



DUNCAN
AVIATION



AIRCRAFT SALES & ACQUISITIONS

CASE STUDY

Expert Resources Make The Difference
Complicated Aircraft Sale Requires Specialized Expertise

Duncan Aviation's Aircraft Sales and Acquisitions team has been in the business of helping clients locate, buy and sell aircraft for more than 60 years. The eight-member team is backed by Duncan Aviation's full aircraft service resources, which include 2,308 technical and aviation experts at service centers and offices located worldwide. These knowledgeable experts are known to be especially good at resolving seemingly impossible challenges.



THE CUSTOMER

A long-time Duncan Aviation maintenance customer from Iowa hired our Aircraft Sales and Acquisitions team to perform market research and find a late-model aircraft with low flight time and a cabin that had plenty of shoulder room. The team included Duncan Aviation Aircraft Sales Representatives Rene Cardona, Bob McCammon, and Doug Roth, who have a combined total of 105 years of aircraft sales experience.

“As a team, we walked through the various attributes and the financial considerations of different makes and models,” says Doug. “In order to stay within the price ranges, operational costs of ownership, and performance parameters the customer wanted, we determined he should focus on a Falcon 2000LX.”

After an extensive market search that included engaging Duncan Aviation Regional Managers both in and outside of the United States, we found a Falcon 2000LX for sale in Thailand with an attractive asking price provided the aircraft was in good condition.

“On the buyer’s behalf, we made the seller an offer subject to a visual evaluation of the aircraft and its records and acceptance of the terms and conditions of a formal pre-purchase evaluation,” says Doug. “After a little back and forth, the seller accepted our offer.”

Before making our final recommendations to the buyer, we had to look at the aircraft and assess its condition. The buyer authorized us to send his chief pilot and Duncan Aviation’s Falcon Technical Specialist and Program Manager Ron Grose, who has 45 years of aviation experience, to evaluate the aircraft.

THE CHALLENGE

- The aircraft and its owner were in Thailand; the broker and the owner's attorney were in Europe; and the buyer and Aircraft Sales & Acquisitions Team were in the Midwest in the United States
- Thailand is 12 hours ahead of the CST (Central Standard Time) in the US Midwest; the broker was 7 hours ahead of the CST; and the attorney was 6 hours head. The time differences meant there were unavoidable communication delays
- Duncan Aviation does not have authorization from the CAAT (Civil Aviation Authority of Thailand) to work on Thai-registered aircraft
- The aircraft had to be decertified in Thailand and imported into the United States
- Import paperwork had to be filed with US Customs before the plane could fly from Thailand to Anchorage, Alaska
- The flight crew that flew from Thailand could not perform the airworthiness flight test in the United States



THE OPTIONS

In spite of the challenges of this transaction, the Aircraft Sales & Acquisitions team was confident that the buyer would be quite pleased with this aircraft and the condition it was in. The buyer needed to make his final decision: walk away or proceed with the complex, possibly time-consuming process.

CONTINUE

WALK
AWAY

START
OVER

THE SOLUTION

Because the parties involved were spread among so many time zones with a 12-hour time difference between the buyer and the seller, communication was frequently delayed. When it was 10am in Lincoln, and Doug and the team had received approval on some aspect of the negotiations from the buyer, Doug would then send an email with the terms to the attorney in Europe, where it was already 4pm. Assuming the attorney took an hour to review the information, make his recommendations, and forward the email to the seller in Thailand, where it was then 11pm in Bangkok, and the seller would likely not even see the email until the following morning.

“Our emails back and forth had to be succinct, to the point, and forward-thinking,” says Doug. “We were always in problem-solving mode, and we tried to streamline communications.”

After reviewing the aircraft and its documentation in Thailand, Ron and the chief pilot determined it had been well-maintained. They found only a few small discrepancies. With the initial evaluation complete, we determined that the aircraft was a good candidate to run through a complete pre-purchase evaluation.

The seller’s agent knows that Duncan Aviation is an authorized Falcon Service Center and is recognized worldwide, with 11 international authorizations. Because of these authorizations, the buyer also preferred to have the evaluation performed at the Duncan Aviation MRO facility in Lincoln, Nebraska.

“This condition was included in the purchase agreement, and the seller agreed to relocate the aircraft from Bangkok to Lincoln,” says Doug.

THE SOLUTION

With the location of the aircraft resolved, the Duncan Aviation sales team then had to determine how to efficiently and properly import the aircraft into the United States.

Steve Rothanzl, Duncan Aviation's International Trade Compliance Officer, has an office down the hall from Doug's.

"It's nice to be able to walk down the hall and get immediate support when the timing was so critical," says Doug. "We needed everything to be in order so there were no last-minute hurdles or surprises."

Steve prepared and filed the necessary paperwork, so the import permit was available for the aircraft to clear US Customs as it landed in Anchorage, Alaska.

The flight crew from Thailand declined to perform the in-flight evaluations after their arrival in Lincoln. They felt that working through the legal complications to make a local flight was a big hurdle. Instead, they offered to allow Duncan Aviation technicians to accompany them on their last leg from Anchorage to Lincoln so they could perform the in-flight evaluations on that flight.

To avoid downtime and additional expenses, Doug and the sales team also negotiated with the owner to have Duncan Aviation's Avionics Crew Leader Eric Corbridge and Airframe Lead Tech Michael Stamm meet the aircraft in Anchorage. The two Duncan Aviation technicians then performed the evaluations during the 7-hour flight from Anchorage to Lincoln, saving time and expense.

The pre-buy evaluation in Lincoln turned up the typical numbers of squawks, with two major that required subsequent negotiations. Eventually, the Duncan Aviation Aircraft Sales & Acquisition team worked out a solution that was agreeable to both the buyer and seller.



THE RESOURCES

“This transaction had a multitude of complexities, but Duncan Aviation has expert resources in a variety of areas to help make it happen,” says Doug.

- With a team of experienced market researchers, we were able to search around the world for an aircraft that met the specifications the buyer had in mind
- Because of Ron’s evaluation in Thailand, we knew we were dealing with an aircraft that was in great shape
- With an on-site International Compliance Officer who is familiar with how to import an aircraft registered outside the United States, we were able to deal with these issues in a timely fashion, saving our buyer time and money
- Because our team members are able to travel to meet the needs of customers anywhere in the world, we were able to save both the buyer and seller time and money by having an experienced test-flight crew meet the aircraft in Anchorage, Alaska
- Because of Duncan Aviation’s high ethical standards and business integrity, the team was able to reach an agreement acceptable to both buyer and seller after the pre-buy evaluation, and the Falcon 2000LX had a new owner

THE RESULT

“After nearly four months of negotiations and evaluations, we accepted the aircraft subject to the terms and conditions of the Aircraft Purchase Agreement, and with some additional terms, and we ultimately closed the sale,” says Doug.

The new owners bought the Falcon 2000LX and are now ready to make it entirely their own. They have asked Duncan Aviation to add FANS 1/A (Future Air Navigation Systems), reconfigure the interior, put in new wood on the cabinets, add a new interior, and completely repaint the exterior. While the aircraft is down for that work, we will also perform the 2C Inspection and Gear Overhaul to eliminate future downtime.

“The delivery date is mid-January, and everything is on schedule,” says Doug. “It’s going to be like a brand new airplane!”