

## BUSINESS AVIATION MANAGEMENT AND MARKET

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*Summary: The main aim of this article is to analyse one sector of air transportation, Business Aviation. The paper describes Business Aviation Management in middle size company. European market is shown in graphs related to operation in this market and introduces possibilities of new potential business aviation markets. As the business aviation is unknown part of air transport the articles reveals some interested facts about it and focuses also on its natural safety.*

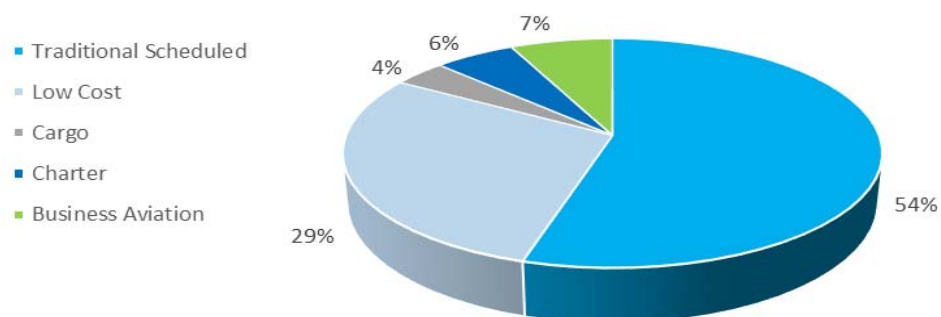
*Key words: Business Aviation, Business Aviation Safety, Europe market*

### INTRODUCTION

Air transport consists from 5 main types of operation:

- Traditional Scheduled Operation
- Low cost Operation
- Cargo
- Charter
- Business Aviation

The following picture shows the market share of these types of operation in Europe.



Source: EBAA/Author

Fig. 1 - Europe market share 2015

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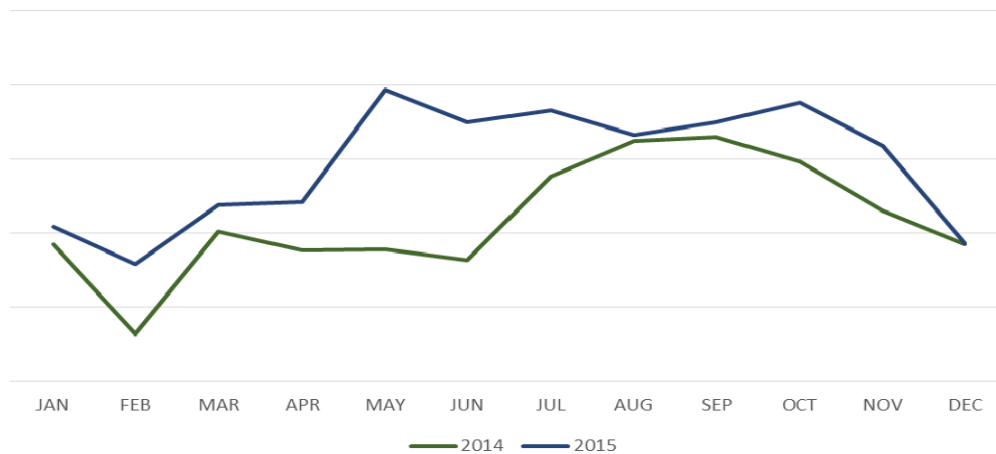
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7% of Business Aviation flights can be seen in the picture. It is more than Charter and Cargo.

Business Aviation can be define as “on demand operation of aircraft in VIP configuration with high level of comfort and services”. There could be many definitions of Business Aviation related to different point of view. The mentioned definition is chosen with relation to this paper.

## 1. BUSINESS AVIATION

The field of Business Aviation is one of the most dynamic parts of air transportation and with Business Aviation are related many services mostly on the ground. For example transportation services from/to airport, hotel arrangement, catering providers, others. The operation of business aviation is not affected by year seasons in such level as the scheduled airlines. This fact belongs between main differences among the sectors of air transport. The following figure shows the annual operation of the business aviation operator:



Source: EBAA/Author

Fig. 2 - Annual business aviation operation

### 1.1 Business Aviation Management

Air transport in the world is mostly affected by International Civil Organisation (ICAO). This organisation is well known for all segments of aviation. Rules created by ICAO are implemented on national level. In European region are also regulations issued by European Union which are mandatory for member states.

Business Aviation sector is in many ways different comparing the others sectors of aviation, therefore the European Business Aviation Association (EBAA) was created. The main aim of this organisation is to represents the interests of business aviation at all European institutions. The current number of members is 547, but it is changing very quickly. Among members belongs corporate operators, commercial operators, fixed-base operators, airports, manufacturers and other business aviation service providers.

Each Business Aviation operator must act according regulations mandatory for them. Usually they have an Aircraft Operational Certificate (AOC), which allows them to operate a commercial flights but non-scheduled. The AOC is issued by state of registration and the operator is also forced to abide the national regulations which may be different from state to state.

In Business Aviation, same as in all other entities which want to be successful the management of company is one of the most important things and could be crucial for staying in the market.

The main management functions are:

- Planning
- Organizing
- Resource allocation
- Leading
- Controlling

Commercial non-scheduled operator must have named the following positions:

- Accountable Manager
- Flight Operation Manager
- Crew Training Manager
- Ground Operational Manager
- Continuing Airworthiness Manager
- SMS (Security Management System) Manager
- CM (Controlling Management) Manager

These positions are called Top Management of the company.

Medium size Business Aviation Company will be taken for demonstration and explanation the responsibilities of the mentioned managers:

**Accountable Manager** is the person responsible to a Regulatory Authority in respect of functions which are subject to regulation. Legal responsibilities under the regulations: financial, performance to the standards required, quality system, and others including also audits and meetings with authorities.

**Flight Operation Manager** is responsible for safety flights, he is creating many internal procedures to keep the flights as safety as possible.

**Crew Training Manager** is taking care of proper trainings for crew members and keep them valid in the time of flight.

**Ground Operational Manager** is responsible for the two departments: handling and flight planning department.

**Continuing Airworthiness Manager** is taking care of planning aircraft maintenance and validation of necessary documentation without witch the aircraft cannot fly.

**SMS Manager** is person who is responsible for internal security and also for communication with other institution related to aviation security.

**CM Manager** is head of monitoring and controlling department which is taking care of proper running of all internal processes and internal documentation.

## 1.2 European market

European market consists of 29 countries. To introduce market place the table 1 was created according the EBAA data for year 2015.

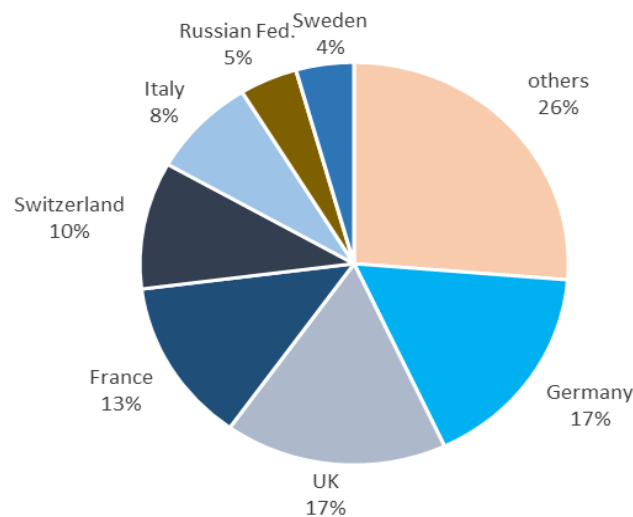
Table 1: European market share

	<b>Bus Av</b>	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>
<b>Austria</b>	10,8	Germany	Switzerland	Italy	Austria	France
<b>Belgium, Luxemburg</b>	7,6	France	Germany	UK	Switzerland	Belgium/Luxem
<b>Bulgaria</b>	6,1	Greece	Bulgaria	France	UK	Russian Fed.
<b>Croatia</b>	10,7	Austria	Italy	Germany	Croatia	France
<b>Cyprus</b>	7,6	Russian Fed.	Greece	Switzerland	UK	Israel
<b>Czech Rep</b>	10,2	Germany	Russian Fed.	Italy	France	Czech Rep.
<b>Denmark</b>	3,3	Germany	Denmark	UK	Sweden	France
<b>Estonia</b>	4,3	Russian Fed.	Latvia	Finland	Sweden	Denmark
<b>Finland</b>	6,8	Finland	Sweden	Russian Fed.	Germany	UK
<b>France</b>	12,6	France	UK	Switzerland	Italy	Germany
<b>Germany</b>	7,6	France	UK	Germany	Italy	Switzerland
<b>Greece</b>	4,1	Greece	Turkey	Italy	France	UK
<b>Hungary</b>	5,3	Germany	Austria	Switzerland	France	UK
<b>Ireland</b>	4,6	UK	France	Germany	Ireland	Italy
<b>Italy</b>	7,7	Italy	France	Switzerland	Germany	UK
<b>Latvia</b>	4,3	Russian Fed.	Sweden	Finland	Germany	UK
<b>Lithuania</b>	4	Russian Fed.	Finland	Swededn	Germany	UK
<b>Malta</b>	6,9	Italy	Serbia	UK	Switzerland	France
<b>The Netherlands</b>	3,8	UK	Germany	France	Netherlands	Switzerland
<b>Norway</b>	5,1	Norway	Sweden	UK	Germany	Denmark
<b>Poland</b>	5	Poland	Germany	France	Italy	Switzerland

<b>Portugal</b>	3,1	Spain	UK	France	Italy	Portugal
<b>Romania</b>	4,3	Germany	Romania	Switzerland	Austria	UK
<b>Slovakia</b>	17,5	Germany	Czech Rep.	Croatia	Slovakia	UK
<b>Slovenia</b>	7,4	Croatia	Germany	Switzerland	Czech Rep.	Germany
<b>Spain</b>	5,2	Spain	France	UK	Germany	Italy
<b>Sweden</b>	6,8	Sweden	Germany	Finland	Norway	UK
<b>Switzerland</b>	16,5	France	Germany	Switzerland	Italy	UK
<b>United Kingdom</b>	7,2	UK	France	Switzerland	Germany	Spain

Source: EBAA/Author

The table shows part of business aviation flights in each country and also the most frequent markets where are arriving from to the particular country. Next graph shows which markets are the most attractive in Europe.



Source: EBAA/Author

Fig. 3 - The most frequent markets in Europe

The market is divided mostly among 7 countries and the rest has a small number of arrivals in business aviation mode. Only one country out of the Europe is frequent enough to figure in this graph, Russian Federation. According these data majority of the business aviation flights from Europe is within the European market.

### 1.3 Business Aviation Safety

All over the world are many institutions which are focused on safety and security. Also specialized to air transport. In Europe it is EASA – European Aviation Safety Agency. Its main tasks are analysis and research of safety, authorising operators, implementation and monitoring safety rules and giving type-certification of aircraft and components.

To keep the business aviation safe the cooperation with EASA is required. Despite of all rules and regulations which are mandatory for operators. The Business Aviation has a special feature which is specific only for this sector of air transport, it is secure by nature.

Small aircraft are operated mostly in this sector of aviation. The maximum number of seats is 19. Less people means less danger of illegal acts against the air transport. Usually passengers know each other and very often is also case when passengers know also the crew members.

Smaller airports are also preferable. The procedure is faster there and less people also reduce the risk of terrorism. Some of the airports are not for public. The entrance to this airport is possible only if it is related to the flight. The example of this airport is Farnborough in London.

Handling providers are acting differently in business aviation. Handling agents are waiting for clients in airport hall and escort them through security check and on their way to aircraft. Passengers are not alone at the airport. The handling agents have a security training. Level of safety is increasing also due to this facts.

## CONCLUSION

The article is focusing on Business Aviation operation which is in many ways unexplored and only little attention is paid to it. Base on the facts related to management, market and safety the most important differences are shown comparing the rest sectors of air transport. Among such differences belongs operation in annual numbers. The management must take into account very frequent operation whole year not only during summer season. According the European market research the strongest markets are shown in Germany, UK, France and Switzerland. Also the level of safety in business aviation sector is naturally higher than in the other sectors of aviation.

Those are main findings of this article which were confirmed by numbers from real operation.

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