

PROFESSIONAL PILOT

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AA's Crandall on pilots and equipment

How long can an airplane last?

Holding patterns are back

S C Johnson Wax

Chairman Sam Johnson, left, Av Ops Mgr Bob Lunde and Chief Pilot Bill Dorsey with their new Falcon 900 at home base, RAC (Racine WI).

Falcon 900

1989 Pro Pilot
Salary Study

James B Taylor, super salesman - part 2

A thousand Citations. Fired from Cessna. On to Canadair. Challenger engine dispute. Learjet turnaround. Selling FJX for Shorts.

By C V Glines
Colonel USAF (Ret) and Command Pilot

WHEN Cessna Aircraft Chairman Dwane Wallace in 1972 gave wide publicity to Jim Taylor's boast that he could sell 1000 Citations in a ten-year period, it put Taylor, as VP for commercial jet marketing, precisely on the spot. The prototype had made its first flight only three years earlier, sales had been very slow and Cessna had not yet received the single-pilot certification it had counted on as an extra buyer attraction.

But none of this fazed Jim Taylor. He invited pilots and their bosses to the Wichita factory and went on the road with a Citation mockup mounted on a truck, a new idea in jetplane marketing. His theory: people would rather deal directly with someone from the factory than with a middleman dealer whose loyalty to the company was limited to his sales commission. In addition, Taylor knew that the sale wasn't the end of the relationship with an aircraft manufacturer; service had to be included and that service should be controlled by a company's sales department, not the production division. ("My successors at Cessna," Taylor says, "didn't stick with this policy in order to placate some dealers. Unfortunately, for this does not boost the morale of the direct sales force who did most of the work for less money.")

Repeating success

The direct sales approach worked for Taylor at Cessna as it had before with the Falcon. Sales records for the

(This is the second installment of a two-part profile. The first installment ran in the March issue of Professional Pilot.)

Citation were set in 1973, 1974 and 1975. In the January 1982 issue of *Forbes*, Taylor's concept was vindicated when the magazine reported with bowed head that Cessna had sold its 1000th Citation within the projected 10-yr time frame. The magazine reported increasing orders for Citation IIs and IIIs and recommended that "Cessna, then, may be worth a flier. At a below-market multiple and priced near book value, its shares offer relatively little downside risk."

Cessna presented Taylor with his own lucky silver-plated horseshoe to put on his desk. Beside it now is a Mickey Mouse wristwatch with all the numbers reading "1"—indicating that the Citation was number one in the industry during his Cessna years.

Meanwhile, Taylor left Cessna in 1976 after being summarily fired by Wallace's successor, Russell Meyer. The stated reason, Taylor says, was "differing philosophies." Taylor feels that his philosophy prevailed since Cessna still sells its jets direct from the factory. A 1980 news story reported that Cessna had also adopted direct sales as the marketing technique for its turboprop aircraft "with the support of Cessna's dealers."

In March 1976 Taylor joined Canadair as a consultant to help them convince the Canadian Government to approve the design concept of the Learstar 600 and its market potential. Completing this task in September 1976, Taylor became a senior VP of Canadair in Montreal and president/CEO of Canadair's subsidiary in Westport CT. The US firm is world marketing and support subsidiary for the Challenger, a larger, widebodied offshoot of the Learstar 600.

Jim Taylor's aircraft models recall his sales successes: Canadair Challenger 601, Citation I, Falcon 20/200.

Taylor liked the Challenger because, as he told *Business Week* at the time, "This plane meets a need. Corporate executives don't want to sit in the prenatal position in an executive mailing tube for long periods of time."

But there was much trouble with the airplane's engines. Taylor and his marketing team had strongly recom-





The fuselage mockup on a flatbed truck (right) was a Taylor innovation that helped him sell 100 Challengers before the prototype made its first flight.



mended the General Electric CF34 engine over the Lycoming ALF502 but they were overruled and the decision, Taylor says, "was a disaster. It set the program back a number of years just when the marketplace was at its very best. Unfortunately, there is no way of knowing how much more successful that program would have been if it had started off with the GE CF34. After this unfortunate beginning, GE engines were installed after a long, hard internal selling effort."

Again, Taylor followed his basic philosophy of direct marketing of high-priced jets and set up an aggressive sales organization for the Challenger. It was an even greater challenge than selling a French jet in America and a business jet for a company noted only for small aircraft. Here was the first wide-bodied business jet and it was being built in Canada, a country that had never manufactured a commercial jet of any kind before. Canadair's offering was a formidable challenge to the aircraft manufacturing world. Hence the name Challenger.

Despite the engine problems, Taylor's sales organization sold more than 100 Challengers before the prototype ever made its first flight — an unprecedented aircraft sales achievement. By 1980, 260 Challengers had been sold for a total of \$1.8 billion. Only 4% of this figure was charged to Taylor's office for its extensive marketing efforts.

This success meant promotion and Taylor became chairman and CEO of Canadair's US subsidiary in 1984. He took early retirement from Canadair two years later but retirement was not to be. Charles Gates asked Taylor to come aboard at Gates Learjet to change the company's ink from red to black and make it a worthwhile acquisition. Twenty-one months later Taylor had arranged to pay off more than \$270



million in loans. The company had previously entered into a disastrous lease agreement with the Air Force for 80 C-21As; Taylor changed the lease into a sale. He cut the workforce and negotiated the company out of two other contracts that were also bleeding the bottom line severely: building Tomahawk tailcones for General Dynamics and participation in development of the Piaggio P180 Avanti. On the positive side, he oversaw development and introduction of the Lear 31 and 55C before he left the company in September 1987.

Life after Learjet

The sale of Gates Learjet was not the end of Jim Taylor's life in the fast-moving world of aircraft marketing. He is now a consultant to the industry and recently signed on as a corporate adviser to Short Brothers for its FJX, the regional jet transport that may bring the Irish manufacturer of the unpresurized Shorts 330s and 360s into the pure jet age. When the company es-

tablishes the performance figures, selects the engines and is ready to seek firm orders, Taylor will probably first recommend that the airplane get a recognizable name because he feels that the "FJX" designation sounds like a fighter, not a transport. He will then take on the challenge of advising Short Brothers how best to introduce it to the world's regional/commuter airlines, air forces and corporations. Taylor believes that passengers don't like to ride in turboprops for more than about an hour because of the noise and vibration. Turboprop costs are getting too high and he thinks the time may be right for the Shorts version of tomorrow's pure jet transport.

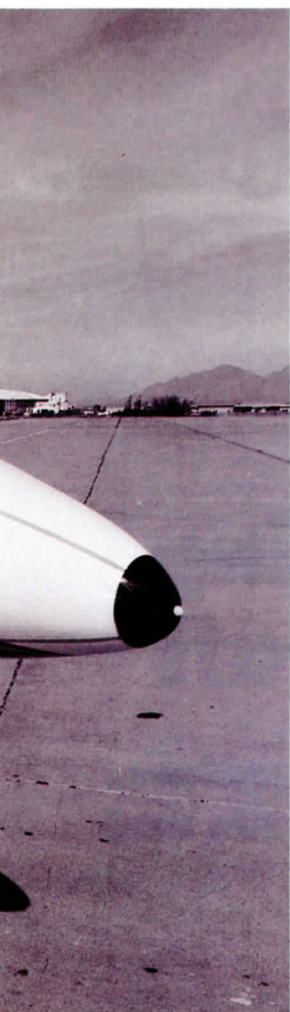
In addition to Shorts, Taylor does consulting for two other clients: Corporate Aviation Associates of Southport and Flight Services Group (FSG) of Fairfield, both in Connecticut. FSG is one of the fastest growing aircraft management and aircraft brokerage firms in the country. Besides buying and marketing aircraft, they are now operating more than 30 aircraft for

corporations and individuals in the US and abroad. The FSG fleet includes Cheyennes, Learjets, Challengers and a Falcon 900.

Bizav future

Jim Taylor, ever lighthearted, optimistic and personable, has some definite ideas about the future of business aircraft. "The need is there," he says, "because busy executives just can't afford to waste time in airline terminals. There will always be a market to satisfy their requirements for speed, direct flights and face-to-face contacts." However, he believes there are too many manufacturers out there vying for a share of the business aircraft market and a shakeout may be inevitable.

As for a supersonic business jet, he says there are still too many shortcomings for any viable program to be taken seriously in the near term: high cost, limited range and the fact that extremely high development costs ("probably three times higher for a



One of Jim Taylor's "missions impossible" was returning the faltering Gates Learjet firm to profitability in less than two years as CEO. Below, Taylor's next project: helping Short Brothers market the revolutionary FJX regional jetliner.

supersonic aircraft") must be distributed over a market of questionable size.

Taylor is concerned that there have been very few completely new and commercially successful business aircraft of any kind certified, built and in full production in the United States since World War II. He doesn't believe pusher type aircraft are the answer for tomorrow's business aircraft. "There hasn't been a successful pusher yet. I think engines need clean air and they don't get it in the back end of an airplane," he says. However, he reserves judgment about the propfans now being touted by several manufacturers.

True to form, Jim Taylor has a new idea he would like to see a major airline adopt: non-scheduled, "random access," first-class executive service on demand that would take advantage of a large airline's training facilities, maintenance, experienced personnel, various types and sizes of equipment, and savings through large quantity fuel purchases at many airports. "The public image of a major airline," he says,

"would be an important factor to sell the program and a reservation/scheduling system like American's Sabre System would make it most efficient." He believes the need is there and that there are enough people, companies and governments willing to pay the price. "The first airline that realizes that they are in the transportation business, not just the airline business, will leave competitors at the starting blocks." He adds: "Remember the railroads."

Taylor's formula

James B Taylor III can look back on an exceptionally successful career of selling airplanes. Does he have a secret?

To answer, he quotes someone who, when asked the same question by a *New York Times* reporter, replied, "I found that the harder I worked, the more successful I was." He also takes pride in the fact that he has selected and trained good people who stayed with him to make a true team effort. And he has never hesitated to go outside his companies to get advice from consultants and public relations agencies.

Taylor normally goes to bed early and is up at three every morning "because that's when I can do my best thinking, planning and writing. There are no phones ringing, there's total silence and no one bothers you. When everyone else gets to work, you get

so tied up with the day's business that you can't do much creative thinking." People who call him at breakfast time invariably ask, "I didn't wake you up, did I?" Taylor always replies, "Oh no. I've already had lunch."

Although he is often accused of being a workaholic too busy for anything else, Taylor likes to swim ("almost every day wherever I am"), hunt birds and shoot skeet. He is a world-class competitive skeet shooter who was runner-up in the Great Eastern 12-gauge Championships and world 28-gauge championships in the 1960s. As this is being written, he is on a trip to Africa to "shoot" animals and birds, this time with a camera.

Is there a conscious mental transfer from shooting competitively and selling? Maybe so. Taylor admits to having a "competitive attitude" and feels that any success he has had in selling can be attributed to his always wanting to win any contest he is in. In regard to selling airplanes, he likes to quote Frank Hedrick, late president of Beech: "Nothing ever happens until somebody sells something."

Jim Taylor also firmly believes, as someone once told him, "Show me a good loser and I'll show you a loser."

Jim Taylor is no loser. He is looking forward to continuing his aircraft-sales winning streak with Shorts. Those who think Shorts doesn't have a chance to break into the pressurized jet market had better take a look at Jim Taylor's selling record. ✈

