

DEDICATED TO HELPING BUSINESS ACHIEVE ITS HIGHEST GOALS.



HOW TO USE YOUR AIRPLANE FOR BUSINESS

Businesses across the country have realized that general aviation can provide a competitive advantage. The truth is that there are also many opportunities and benefits for individual employees using their own personal aircraft in the course of business. Using your owned, leased or rented aircraft can increase your business productivity and efficiency, while providing you with more flight time and experience. This NBAA primer will introduce you to the advantages of using your airplane for business purposes and help you identify steps you can take to pursue this goal.



Why Should I Consider Using My Aircraft for Business Travel?

There are numerous potential benefits to using a personal aircraft for business travel, both for you, the employee, and for your employer.

INCREASED PRODUCTIVITY AND EFFICIENCY

Employers across the country strive to increase the productivity of their employees. The use of an aircraft could allow you to make more effective use of your time. Instead of wasting several hours driving to a destination, the same trip could be accomplished in much less time by using a general aviation aircraft. If the time you save can be further maximized by avoiding the costs and time associated with traveling commercially, the benefit is multiplied.

Business aircraft are often called time machines, because business aircraft users can accomplish more in one day than others can in several days. The use of personal aircraft can allow you to visit multiple cities in one day and do so in a more efficient and comfortable way.

Companies also can benefit from the use of general aviation aircraft when they need to transport products that don't fit in an airline overhead bin or that cannot be checked. If a company can allow an employee to transport a fragile or sensitive item to another location, it can potentially save significant time and money.

POSITIVE IMPACT ON BOTTOM LINE

Making multiple stops in one day means generating more sales for the company. If you are not limited by the constraints of an airline's schedule, you will have more face-to-face time with your customer. Efficient use of your time means greater impact for your employer.

In today's marketplace, having the ability to move employees to a location quickly can provide a real competitive advantage. In some cases, this factor prompts companies to invest in company-provided aircraft for employees. Allowing employee pilots to use their own aircraft is another option for companies to consider.

COST SAVINGS FOR COMPANY

As a result of increased productivity, there can be a measureable decrease in travel expenses for people flying their own aircraft on business, as compared to traveling commercially or even by car. If you are traveling to a location not serviced by airlines, or to a destination that would require multiple stops with an airline, the savings can be significant.

Many times, it is assumed that the use of general aviation will be more expensive than other forms of travel, but by significantly shortening the trip, the cost benefit of this mode of travel can quickly become apparent, particularly when the cost of time, hotels and food are factored in.

In addition, many companies do not take into account the cost of an employee's lost productivity while traveling. While they might think they are saving money by putting you on an airline flight, they may actually be costing themselves more money. If the airline flight requires you to spend most of a day traveling to the destination, then another day traveling back home, the cost of those two days of lost productivity can easily eclipse the perceived cost savings of using the airline.

INCREASED PILOTING EXPERIENCE

For the employee, the benefits of using a general aviation aircraft for business can mean additional flight time, which leads to added pilot proficiency. Not only is this an attractive benefit for you, but it is also a great benefit to be marketed by your company to current and prospective employees.

In addition to the opportunity for you to spend more time in the cockpit, using a personal aircraft for business trips can make your overall travel experience a much more pleasant one. Most pilots would prefer flying over driving when given the choice and most would also prefer flying their own aircraft over dealing with the inconveniences of modern airline travel. And, if using your own aircraft allows you to reduce your travel time and increase your personal scheduling flexibility, this can significantly enhance your work experience.

For employers, giving you the opportunity to use your highly specialized skills as a pilot, for the company's benefit, allows them to maximize your value to them.

COST SAVINGS FOR AIRCRAFT OWNER

For employee pilots who own their own aircraft, there are financial benefits to using your aircraft on business. If you are able to have your employer reimburse you for flights that you have made on their behalf, you may be able to offset your operating costs. Aside from reducing your direct operating costs, there may be potential tax benefits to using your aircraft for business as well.

Access NBAA resources about tax benefits and FAA issues surrounding reimbursement at www.nbaa.org/taxes.

How Could I Make This Work for Me?

Employee use of a personal aircraft for business purposes can take a variety of forms. In many cases, the employee owns the aircraft, while in others, the employee may be interested in renting or leasing an aircraft.

DETERMINE YOUR GOALS

One of the first steps that you will need to take is to determine what your goals are for the utilization of a personal aircraft. These goals will vary from one situation to another. In many cases, the primary objective will be to increase efficiency and productivity while building flight time and experience. You may or may not wish to seek reimbursement from your company.

Whatever your goals are, the next step is critical – to effectively present your case to the employer, highlighting the benefits to the company and to you.

It may be helpful to create a scenario, showing how the use of a general aviation aircraft will save time and money for a particular trip versus using a commercial airline or driving. If you can provide actual costs for each alternative, the real value of using a general aviation aircraft can be driven home. Along with the productivity and financial benefits, you can document how the use of the general aviation aircraft will make your employee experience more positive.

You are much more likely to be successful in showing your employer the benefits of using general aviation aircraft if you are able to personalize the benefits listed above to

your particular situation. In addition, you can focus on getting your employer to recognize your piloting skills as being a resource to the company.

CREATE A COMPANY POLICY

Once your employer has been convinced of the benefits of utilizing employee-flown aircraft, the next step is assisting the company in setting up a policy to facilitate the process. Putting a policy in place will benefit you and your company in several ways.

First, it is essential for the company to lay out the expectations and requirements of the employee pilot. This will allow you to more effectively and confidently evaluate potential uses of your aircraft as opportunities present themselves. It will also allow you to ensure that you are appropriately trained and equipped to comply with the requirements of the company.

For the employer, a policy is critical to ensure that the company will maximize the increased efficiency and cost savings from the program, while limiting its liability. The policy also will help ensure that the employee aircraft is used when it is beneficial to the company.

It is important that you be proactive in participating in the development of the policy. Most employers do not have expertise in regards to aviation, so you can help provide information and suggestions. When you don't know the answers, be prepared to suggest outside sources of information to provide assistance.



What Should Be Contained in the Policy?

An employee pilot policy should address several key points that will benefit both the employee and the company.

REGULATORY COMPLIANCE

First, both the company and the pilot should have a clear understanding of what is permitted under the Federal Aviation Regulations (FARs), particularly with regard to reimbursement for the flights conducted and whether or not passengers will be carried on the aircraft. These issues are described in great detail in an NBAA resource titled "Introduction to Reimbursement of Flight Expenses for Owner-Pilots," but you should also familiarize yourself with the appropriate FARs.

SAFETY AND RISK MANAGEMENT

Two of the first questions that a company may ask are whether the policy will be safe for the employee pilot and whether the policy will increase the potential liability for the company.

The truth is that the safety record for business aviation is excellent, with accident and fatality rates having remained at very low levels for the past several decades. Improved flight training techniques, focused pre-flight preparation, the use of checklists, and a host of other pilot skills and preparation tools have contributed to this impressive safety record. You should be certain to obtain recurrent training and exercise best practices to help ensure your safe operation.

However, despite this impressive record, companies will need to ensure that their interests are protected in the unlikely event of an incident or accident. This protection will likely encompass insurance coverage and a review of their legal liability. NBAA recommends that companies obtain a non-owned aircraft liability insurance policy and that the employee add the company as an additional insured on his or her aircraft insurance policy.

PROPER USE OF THE POLICY

While most employee pilots have productive and positive reasons for desiring to use general aviation aircraft for business purposes, there is the potential for some to misuse the policy. As a result, it will be a benefit to the company, and to you, to lay out clear policies and expectations.

It is also likely that your employer is going to desire oversight of the program. Many times, this can be accom-

plished by utilizing the employer's own flight department personnel. But, in the event that a flight department is not available, the employer may want to make arrangements with outside aviation professionals to provide oversight of the program.

Finally, your employer is probably going to consult with the accounting department in order to create appropriate cost-reporting and reimbursement mechanisms. Because there is going to be a significant focus on a cost/benefit analysis of the potential employee pilot program, it is necessary to provide documentation that it is being used appropriately and that it is, indeed, providing value for the company.

How Can I Get My Employer Interested?

Even with all this information, you might see the task of convincing your employer as daunting. So, here are a few suggested steps to help you get started:

- Emphasize the potential productivity and bottom-line benefits to your company. If the company makes use of business aircraft, highlight the value that those aircraft already provide to the company.
- Highlight the human resources benefits to your employer. The permitted use of employee aircraft can be an attractive benefit to prospective employees and can also serve to increase the satisfaction and morale of existing employees.
- If possible, find someone in a position of influence in the company who can serve as a resource for you and who can be a "cheerleader" for an employee pilot program.
- Show your company not only how safe general aviation is, but also how you are committed to safety as a pilot. Depending on the size of your company, it may even be possible to invite company personnel to tour your aircraft and provide an opportunity for them to ask questions.

About NBAA

Founded in 1947 and based in Washington, DC, the National Business Aviation Association (NBAA) is the leading organization for companies that rely on general aviation aircraft to help make their businesses more efficient, productive and successful.

For more information on this and other operational topics, contact NBAA's Operations Service Group at (202) 783-9250 or info@nbaa.org, or visit www.nbaa.org.