

## FACE THE FACTS WITH...

## JEAN-PIERRE MORTREUX

Enhanced vision and electronic flight bag are two of the hottest tickets in corporate aviation avionics. CMC Electronics president Jean-Pierre Mortreux tells Brendan Gallagher that the Canadian company is now the leading supplier in both markets.

**How much does corporate aviation contribute to your business and how do you expect its share to develop in the future?**

Corporate aviation is worth about \$20 million, some 10% of our revenues. We see the total doubling to \$40 million within three years, with the proportion rising to 15%, as a result of growth in our enhanced vision system (EVS) and electronic flight bag (EFB) activities.

**What percentage of your corporate aviation business comes from North America? Which other regions are significant?**

In terms of aircraft operators, 80% of our corporate aviation business is in North America, with the rest in Europe and, to a lesser extent, the Middle East. I see those three regions remaining the most important for us for some time. Markets like China and India will emerge eventually, but at present they are still very small as far as we are concerned. We see some sales coming through five years from now, but still nothing to compare with North America, Europe and the Middle East.

**Which is the most financially significant of the product areas you are presenting here – EVS, EFB, Inmarsat antennas, GPS?**

Enhanced vision is No 1, followed by electronic flight bags, Inmarsat and GPS. In EVS we're strong in terms of OEM selections, and the same is true of EFB. We're not pretending we're No 1 in Inmarsat antennas for corporate aviation, but we do now have an offering in the form of our new SatLite product.

**What's your biggest news here at the show?**

At this point it must be the selection of our PilotView EFB by Sino-Swearingen for the SJ30, with an initial potential for installations in 300 new aircraft. This is our fourth electronic flight bag OEM position: we have been selected by Gulfstream, we announced earlier this year that we were available on the entire Dassault fleet, and at last year's NBAA we revealed that both PilotView and our SureSight M-Series EVS infrared sensor had been selected for the Pilatus PC-12.

**How much of the corporate aviation EVS and EFB markets do you hope to win?**

We've had a very good first year of EVS deliveries and we think we have the potential to stay No 1 in that market, with more than 50%. As for EFB in corporate aviation, we currently don't have any significant competition. People like NavAero have some supplemental type certificates, but I can't find any announced OEM positions.

**Who are your prime competitors in the corporate aviation EVS and Inmarsat markets?**

We're up against Kollsman in EVS. Both of us have the right vision and a range of IR sensor products, both cooled and uncooled.

Kollsman is on Gulfstream, while we are on Bombardier, Boeing Business Jets, Dassault and Pilatus. So in terms of OEM positions we're in better shape than Kollsman. As for Inmarsat antennas, our prime competition is EMS Satcom, which dominates corporate aviation in the same way that we lead in air transport. Chelton Satcom is beginning to emerge as a competitor in this sector.

**Are you planning any new developments within your existing corporate aviation product areas?**

In EVS we're looking to introduce a new, higher-performance sensor. We are also working on fusing EVS with synthetic vision, under the label Advanced Vision System. We have been doing our own research for the past three years, and now we're talking to Universal Avionics about the possibility of co-operation on EVS/SVS fusion.

**Do you have any plans to enter completely new corporate aviation product areas in the near future?**

In GPS we have a unique capability based on 20 years of experience. This led to a contract from the FAA for development work on GPS sensors able to work with its performance-enhancing Wide-Area Augmentation System (WAAS). We think this will turn into a good growth opportunity for us.

**Can you see a place for your products in very light jets?**

We're looking at offering EVS, EFB and, a little further down the road, GPS-WAAS for the VLJs. Our product-development strategy over the years has been to enter the market by introducing high-quality products for the high-end business jets, and then to move down through the segments below. At the top end you have early adopters who can afford to take on new technologies. Once you have created an excellent product to meet their needs, you can then use it as the basis for a range of products for other segments like the VLJs. We're not there yet with the VLJs – that will require further movement on size, weight and cost – but they are certainly on our agenda.





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## PEOPLE

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## HEINZ KÖHLI



Heinz Köhli was appointed chief executive of Switzerland's Jet Aviation Group in May 2003, having worked for the company for almost 30 years. He has a wide international background and served as a major in a Swiss army infantry transport unit. His career embraces various roles throughout the company, which has strong US ambitions. Liz Moscrop caught up with him before NBAA.

**Jet Aviation Basle is due to expand its facilities, including adding another hangar large enough to house a Boeing 747-8 or an Airbus A380. This is a 60% increase on your existing site. Why has your operation there grown so much?**

Basle has benefited from the new completion market for wide-bodies. We have now captured the 747-400, the 757 and the A330. We have seen a bigger demand with more completions and more volumes coming through. We anticipate doubling in size again within the next five years.

**Why is Basle the only centre that Dassault Falcon Jet uses to outsource its completions?**

Dassault forms a big part of our completions market – up to 20 aircraft a year. They are high-end clientele with special requirements. They come to us because we are known as a very high quality provider and we have

traditionally enjoyed a close relationship with them. More than ten years ago Jet Aviation was a Dassault Falcon service centre. We did MRO work on Falcon 20s, so established a close relationship with them. They saw what we were doing with Boeing 737s. They liked that and asked us to do green work on their aircraft. That work grew. We now do almost 20 aircraft for them. Our relationship is very close.

**Jet Aviation is well known as a fixed-base operator and charter organization – this year it has seen strong growth in the USA and helped one customer generate \$3 million in revenues. Midcoast Aviation enjoys high brand recognition in North America as a leading MRO and completions company. How did the merger come about?**

We started North American operations in 1979 with a charter aircraft

office when we acquired a company in New York with an FBO. We expanded to Palm Beach and Dallas and now have more than 20 years' experience offering FBO services in the USA. In Europe we are purely known as an MRO, but are better known as an FBO in the USA, especially on the East Coast. The USA is the biggest market for business aircraft, four times bigger than Europe. We wanted to capture the MRO market, which is why we acquired Midcoast.

Because people already know Midcoast as a superior provider of MRO, we have designated the Jet Aviation brand as providing FBO and charter services. We have integrated Midcoast strategically and let them do completions and MRO work.

**What are the challenges and the benefits of merging a European with a North American company?**

The advantage to everyone is that we have tried to combine our

know-how – the Swiss and the US knowledge. There are lots of synergies and we have improved processes. We have learned from each other. The acquisition has also strengthened our purchasing power. The volume of sales in Europe and the USA is more attractive and gives us better buying power.

In terms of corporate culture the companies are very similar. Both have loyal employees who have been with the company a long time, more than 15 years in many cases. Both are well known for precise work of high quality and we have certainly learned from our North American colleagues' sales and marketing skills.

**How are you dealing with differentiating two brands under one banner?**

Jet Aviation already has a good name as an FBO and Midcoast as an MRO provider. It is wrong at the moment to put everything under one banner. Everyone

knows the Midcoast name; we will keep them separate for a while. We have incorporated the Jet Aviation logo into the Midcoast logo and use it on all new documents, branding and magazines etc. Midcoast is mentioned as an integral part of the company in our *Outlook* magazine, which goes out to customers at the FBOs. We have articles throughout about Midcoast, so the industry is becoming more and more aware of our involvement.

**What can you tell us about your new branding?**

We will unveil it at the show! We have a new corporate design and brochure, plus a new advertising campaign.

**Have you any messages for NBAA delegates?**

The USA is the largest market in the industry. We intend to grow our market share and grow here. Our mission is to be number one worldwide.

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## BERNHARD CONRAD



Bernhard Conrad is Lufthansa Technik's (LHT) senior vice president completion centre. He was instrumental in initiating the relationship between LHT and Bombardier for the Lufthansa Bombardier Aviation Services division (LBAS) and is chairman of its board of directors. In 1998 LHT appointed him as head of approved design organisation. Liz Moscrop hears his thoughts.

**How do you work with Bombardier's engineers as a team on the CL850 project?**

The aircraft comes to us 'green' with all the engineering information we need for our cabin interior design and installation, so we do not need much dialogue with Bombardier's design engineers.

However, we work closely together with Bombardier liaison engineering, which organizes the detailed specification of the interior customization. This joint team effort has already worked very successfully with a number of clients.

**How difficult is it to recruit and establish a highly skilled team of carpenters and other specialists?**

The people we have are long-term employees. They are passionate about their work and often have other carpentry projects outside their work for us.

They are not the kind of teams you can tell to hurry up. Their attention to detail is second to none.

That said, they are aware of deadlines and deliver projects on time

to the clients. I find the best way though is to leave them alone to do their work.

**You were a driving force behind LHT's liaison with DesignQ on the 'Project U' venture. You offered customer service plus, even visiting client's homes. Why did you make such an effort?**

This business requires that certain dedication, motivation, pride and enjoyment of the work in order to create such innovative cabins. Looking at the result you can see that our people love to do what they do. Dedication pays off.

**Outside the office you are a keen aviator, flying vintage tailwheels. Can you tell us a little about that?**

Tailwheel flying is real flying. I own and maintain an Aeronca, which I fly when I can – or rather it flies me! It really depends on my time and what the weather is like. Alas, north Germany does not always offer the best flying weather, but I go as often as I can.