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AOPA PILOT

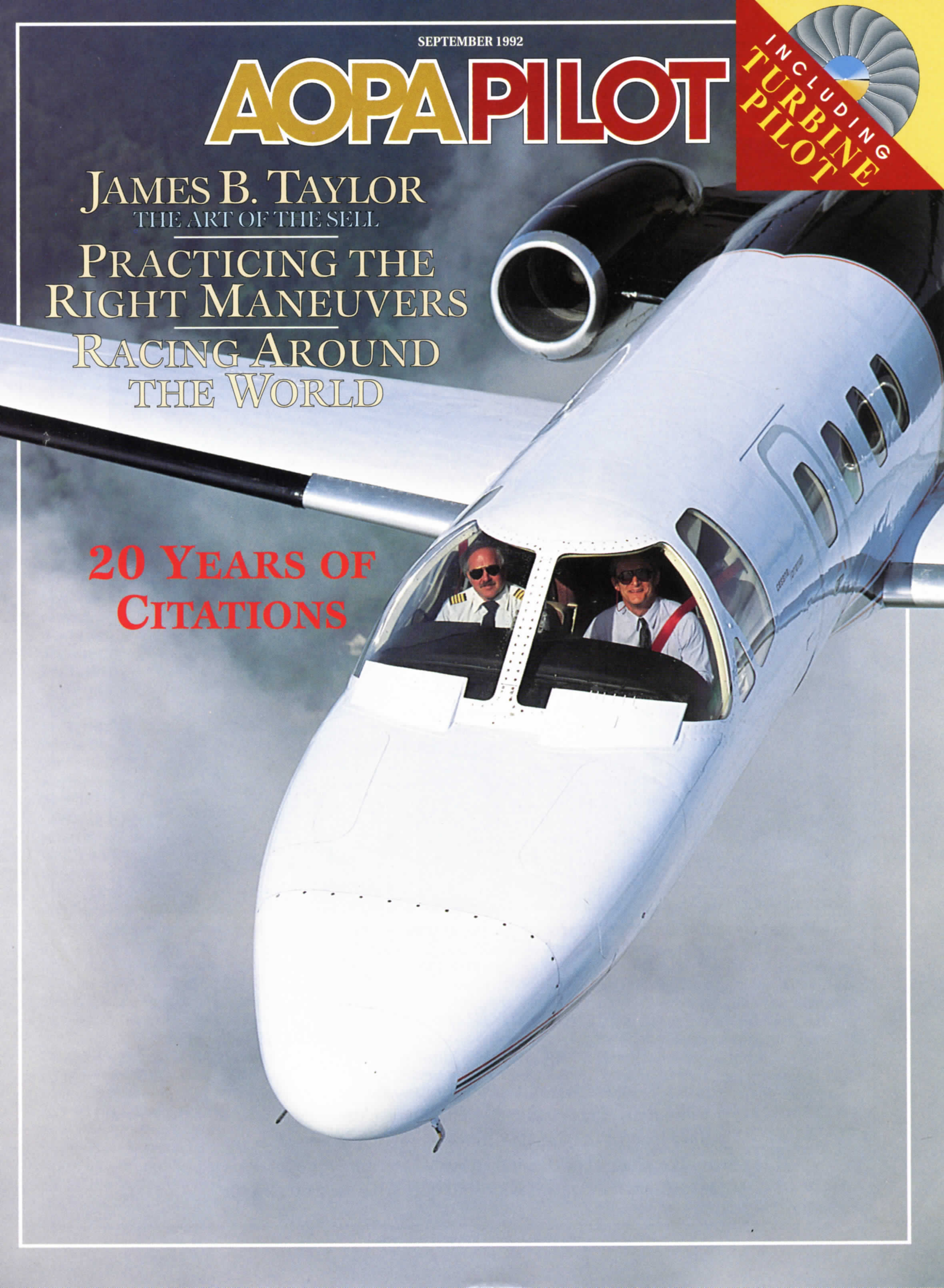
INCLUDING TURBINE PILOT

JAMES B. TAYLOR
THE ART OF THE SELL

PRACTICING THE RIGHT MANEUVERS

RACING AROUND THE WORLD

20 YEARS OF CITATIONS



PROFILE

JAMES B. TAYLOR

Mr. Bizjet

BY THOMAS A. HORNE

James B. Taylor may not have invented the business jet, but without his efforts, it's doubtful that very many of them would have made it to rampside. In the world of business aviation, Taylor is an icon, a mover and shaker of legendary proportions. Almost single-handedly, Taylor sold the corporate world on the

PHOTOGRAPHY BY BARNEY LEONARD

advantages of owning business jets and pioneered the kind of marketing techniques that made the Citation, Falcon, Challenger, and Learjet series of aircraft the successes that they have become.

Taylor's ingenuity, persistence, and strategic concepts continue to inspire the sincerest form of flattery—imitation—among a generation of his successors. Wherever today's business jet marketers strategize, executives ponder, overtly or covertly, "How would Jim Taylor have done it?"

We met Taylor at White Plains, New York's Westchester County Airport not too long ago. It was a fitting locale. White Plains has one of the largest concentrations of business jets in the world, thanks to its proximity to the New York metropolitan area. Forty years ago, the ramp at HPN had a smattering of gussied-up ex-World War II bombers and transports. That was corporate transportation. Now it's jam-packed with sleek hardware forever tied to the Taylor name.

Among the more common sights are Cessna Citations. Back in 1968, when the Citation—then called the "Fanjet 500"—was on the drawing board, Cessna President Dwane Wallace asked Taylor to serve as the vice president and general manager of Cessna's newly formed Commercial Jet Marketing Division. Taylor came with credentials; he had just served a very successful tour as general manager of Pan American World Airways' Business Jet Division (at the time, the North American subsidiary responsible for marketing the first of the Falcon series of business jets). There, he formed the first direct sales organization in business jet history, launched the Falcon 20 program, and began to perfect the marketing techniques that would become his trademark.

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Upon joining Cessna, Taylor ran into the first of many challenges in implementing his business and marketing plan. His vision of how to market Cessna's first business jet varied greatly with Wallace's. Wallace, who enjoyed tremendous success selling light aircraft through a network of about 200 dealers, wanted to sell Citations the same way.

Taylor, based on his experience with the Falcon program, was convinced that a factory-direct sales strategy would be more effective. "You have more control over a salesman's selection and training that way, plus the advantage of a consistent sales price." Under Wallace's scheme, Taylor feared dozens of different salesmen, some projecting unprofessional images and others quoting prices at variance with factory targets in order to simply make a sale.

Pete Ginocchio, then-director of Citation customer service (and who worked with Taylor on the Falcon program), recalled one of Taylor's discussions with Wallace. "General Motors sells cars through its dealers," he remembers Taylor saying. "But its locomotives are sold directly."

Recalling a friendly, ongoing rivalry with Learjet, Taylor said, "In 1967, Learjet sold 33 airplanes through their network of some 200 dealers. That same year, we sold 45 Falcons, even though they cost three times more than Lears." One Lear sales executive, marveling at this feat, asked Taylor how he did it. "I told him we only had four salesmen, and he didn't believe it," Taylor says. "So factory-direct was the key then, and it still is today. That, and a generous incentive program for the salesmen." To Taylor, that meant a respectable salary, plus a piece of the action with every sale. "I wanted all of my salesmen making more than I did . . . and believe me, a whole lot of them did just that. A lot of them went deep into seven figures."

In the end, Wallace relented. The Citation was to have but three regional sales managers and 12 salesmen. "That was the toughest selling job of my life," Taylor says of the direct-sales issue. "A lot of people think that selling to customers is hard work, but I've found that selling a concept internally is by far the more difficult."

To boost the Citation's image, Taylor came up with still more concepts—all of them designed to bolster Cessna's commitment to the new jet and enhance the public's perception of the Citation as a quality product. Up to then, Cessna was known as a volume manufacturer of piston singles and

Taylor and his progeny: the Falcon 20, Canadair Challenger, and Citation. Without him, these airplanes wouldn't exist.

light twins. Selling a jet meant going upscale, in more ways than one.

First came the decision to certify the Citation to FAR Part 25 standards. Meeting these Transport-category rules was a significant step toward impressing the public that this would be no "Mickey Mouse" airplane, as Taylor put it. More than anyone else, Taylor was aware of the competition's desire to brand the Citation as just another Cessna. Having a Part 25 airplane automatically signaled that this was a serious airplane, complying with the most stringent safety standards.

Taylor's marketing team also insisted on professional flight training for Citation buyers. The flight training arm of American Airlines was chosen for the job. As Ginocchio recalls, "Jim Taylor definitely did not want to go cheap on this aspect of the program. In our contract with American, we said that Cessna would pay for flight training for each airplane we built, regardless of whether the training session was even attended. We wanted a disinterested third party doing our training . . . and this was a break from Cessna's earlier ideas, when the company trained pilots buying into the 300- or 400-series twins.

"So if a customer didn't attend, or didn't make the grade, it was not Citation's responsibility. We paid for their training, and after that, it was up to the pilot to keep up his end of the bargain."

In the firm belief that quality service enhances sales, Taylor insisted on a network of service centers dedicated exclusively to Citations and staffed by factory-trained personnel. Traditionally, Cessna relied on its dealers to provide service and maintenance. While this may have been a convenient arrangement for some customers, the quality of the service varied greatly. "Let's just say that some were better than others," Taylor says.

When it came time to settle on the design of the service centers' buildings, Taylor prepared three alternatives: A rock-bottom, bare-bones version, a mid-priced one, and a classy-looking, expensive model.

"I was really afraid of what Mr. Wallace would pick as our service center. I had the idea that he'd pick the cheapest. But to my great surprise, he picked the most expensive," Taylor confesses.

Father and son, 1942. Taylor's father was a naval aviator and test pilot who died flying a modified Wildcat . The day he died, Taylor signed up as a naval air cadet.

Prior to leading Pan Am's venture selling the Falcon 20, Taylor was CEO of Upressit Metal Cap Corporation. He flew his own business airplane at every opportunity.

Soon, three Citation service centers were built, all to standardized specifications.

Pricing was another issue. Taylor advocated standardization in this area, too. He offered customers one of two choices: Order a "green" Citation for $695,000 and complete the interior and avionics at your own expense, or pay $800,000 for a Citation with a standard interior and a healthy complement of Bendix/RCA avionics. "Want to know how many green Citations we sold?" Taylor gloats. "Zero."

Of course, advertising and direct-mail campaigns were also of vital importance in positioning Cessna's new jet. Once again, Taylor took the high road, using the techniques he'd pioneered with the Falcon sales effort. He used a personal approach in his mailings, targeting every level of a prospective client's company. Chief pilots would receive one type of message, aviation department managers another, and top executives still another message. Each mailing was carefully wordsmithed in an understated and clever manner.

Then there were the unusually creative mailings. During the 1973 oil crisis, Citation prospects found a rather large box on their desks. Inside was a plastic oil barrel, bearing the name of a competing aircraft. Open the barrel, and another was nestled inside, with the name of another competitor. After opening two more such barrels, the now-intrigued prospect found an exceptionally small barrel, labeled Citation. The barrels represented comparative fuel burns over a given distance, and the point was made.

In fact, Taylor was the first to use such three-dimensional direct-mail pieces in selling business jets. With the Falcon program, he capped off an especially well-known series of promotional booklets, titled "Falconry," with a special commemorative coin, specifically designed to reinforce the themes outlined in the booklets.

The Citation got off to a very good start, just as Taylor had predicted. (In fact, just as deliveries began in 1972, Taylor predicted 1,000 sales within 10 years.) During the very early days of the program, Cessna was building four Citations a day—even before a single one was sold. It was not until the first demonstrators began touring that deposits began coming in.

"We knew that the airplane would fill a niche," Taylor says. "In spite of the speed jokes from Learjet, like 'why don't you replace the Mach meter with a calendar' and all that, it didn't really bother us. We were aiming at people like the Merlin, King Air, and MU-2 drivers. The Citation could beat their speeds and offer better reliability and maintenance in the bargain. We never said, for example, that we were going after the speed of the Lear.

"It was sort of just the opposite. In those days, business jets were crashing quite a bit and getting a bad reputation. So we had to do a lot to ensure that the Citation would be the safest business jet. That's why we went for Part 25. That's why we insisted on professional training. And that's why we wanted standardized maintenance.

"Turned out, it is the safest business jet."

Taylor left Cessna in 1976 to work on another startup project: the Canadair Challenger business jet. As president and CEO of Canadair, Incorporated, he faced an even more daunting endeavor: He had to secure 50 deposits for an airplane still on the drawing board.

The airplane's original designer, Bill Lear, became enraged over Canadair's changes to his prototype, which he called the LearStar 600. Taylor's market research showed that customers wanted a wider cabin than that of the LearStar. Canadair engineers came up with this and other significant changes to the prototype, much to Lear's chagrin. Lear stalked off in a huff, calling the redesigned airplane "Fat Albert."

The new airplane, now called the Challenger, faced a monumental hurdle. The Canadian government—then-owners of Canadair—told Taylor they needed 50 orders within six months or production of the Challenger could not begin.

True to form, Taylor obtained the 50 orders. The paper airplane would go into production after all, and 50 more orders were placed before the Challenger's first flight. Taylor's handpicked team (including Ginocchio, who today serves as Challenger's vice president of product support) used the strategies that had worked so well in the past, and the Challenger series was off and running. By 1982, Challenger sales hit the $2-billion mark.

That same year, the 1,000th Citation was sold, just as Taylor predicted.

Taylor retired from Canadair in 1985 but didn't stay retired for long. Soon, he was back at work rescuing another company, Gates Learjet Corporation. Taylor was made president, chairman, and CEO of his old rival in order to eliminate its swelling debt, expand sales, and develop new models. Getting the U.S. Air Force to convert its lease of 80 Lear 35s into a sale proved to be the second greatest sales job of his career. The lease was costing Learjet $2 million per month and was literally killing the company.

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"I guess I just wore them down," Taylor says of the Air Force purchase. "Between all those trips to Congress and the Pentagon, I guess they just gave in." After the Air Force sale, Taylor shed other money-losing projects that Learjet had accumulated over the years. Now he was free to concentrate on developing new versions of the Learjet, the models 31 and 55C.

Taylor retired from Learjet in 1988 and now runs a private consulting firm—James B. Taylor Associates, of Westport, Connecticut. He still stays in touch with his many former associates and hints strongly that he'll be involved in developing a new single-engine business jet.

"I think the concept is sound and that the demand is there," he says of his latest project.

"It's important to remember that there is still a market out there. The problem is that engineering departments get confused. They think *they're* in the business of selling and marketing airplanes, when, of course, it takes market research and R&D to determine what a successful airplane should have and how it should perform. This has to happen before the first airplane even rolls out the door.

"You look at the slump in sales these days, particularly in piston airplanes, and sure, product liability is a problem. But the great interest in kitplanes proves that the demand for airplanes is still there. The problem is that piston-powered airplanes didn't change. Their designs haven't changed for decades.

"It's the same thing with large airplanes. Customers want modern concepts. That's why United chose the Airbus 320 over the Boeings, because it's more modern in its design and systems.

"As for the business jets, the story is not much different. People will pay just about anything to beat the competition, and the business jet is the only vehicle that multiplies our scarcest resource—time.

"The trouble is, business jets are becoming too expensive to purchase outright. As I see it, one way to revive business jet sales is for airlines to make fleet buys of business jets, then charter them or use them in feeder operations to the big hubs. Or use them to bypass hubs altogether and establish new routes.

"Firms like Delta and United have to realize that they're not in the airline business; they're in the transportation business. And the transportation business still has some lucrative niches that can be filled with business jets."

During the 1991 National Business Aircraft Association convention in Houston, a special reception was given for Taylor. In attendance was a huge retinue of friends and associates Taylor had gathered over the years. One speaker after another came to the podium, bearing praise and humorous anecdotes about the Taylor legend.

It was Ginocchio, master of ceremonies and right-hand man on nearly all of Taylor's projects, who summed up the feelings in the room that day. "Jim Taylor made a huge contribution to our industry and our personal lives," he said. "And on top of that, he is a class act." □