

38 minutes to meltdown

Drastic action turns loss into profit at a typical flying club. Andy Raymond explains how it was done



When in conversation people find out that I'm a pilot, they tend to ask the same questions. Generally, about the third or fourth question is: how much does it cost? The answer tends to change the subject, as mentally they rapidly switch off. They believe the cost is beyond their means, and they're probably right. For those of us who have known the joys of flying a small aeroplane or helicopter, continuing to fly is difficult to justify to family members who have to manage a domestic budget and can always find better ways of committing the money. Hence those of us who have been around flying clubs and schools for a while continually see students begin courses only to run out of money after a few hours, or even possibly achieve the licence only to give up once they have reached their goal.

If we private pilots are to continue and perhaps even to prosper, the requirement to fly at minimum cost is therefore paramount. For many years we have searched in vain for a permanent solution to this problem that didn't include bankruptcy, sponsorship or subsidy.

If we consider and analyse the costs of operating a typical small aeroplane in a typical club, we find that the cost elements typically break down as follows:

- Maintenance and servicing
- Parking charges
- Landing card
- Insurance
- Fuel

Of course there are other costs in running a club such as rent and rates, but we will concentrate on the aircraft running costs for clarity.

Operating aeroplanes in a club environment means that you have to maintain the aeroplanes in such a way that the public are

assured that they are travelling in a machine that is maintained to the highest standards and has not been fiddled with by some well-meaning amateur. This in effect means that you must use an approved organisation and pay the consequent costs. If you own an aeroplane or helicopter and employ a maintenance organisation to undertake repairs and maintenance, they will have to make a profit as does any legitimate business, and in addition, they will have to juggle priorities, inasmuch as they must decide which machine gets repaired or serviced and in what order. I'm sure that some readers who run clubs or groups can particularly identify with this problem. Also, in the case of the Lycoming engine, every 2,000 hours (or 2,400 hours with an extension) vast sums of money have to be found to replace or refurbish it. In addition, does anybody out there ever put an elderly American aeroplane in for a routine service and not get a bill for something unplanned?

So what's the answer?

Well, if we look at flying statistics in a club such as mine we find the following.

- An average PPL flight time of 38 minutes.
- The aeroplanes flown mostly solo or two-up.
- The destinations visited generally no more than 40 minutes away.

Why then do we operate 25 or 30 year old four-seater American aeroplanes with bladder bursting dururances?

In this country, before we were seduced by slick marketing from across the Atlantic, we flew aeroplanes that were considered fun-to-fly, which at best could be used for a day out somewhere in good weather, that had little in the way of instrumentation or sophistication. But somehow the average club pilot has been persuaded to salivate over the latest version from somewhere or other that promises high

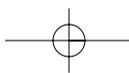


**Top: club member Bernie Newham shows off the new Aero AT-3 Very Light Aircraft
Above: Brian Powell, Frank Cavanaugh, Andy Raymond and Peter Lennard with leased-back Warrior**

speeds and many knob-twiddling facilities. All this of course, to take his wife or friend to the Isle of Wight for lunch. I could of course be wrong, but how many newcomers have come to the world of little aeroplanes with the ambitions of undertaking great journeys only to find that this country rarely offers two or more consecutive good flying days, and so their ambitions have to be modified in line with reality. In addition, how many clubs allow their members to self-fly-hire and to take away machines for the day or days when they are wanted by hour-hungry instructors in the much more lucrative training role?

So where is all this leading to?

I know that personal experience is not always a good guide to the solution of difficult



problems. However, my club was faced with a financial loss which if not checked would eventually have meant us running out of options and into difficulties, so we looked at cost reduction. If we go back to the list of costs, we found we could probably have some impact upon each one of the elements.

If we consider maintenance and repairs, we know that operating old aeroplanes is expensive, especially if you have to use an approved maintenance facility with all the associated regulatory requirements. So if we do not own, but lease, an aeroplane from such an organisation, it puts a whole new perspective on small aeroplane operation. Gone are the shocks when major components are 'timed out' or a major failure is experienced. Gone are the majority of delays in servicing and fault rectification as the lessor has a vested interest in turning around the machine; when it's not flying he doesn't make money. Gone are the bills for the bits he found wrong whilst undertaking the service. Gained



Above: AT-3's simple day-VFR panel
Above right: only drawback of the Polish-made Aero AT-3 is its castoring nosewheel
Right: Tecnam Sierra flew beautifully but appeared less robust for club use

is the agreed hourly rate for maintenance and repair which allows you to plan ahead, knowing what the costs will be.

Of course this option will only address the major cost centre of maintenance with all the others still there. So reminding ourselves of the statistics of what the club actually does, and not what it thinks it would like to do if it came up on the lottery, it seemed we could easily save money by operating a Very Light Aeroplane. When I first suggested this some of the members began furiously looking at catalogues and researching the internet to prove how wrong I was to voice such sacrilege, and I was asked "Did you know that these aeroplanes are Day VFR only?" In addition, they asked "What's the duration of these aeroplanes? And it better be as good as the Warrior!" All this, of course, from members of a club whose average age is well over fifty with the consequent bladder duration problems, and whose main destinations are only an average of 38 minutes away, flown during perfect weather and in daylight.

If we turn to parking and landing charges, operating a VLA attracts a third less for these costs at our base aerodrome. Insurance may be about the same or perhaps a little more if the aeroplane is new due to the increase in hull value. With regard to fuel, savings of something like £25 per hour are possible due to the Rotax engine and also the difference in

weight. Overall I would suggest that the savings per hour in operating a VLA would be 25% over the conventional ageing American trainer. In addition, these machine were designed this century and not the last, and were never intended to be the 'Yank Tank' of the skies.

The problem of fuel is worth mentioning here. The Rotax engine doesn't really like avgas and as a consequence if you use it – and frankly if you run a club you have no choice but to – you must double the inspection period from 100 hours to 50 hours. If you run an aeroplane on a permit-to-fly you may use 'forecourt' Mogas, but if you run as a club you must use fuel from an aviation source. As the suppliers of such a product are numbered, you will inevitably have to use avgas.

However, the operation of a VLA is not all beer and steaks. As these machines are light



they will need careful handling when the wind gets up, and in addition, they must be properly tied down overnight. Due to their smaller size and weight they are not as robust as a 'spam can' and anybody using them must forego the commando boots and the flight bag big enough and heavy enough to go on a fortnight's holiday.

So which one did we choose, and why?

One option we did look at was the purchase and operation of a microlight aeroplane. To the traditional PPL this idea is an anathema as it conjures up visions of a rag and stick contraption flown only by the masochistic mental defective. However, it does prove that getting into the air cheaply with the minimum amount of regulation is entirely possible. In addition, if we look at the current European PPL licence with its ridiculous academic requirements against the NPPL microlight licence of only 15 hours for the basic licence, do we wonder that microlight schools are flourishing, whereas SEP students seem to flock to the USA to spend their money. In addition, the regulatory bodies seem to suffer under the illusion that all students are virile young men in their twenties using the PPL as a stepping stone to an aviation career. If they were to visit most clubs they will see that nothing could be further from the truth. What of the student in their 40s or 50s who has established a career, had children and now

wants to accomplish that lifelong desire to go flying in a little aeroplane, now they have the money? Institutionalised ageism? Anyway, the consensus at the Club meant that we were not to pursue that option. Maybe in the future when opinions change.

As our aeroplanes live outside on the grass at the mercy of the elements our choice of VLA was restricted. In addition, the prospect of having to re-train 90 or more, old (40 plus) but not bold PA-28 pilots to fly something they were not used to was daunting. So we looked at two aeroplanes – the Tecnam Sierra and the Aero AT3. In order to obtain the views of the membership we conducted trials at our home airfield where each type visited on several occasions to be tried by the members. Both machines were a true reflection of the flight tests reported in the aviation press in their flying characteristics, but did they meet the

customer's aspirations? What would they be like in the club environment?

The general consensus was that the Sierra flew beautifully but appeared less robust than the AT3 in the club environment. Also, the Sierra had electric flaps and trim whereas the AT3 had 'conventional' manual flaps and trim more suited to the ham fisted club pilot and much more like the PA-28. The only real drawbacks with the AT3 was the castoring nose wheel which could get the average club pilot into trouble on take-off, and the lack of seat adjustment.

Well, we have ordered an AT3, which generally has a five month manufacturing time. Only time will tell what it will perform like, but I for one look forward to my next thirty-eight minute trip in it. ■

The big decision...

When we faced an accounting loss with no immediate solution, an examination was made of where all the money was going, with the result that the cost of both scheduled and unscheduled maintenance and repairs and the subsequent ground time were identified as the major drain on resources.

The solution was to sell the aeroplanes and lease them back from a maintenance organisation, thus losing the variable costs and realising the sale value for re-investment in a VLA.

The lease organisation chosen was Biggin Hill-based Falcon Flying Services, who have many years experience of successfully leasing aeroplanes. For more details contact Singh on 01959 575923 or email singham@aol.com