




DYNAMIC AND CUSTOMER-CENTRIC -
ABSOLUTE AVIATION
GEARS UP TO DOMINATE
GENERAL AVIATION IN AFRICA



In an industry characterised by outdated ways of doing business and a lack of honesty and transparency, 17-year-old Absolute Aviation has stood out by doing things differently. Young and innovative, the company has a strong focus on customer service and doing things right. They are the fastest-growing general aviation company in Africa, with plans to continue this growth beyond the African continent.



ORGANIC GROWTH THROUGH CAREFUL ATTENTION TO CUSTOMER NEEDS

Absolute Aviation is a full spectrum general aviation group, targeting corporates and individuals looking to buy, maintain or sell their private aircraft. It's the brain child of Neil Howard – a trained aircraft engineer who built his career at global aviation company ExecuJet.

He was leading ExecuJet's aircraft maintenance division when he left to become an independent consultant in 2001. As a one-man show, he would assist corporate clients like Pick 'n Pay to manage their aircraft maintenance costs by liaising with maintenance companies on their behalf. During this time, he also worked as a freelance pilot for corporates and business people who would typically not have full-time pilots for their planes.

In addition to maintenance management, his clients began asking him to perform pre-purchase inspections for new aircraft that they planned to buy. The business grew even further when he got asked to help source aircraft as well.

He started to hire people slowly as he organically added new services to his portfolio – hiring his first employee in 2002. Neil's organic growth resulted in a full-on sales consulting business, helping clients find aircraft that met their exact requirements. He then built aircraft management into his business when clients asked him to run and manage their aircraft.

This early growth was entirely by word of mouth. In the aircraft business, it is not uncommon for businesses to take advantage of a buyer's low level of knowledge about the industry – selling them aircraft that don't meet their needs, or that would give them unforeseen problems down the road.

Neil made a name for himself by being honest and transparent with his clients and paying close attention to their needs. Most of his competitors at the time were more focused on representing the aircraft they represented, and less focused on representing the clients that bought the aircraft.



But I think what makes us stand out – because there are other good aircraft brands out there – is our absolute focus on customer service, customer relationships and taking care of the lifetime value of our customers

A FUNDAMENTAL BUSINESS MODEL CHANGE

Neil was no stranger to diversifying products and services. But nine years after the start of the company, Absolute Aviation was faced with an opportunity that would fundamentally change how it operated. In 2010, American aircraft manufacturer Beechcraft, terminated their long-term relationship with the NAC (National Airways Corporation) who were their representative and distributor in Sub-Saharan Africa.

Due to Absolute Aviation's solid reputation in the industry, Beechcraft approached Absolute Aviation to take over this role. "This was definitely a great opportunity, but I had to really think about making the decision because I was now going from being a buyer's representative to be a seller's representative. I had to find a balance between representing the seller while still ensuring that the needs of clients remained secured," Neil said. "I decided to take it on and it really changed the face of our business."

The consulting sales business slowed down over time as the Beechcraft sales business took over – an intentional move as consulting sales generated few transactions, and representing a brand as big as Beechcraft presented Absolute Aviation with significantly more growth opportunities.

“I decided to take it on and it really changed the face of our business



GETTING A COACH ONTO THE GROWTH JOURNEY

Having been awarded the rights to represent Beechcraft, Absolute Aviation was at a transitional point as they were gearing up for growth and Neil was facing typical staff challenges. He was looking for someone to help with an HR matter with one of his earliest employees, when a friend suggested that he contact GROW.

"He said that perhaps a GROW coach would help me resolve bigger business matters, but also help with the staff issue," said Neil. "Our coach did assist me with giving advice and having an outside view, and after he helped resolve the staff problem, I got the coaching going, and he has been part of the business ever since.

He has added immense value over the years and continues to do so. We now have a team of 122 employees and a much bigger management team and he is still involved in all facets of our business."



ACQUIRING A LEGENDARY COMPETITOR

The company was destined for another significant change that would see it scale up even quicker. In 2014, Beechcraft was acquired by Textron Aviation, which also owned Beechcraft competitor, Cessna. At the time, Cessna was represented in South Africa by a 70-year-old company called Comair General Aviation (not part of the listed Comair Ltd). Having two South African representatives for two brands that were owned by a single company placed Comair and Absolute Aviation in a delicate situation. It would be very easy for Textron to decide to use only one of them to represent both Cessna and Beechcraft.

"I was approached by the owner of Comair in 2015", said Neil. "He suggested that we merge our businesses to strengthen our combined position, so we started having discussions and I involved our coach in those discussions, which went beyond his coaching role." The process was a long and difficult one, with the two parties struggling to find common ground. Eventually, a decision was made that it would be better for Absolute Aviation to buy Comair, as opposed to merging with it. The acquisition catapulted Absolute Aviation to being in the top three general aviation companies in the country, and considerably increased its scope of products and services. The increase in scope of services was very much in-line with the strategy that Absolute had defined when starting to work with a GROW coach to diversify their revenue streams opportunities.



MERGING CONTRADICTORY CULTURES AND SYSTEMS

Comair had around 60 staff members when it was taken over by Absolute Aviation – more employees than Absolute Aviation had at the time. Having bought a significantly larger business with a longer history, the acquisition brought with it many cultural issues that took some time to sort out. "Any acquisition of another business is tough," Neil said. "Absolute Aviation is a younger company and Comair had been going for 70 years when we bought it – I would say the average age of the staff was at least 50.

Comair had an entrenched culture that was very different to ours. Customer service was not a priority, which probably accounts for the decline in the business before we bought it." The team had their work cut out for them to get all employees aligned and engaged with where the new business was headed.

"We also discovered that all the systems in the business were totally antiquated and inefficient," said Neil. "Their accounting systems; the way they ran their workshops – it was just very manual, not efficient and under-resourced. We also had to come in and take over without a management team to work with during the hand overs." In hindsight, Neil thinks that it was better this way as they could look at the business with fresh eyes. It took a good two years to get the integration right, which required leadership to share and instill the required culture across the business and in certain cases, individuals who would not adopt the new culture had to be let go. "Now, I think we have a good team and balance," says Neil, and he is still involved in all facets of our business."

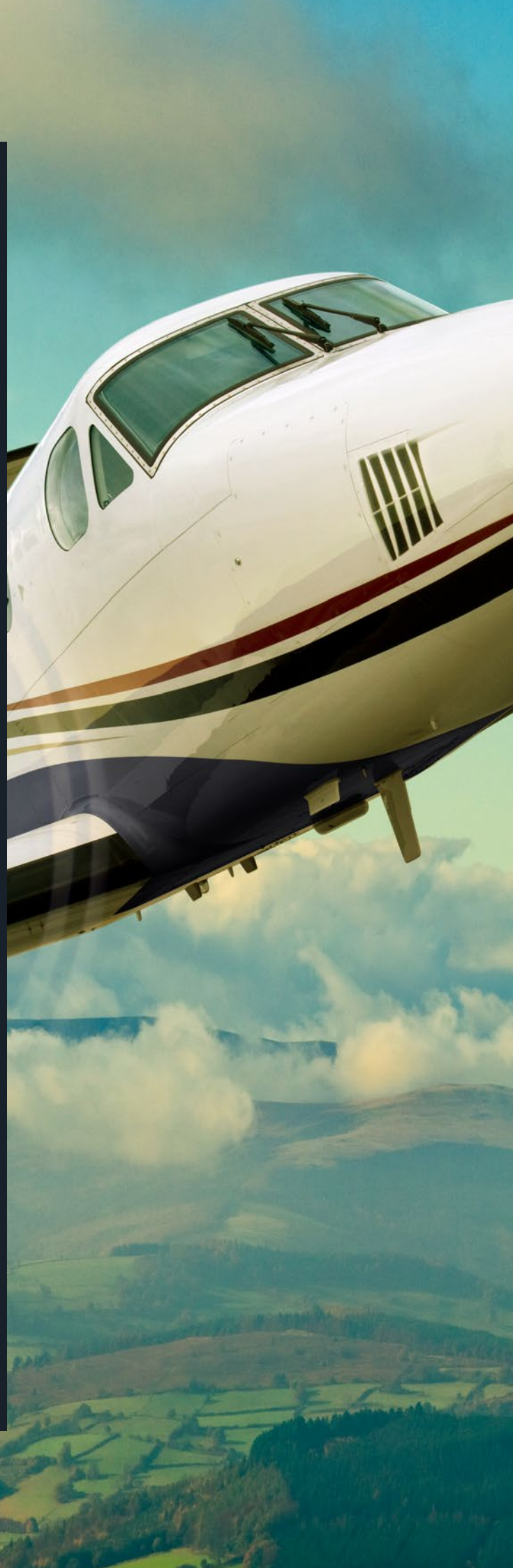
LEADING IN THE MIDST OF CHANGE

Speaking about how he needed to change to run a business that had grown significantly over a short space of time, Neil said “The biggest challenge was time. If you’re running a small organisation you can be a lot more hands on. Now you have business leaders in place that you need to manage. Also, we needed to understand the business, the staff and the customers and get systems and structures in place that allowed us to keep an eye on the business and manage it properly.”

GROW worked with Absolute Aviation to restructure and develop optimal targets for the different business units. The Comair Service Centre, for example, was a business unit that was not profitable, and GROW and Neil’s team had to work hard to ensure that this situation improved. “The Service Centre was run as a good technical workshop, but it was not run as a business – it had always made a loss,” said Neil. “We brought in Dewald Basson who is a CA by training and has significant experience in the aviation industry to turn the business around and he did this by doubling the size of the service team to improve throughput through the business.

Our coach was very much a part of it all – helping us to identify which areas needed resources and where we needed to focus. Coaching was extended to each divisional head and helped focus each person on their area of the business and allowed us as the management team to have oversight of that. Without the coaching system and tools offered by GROW, it would have been very hard to do an integration and get our arms around the new business, so that played a big role.”

“ **People understand and appreciate the culture we brought in**





THE BENEFITS OF GETTING AN OUTSIDE PERSPECTIVE

“The other benefit to coaching is having a person look at the business from the outside,” Neil said. “We were a busy business before and then we took on more people and extra capabilities. With that, one then becomes busy dealing with every day issues and running the business. It’s very difficult to step back from that to see if we are doing the right things every day.”

The benefits of having someone look at the business from the outside was most relevant when Neil moved to Switzerland in 2016 to develop their European business.

The shift in management brought in the next stage in the company’s evolution with the appointment of a new head of Absolute Aviation’s business in Africa. This transition had its problems which were compounded with the loss of key accounting staff. The result was a loss of control over aspects of management of the business and its finances.

Expanding on this, Neil said, “Our coach actually identified these problems by asking questions and being persistent until he got answers.”

Neil appreciated the role his business coach played in unearthing this issue. “Having someone from the outside interrogating our financials is important,” Neil said. “While we employ financial capabilities in terms of accountants, having our coach really assisted us with identifying some of the financial issues we experienced.”

Neil addressed these challenges by appointing a new CFO, Guy Worthington as the Managing Director. “Guy joined the business when we were buying Comair and helped us fund the acquisition. He came from outside of the aviation industry which was difficult for him, but he’s taken on the role very well and established a strong management team.”

HOW ABSOLUTE AVIATION MAINTAINS GROWTH AND CONTINUES TO STAND OUT

Absolute Aviation continues to stand out from its competitors despite now playing in a more contested space – having moved away from their niche, buyer-representative business. “We represent two iconic aircraft products in Beechcraft and Cessna”, Neil explained. “But I think what makes us stand out – because there are other good aircraft brands out there – is our absolute focus on customer service, customer relationships and taking care of the lifetime value of our customers.

Our goal is to keep customers from when they enter aviation to when they exit it, and to give them comfort in being looked after. The market has also changed a lot – some of the manufacturers are doing their own sales.

So, we are also the only OEM representative that can give you the full range of services. If you buy other aircraft brands, they don’t have their own Service Centres in the country, nor do they have a sales representative who has a vested interest in ensuring seamless after-sales support as we do.

As a result, you have to take your aircraft to a third-party maintenance organisation that, at the end of the day, is there to make money and has no interest in ensuring that your experience with the aircraft and the after-sales support is seamless.

If there are problems with the aircraft we have sold, we can make sure that we provide a replacement aircraft or make sure that our Service Centre has an absolute focus on the customer. So, we can really control the whole customer experience, from the buying of the aircraft to the maintenance and eventually, the selling of the aircraft if needed.”

“Our industry, like many others, has gone through a very tough period and we are probably one of the only companies that have showed any growth,” Neil said. “A lot of the bigger companies have been laying people off, but I think that we are seen as a younger company that’s more dynamic and doing things differently. We don’t subscribe to the old, tried and trusted way of doing aviation.” With their company slogan being ‘With you for the Journey’.

Absolute Aviation portrays this not only to their clients, but to their staff as well. They’ve built a strong strategy with GROW and are focused on being the leading general aviation business in Africa – a vision that certainly looks within sight, if the company’s success in 2017 is anything to go by.





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