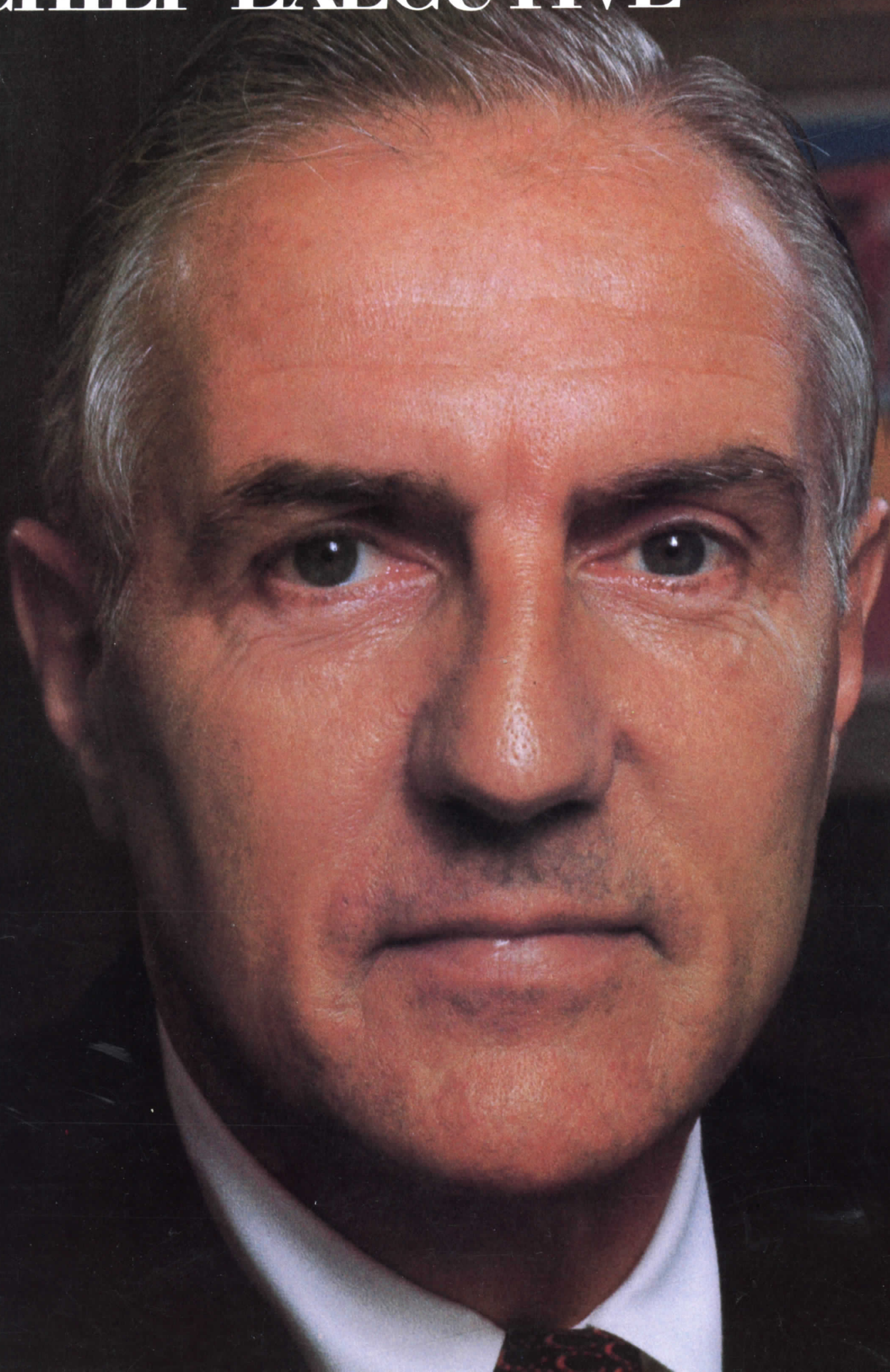


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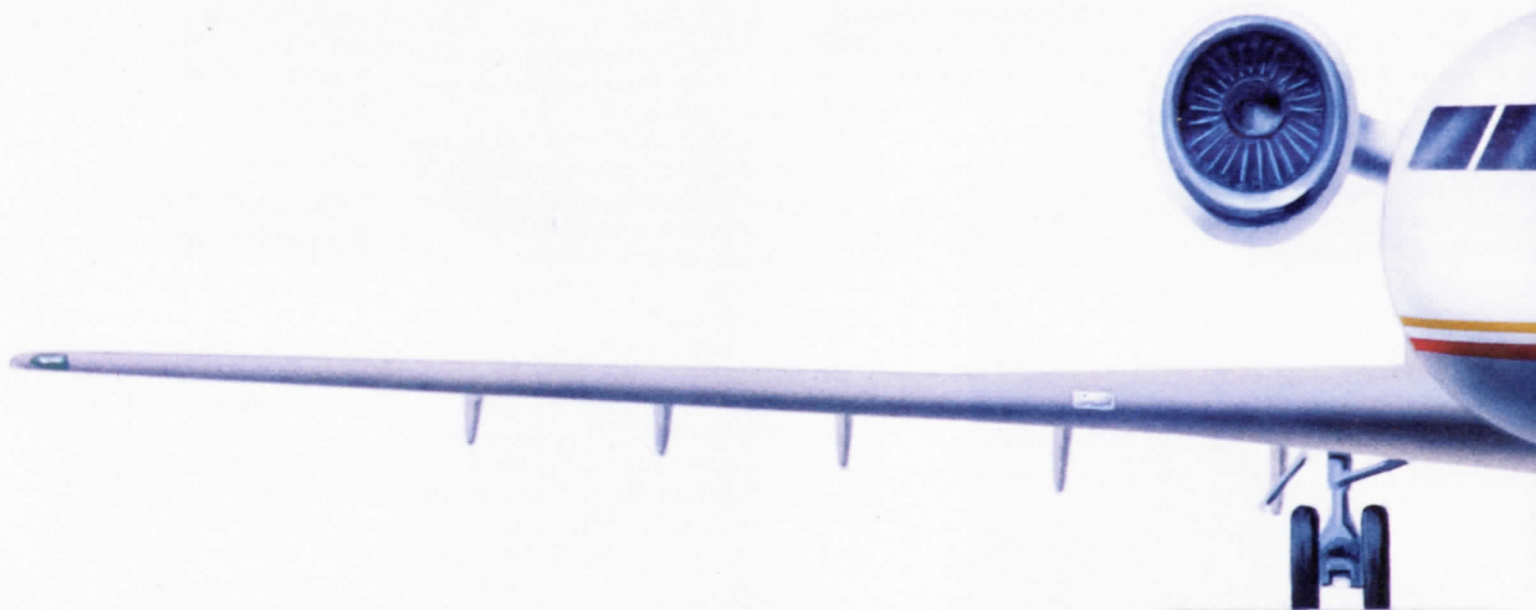
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# BUILDING A BETTER MOUSETRAP

BY JAMES B. TAYLOR PRESIDENT, CANADAIR INC.

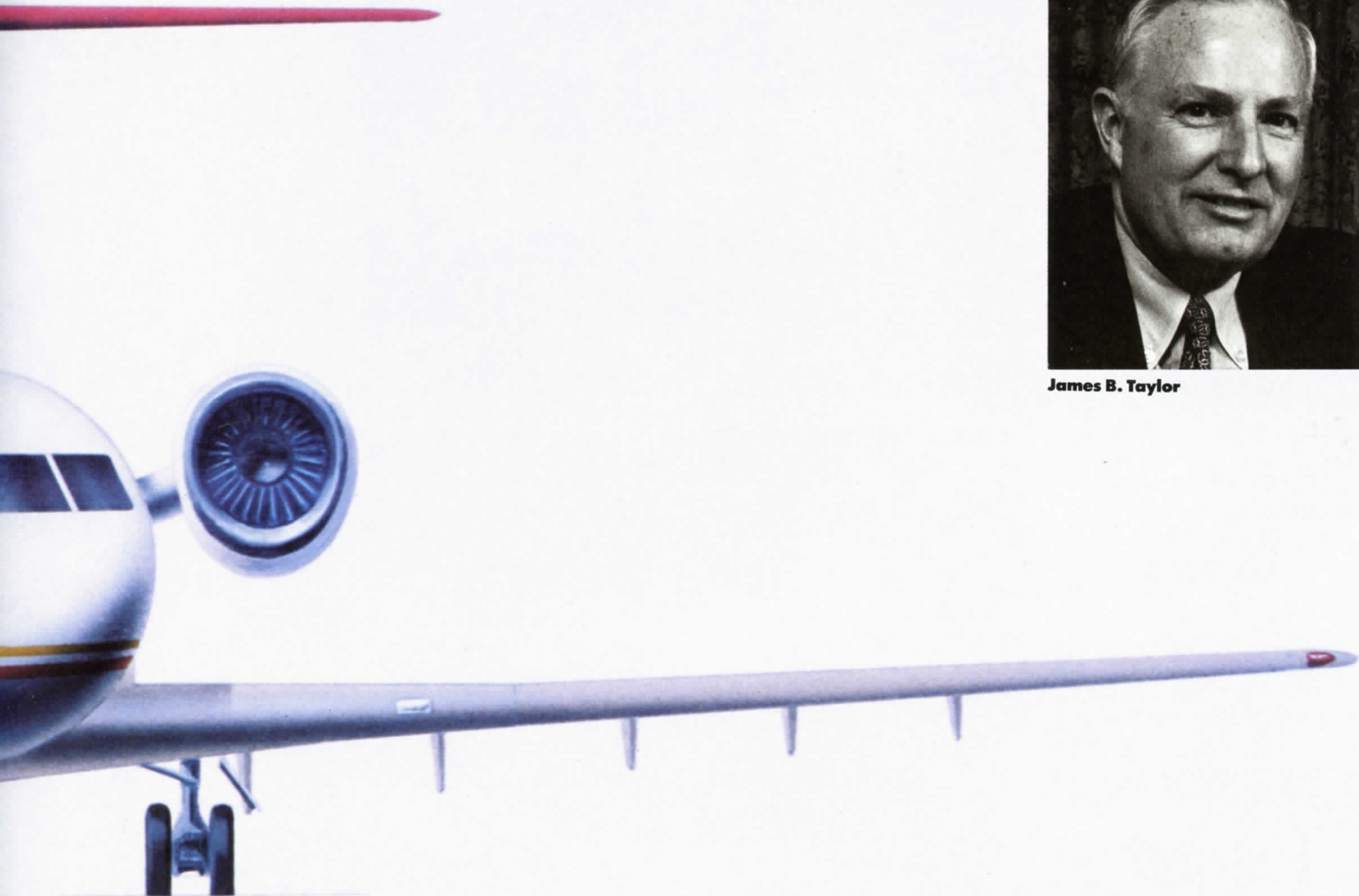


Canadair is currently marketing a new executive jet, the Challenger, which boasts a wide-body cabin, and a trans-continental range. Based on a concept originated by the late William Lear, the plane will have advanced technology airfoils that are thicker, but produce less drag, and will be powered by Lycoming engines. At a normal cruising speed of 555 mph, and with a range of 4,623 statute miles, the Challenger is expected to be able to fly from New York to London in under six hours. James Taylor, who successfully sold 120 planes before the actual aircraft was built, was also responsible for successful marketing programs for the Cessna Citation and the Dassault Fan-Jet Falcon. Taylor believes in the classic, most basic marketing strategy: first, find out what the market needs; second, develop and build the equipment; third, sell it and support it factory direct.

**T**here's an old saying that if you build a better mousetrap, even though you live in the middle of a vast and deep forest, the world will beat a path to your door. Not necessarily. It will happen only if the world needs a better mousetrap, and if the price is right. And it may not happen even then. Because unless you have set out some signs and let the news be known around and about, nobody will know how to find your factory outlet in the woods.

In addition, you have to have enough traps on hand to meet the demand. You have to be sure of your supplies of wood, springs, and metal parts. And you have to test your mousetrap to make sure that it catches only mice, and not the user's hand. Otherwise, you might be vulnerable to a product liability suit.

Marketing history is full of examples of better mousetraps that never made it. They were



**James B. Taylor**

great ideas on paper, and they worked well in prototype form. But too often they were the results of a brilliant concept that had not been checked and tested against the peculiar requirements of the market.



**Cessna Citation II**

A friend of mine was discussing a new French airplane with its designers once, and he asked them to whom they intended to sell this lovely new aircraft. "First we have to fly it and test it and find out exactly what it can do," said the designers. "Then we'll decide to whom to sell it."

That airplane never made it beyond the prototype, and the reason seems clear. The designers were pleased with the product they had created with their engineering skills, but they had not thought about whether there was going to be a market for their handiwork. There wasn't, and the airplane was eventually scrapped. An airplane—or mousetrap—must be designed for the market it will serve.

## THE JET AS A CORPORATE TOOL

The primary market for any business aircraft is a company which conducts a significant amount of business in various locations and seeks to improve internal/external communications and to spread the talents of its key people over more ter-



**Westwind cruises off lower Manhattan**

ritories, more situations, and more opportunities.

A business aircraft should be considered on the same grounds as any other piece of properly bought and properly used capital equipment. It can increase efficiency, improve productivity, save money and

make money, just as a properly programmed computer or a properly controlled milling machine.

And they are used that way. Most business jets spend most of their long lives being useful. They are worked. They run on schedules. They frequently link divisions in hours instead of the days required by commercially available air transportation. Some are flown on demand, standing by until needed for a critical trip on short notice.



Some are run on freight routes, carrying critical parts, supplies between plants, or small packages on an overnight express delivery service.

Most business and private automobiles are operated because buses and trains do not serve most personal and industrial needs. Neither do the commercial airlines. There are more than 13,000 airports in the United States, but only 400 are served by scheduled carriers. To fly to most of those 400, executives have to plan carefully because only one flight a day may serve the destination.

Only 150 airports in the United States—a little more than 1 percent of the total—generate about 97 percent of all airline traffic in the country. No airline can afford to operate between two cities that have essentially zero traffic on most days. The airlines can't cater to the needs of a chief executive who must fly between those two cities perhaps once every other week.

## A SYMBOL OF GROWTH

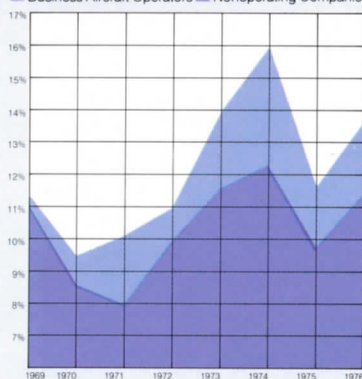
If you want the closest thing to an iron-clad guarantee of company growth, check to see if it owns or operates a business aircraft. Over the past decade, those companies that have shown consistent growth have been using business aircraft as a corporate tool.



Learjets parked at a Denver airfield

## HOW BUSINESS JET OPERATORS AND NONOPERATORS COMPARE

Net Income As A Percent of Stockholders' Equity  
Business Aircraft Operators Nonoperating Companies



Data from Business and Commercial Aviation Magazine. Copyright © 1977 by the Ziff-Davis Publishing Company. Based on Fortune 1000 companies.

Consider the following: About half of the companies in Fortune magazine's top 1,000 operate business aircraft. Last year, they generated about 82 percent of the total net sales for all 1,000 corporations. Each man or woman employed in those companies produced and sold almost \$61,000 worth of goods, compared to about \$48,000 per employee in those companies that did not operate aircraft.

Net income figures reflect the same trend. Companies operating business aircraft earned more than \$2,700 per employee, against \$1,700 per employee in those companies that did not operate aircraft.

Companies operating business aircraft get an average of 60 percent more productivity from their employees. Sixty percent. That number alone seems like a major justification for the use of a business aircraft.

And to answer the inevitable questions at open stockholders' meetings: Companies that operated business aircraft during 1975—the latest year for which detailed data are available—showed an average net income of 11.6 percent of stockholder equity as compared to 3.7 percent for those companies that did not operate business aircraft. What these numbers really say is that companies with smart management—smart enough to produce more and earn more—operate aircraft as a major adjunct of their business.

## DEBUNKING THE MYTHS

Despite all these advantages, business aviation has to answer a number of criticisms that are generated as a result of some myths. The first is that all those business jets tearing around the sky are burning a great deal of fuel that should either be saved or should go to power the buses and automobiles that most people use. This is nonsense. The fuel burned by the business fleet of aircraft is miniscule compared to that burned by automobiles, or trucks, or buses. If you turned over all the fuel used by business aircraft to the drivers of



Prototype of Canadair's Challenger



America, each would probably be able to travel only one or two additional miles per year.

Another myth arises out of fact. The Internal Revenue Service discovers that one company is using its airplane occasionally to fly an executive's dog around the country and is deducting that cost as a business expense. The headlines are then extrapolated by readers and are interpreted to mean that all business aircraft are being flown on personal and frivolous missions and that their costs are being deducted as business expenses. This is also nonsense, but it is widely believed.

A third myth involves the business jet as a noise and air pollutant. The fact is, however, that



Interior cabin of Dassault Falcon 50

## SHORT GUIDE TO BUSINESS JETS

| Manufacturer & Aircraft                          | Engine(s) and Thrust                          | Zero Wind Range (nautical miles)    | Cruise Speed (knots) |            | Altitude (max. oper.) | Fuel Consumption (gal. per hr.) | Passenger Capacity | Length | Height | Wingspan |
|--------------------------------------------------|-----------------------------------------------|-------------------------------------|----------------------|------------|-----------------------|---------------------------------|--------------------|--------|--------|----------|
|                                                  |                                               |                                     | Normal               | Long Range |                       |                                 |                    |        |        |          |
| British Aerospace Hawker Siddeley 125 Series 700 | 2 Garrett AiResearch TFE 731-3-1H 3,700 lbs.  | 2,300 (1,600 lbs., 45 min. res.)    | 440                  | 390        | 41,000 ft.            | 220                             | 6                  | 50'9"  | 17'7"  | 47'      |
| Canadair Challenger CL 600*                      | 2 Avco Lycoming ALF 502; 7,500 lbs.           | 4,020 (5 passengers, NBAA IFR res.) | 482                  | 459        | 49,000 ft.            | 279                             | 10-14              | 68'5"  | 20'8"  | 61'10"   |
| Cessna Aircraft Citation II                      | 2 Pratt & Whitney JT15D-4; 2,500 lbs.         | 1,710 (6 passengers, 45 min. res.)  | 365                  | 275        | 43,000 ft.            | 164                             | 8-10               | 47'2"  | 14'9"  | 51'8"    |
| Dassault-Breguet Falcon 50                       | 3 Garrett AiResearch TFE 731-3; 3,700 lbs.    | 3,550 (8 passengers, NBAA IFR res.) | 485                  | 430        | 45,300 ft.            | 310                             | 8-10               | 60'9"  | 22'11" | 61'10"   |
| Gates Learjet Learjet 36A                        | 2 Garrett AiResearch TFE 731-2B; 3,500 lbs.   | 3,285 (4 passengers, 45 min. res.)  | 441                  | 418        | 45,000 ft.            | 145                             | 6-8                | 48'8"  | 12'3"  | 39'6"    |
| Grumman American Gulfstream II                   | 2 Rolls Royce Mk 511-B; 10,940 lbs.           | 2,860 (8 passengers, NBAA IFR res.) | 471                  | 436        | 43,000 ft.            | 443                             | 8-10               | 71'4"  | 9'5"   | 68'10"   |
| Israel Aircraft Industries 1124 Westwind         | 2 Garrett AiResearch TFE 731-3-16; 3,700 lbs. | 2,440 (7 passengers, NBAA IFR res.) | 413                  | 401        | 45,000 ft.            | 210                             | 7-10               | 52'2"  | 15'10" | 44'10"   |
| Lockheed-Georgia Jestar II                       | 4 Garrett AiResearch TFE 731-3; 3,700 lbs.    | 3,100 (8 passengers, NBAA VFR res.) | 468                  | 438        | 43,000 ft.            | 404                             | 10                 | 60'5"  | 20'5"  | 54'5"    |
| Rockwell International Sabreliner 65             | 2 Garrett AiResearch TFE 731-3-1D; 3,700 lbs. | 2,410 (4 passengers, NBAA IFR res.) | 430                  | 401        | 45,000 ft.            | 215                             | 8-10               | 46'11" | 16'0"  | 50'5"    |

All information based on manufacturer technical specifications. \*Challenger data based on engineering statistical analysis.

most business jets are quiet, and none generate any perceptible smoke. Recently, there have also been accusations that business aircraft are an unjustified "perk," some kind of frivolous luxury reserved for the privileged few. Such statements demand rebuttal.

The executive aircraft—corporate or governmental—is not a "perk." It is a perfectly legitimate vehicle of communication, just as essential to business and commerce as an automobile or a telephone. Further, to claim that swift face-to-face communication between corporate executives at far distant points is somehow "immoral" is as absurd as claiming that all communication must be done with a postage stamp.

We live in a fast-moving, shrinking world. And the pressures of competition, national and international, give first place to the winners. Fast, economical, time-saving mobility is a vital corporate tool. No smart company can afford to waste time, or waste the most expensive time-saving vehicle yet invented. As long as pressure for competitive leadership exists, the first man on the spot has the best chance to win the game. And corporate aircraft,

like the company car, the long-distance telephone, and fast-thinking, afford smart management a distinct—and measurable—competitive advantage. But it has to be an aircraft tailored to the needs of its specific customers. That's the only way to go, whether you're building mousetraps, French airplanes, or fast jets. ■

