sellers make is overpricing the airplane from the start."

On the other side of the coin, 'tire-kickers' can also create frustration. "Every offer is a low-ball offer with the tire-kicker" Iannarelli continues. "People who do that earn the reputation as someone not to be taken seriously. It's important to learn to spot a tire-kicker."





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To make a living in this field, being taken seriously is paramount. Consequently Iannarelli is careful to select the buyers and sellers she works with as those who are wholly committed to making an aircraft transaction happen.

"Working with those who are genuinely invested in a transaction will create fewer frustrations for all, and prevent you from wasting your time, resources and money, as well as that of the buyer/seller," she adds.

You Sold How Many Jets?

Finally, Iannarelli counsels fellow brokers to be realistic about their expectations. "Anywhere from six to 12 transactions a year, depending on the size and degree of difficulty of the transaction, is an excellent target for a productive salesperson," she says.

"Any more, and you need to ask yourself what is being missed – there is that much to deal with in aircraft sales

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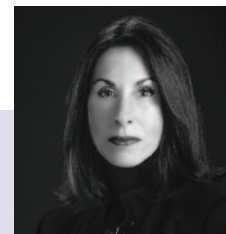
"In the end, it's not so much about how many aircraft you sell, but the cumulative value of the deals one concluded that year that determines the success or failure of a dealer or broker," she concludes.

In Summary

Iannarelli is clear that these tips only scratch the surface. You'll be sure to receive as many more suggestions for avoiding aircraft sales frustrations as the number of dealers and brokers you ask.

And as brokers continue to pool their collective knowledge, the experiences of the brokerage community as well as aircraft buyers and sellers will reflect the truly professional and sophisticated marketplace that the pre-owned aircraft sales world has become.

More information from www.paravionltd.com |



**ABOUT
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Janine K. Iannarelli is the founder and president of the aircraft marketing firm Par Avion Ltd, and has worked for over 30 years in the Business Aviation industry, having represented numerous corporations and private individuals worldwide in the sale and purchase of business aircraft.

She is a current member of the National Business Aviation Association, is Vice-Chair of the European Business Aviation Association AMAC Board, serves as Chair of the AMAC Sales & Acquisition Committee, and belongs to the Houston Aviation Advisory Association and Women in Aviation International.

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