

# Maintaining peace of mind

Leveraging economies of scale to achieve lower and more predictable aircraft maintenance costs is something that airlines do all the time. But the business aviation community is fractured and disparate so harnessing leverage in this way is more difficult to achieve. This is where Jet Support Services, Inc (JSSI) with its bulk buying power and budgeted maintenance programmes comes into the picture.

"We don't own a screwdriver," states Lou Seno, President of JSSI proudly. "Ours is a financial product." And the maintenance programmes JSSI puts in place are not of the "cookie cutter" variety either. Each is bespoke and designed to fit the equipment, the owner and/or the operator.

JSSI is a designer of aircraft and aero-engine hourly maintenance programmes. The aircraft owner simply sends a monthly payment and is then covered for all scheduled maintenance events, unscheduled maintenance and AOG support. The programme enables the owner, or whoever has assumed responsibility for the maintenance, to budget for future maintenance events using a payment plan with no surprises. "There are no \$200,000 'gotchas'," smiles Seno.

The JSSI set up allows the support company to be everywhere without having a physical presence in terms of facilities, tooling and maintenance engineers. There is a team of approximately 40 technical representatives on the payroll; each of them being an expert in various engines and airframes. The oily rag part of the equation is undertaken at factory authorised service centres (with whom JSSI has agreements in place) with JSSI oversight.

The agreements with the OEM authorised service centres allow JSSI to bulk buy maintenance



in a way that an individual with a single aircraft will never be able to buy services. The payment plan between the maintenance provider and JSSI takes into account this buying leverage and reduces the cost of maintenance and therefore aircraft ownership.

As for the range of aircraft and engine types with which JSSI engages, Seno comments: "We cover virtually everything in the market with just a few exceptions, like Stage 2 engines." As for new types – like the Embraer Phenom for example – JSSI's technical team have no trouble getting up to speed very quickly.

It might be the ultimate owner of an aircraft that makes the payments but JSSI staff deal with any of one of four categories of people, all of whom require a different approach from the JSSI technical team: the Chief Pilot; the Director of Maintenance, the Chief Financial Officer; or the owner – probably a high net worth.

JSSI representatives also deal extensively with corporate flight departments and, as corporations have sought ways of keeping staff numbers down, JSSI has in many cases become a *de facto* Technical Director.

But it is not just about keeping a lid on costs; JSSI programmes also give a little lift to values – so important in the poor environment for aircraft values we have seen over the last 18 months. "An airplane that is being resold that is on a programme will have more value," states Seno quite categorically. "The appraisal community recognises this too." He points out that Pratt's Maintenance Service Plan (MSP) proved 20 years ago that maintenance programmes add value to aircraft assets and JSSI is proving this all over again.

Seno remarks that a contract with JSSI might have unforeseen benefits *vis à vis* the financing community too. A well maintained aircraft on a budgeted programme often piques the interest of the financing and leasing community who might well be persuaded to take a higher residual position in the asset.

What JSSI has to offer is a financial planning tool – not just a maintenance plan – and,

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given the pedigrees of its maintenance team it is little wonder that any conversation with JSSI is skewed towards talking about financials, values and costs. Seno himself rejoined JSSI earlier this year as JSSI’s President following a career in corporate aircraft financing at the business aircraft units of Boeing Capital Corp and GE Capital Solutions. Importantly, he was one of the founders of JSSI and, as such, is totally in synch with the sentiment in the market JSSI was established to serve.

JSSI was incorporated and launched in January 1989 with the first maintenance plan written in February 1989. After 20 years in the market, JSSI was acquired by RH Book LLC and 1848 Capital Partners LLC, two private equity firms. Upon the closure of the deal it was announced that the new owners planned to expand JSSI’s market share and broaden the company’s extensive line up of hourly cost maintenance programmes for business aircraft engines and airframes. Of course, at this time,

**JSSI ADDS INDUSTRY VETERAN AND WINS FRACTIONAL DEAL**

Recent news at JSSI includes the appointment of Ron Westwood as Director, Business Development for the western US region. Westwood has over 15 years of business aviation experience. In his role as Sales Director of Key Accounts for Gulfstream Aerospace, he had responsibility for new aircraft sales in Texas. Prior to his position there, he served as Regional Vice President, Sales and Key Accounts for Bombardier Flexjet, and was a Senior Account Executive for Bombardier Capital’s business aircraft finance unit.

This news comes hot on the heels that Executive AirShare, a fractional aircraft ownership company, has deepened its relationship with JSSI by selecting the company to provide engine maintenance programme coverage. The company has signed contracts for 10 aircraft to enrol in the JSSI Premium engine programme, with the potential to add more as they are delivered. Executive AirShare has a firm order for 44 Phenom 100 and 6 Phenom 300 aircraft.

more airframes and engines were reaching certification stages and industry growth had surpassed expectations.

Markets change and the aviation industry is renowned for its cycles as it rides the highs and the lows of the stock markets – especially in the US. By way of illustration, Seno comments that JSSI tends to receive calls about its programmes when aircraft assets change

hands – often in December as this is the US fiscal year end. In December 2007 there were 768 bills of sale concluded but in December 2008 that figure was down to 332. The figures speak for themselves.

Of course now that aircraft are trading again – albeit at bargain basement prices – JSSI is well positioned to ride the new wave we can all sense building. ●

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