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FBOs IN A Post-Pandemic World

Many safety lessons from the pandemic are likely here to stay.

IT SEEMS there are as many euphemisms for learning from past events as there are experiences those events have taught us. Among them, well-meaning phrases like being careful not to “throw out the baby with the bathwater,” or conducting a “post-mortem” to examine “lessons learned,” will reverberate off the walls of boardrooms and business schools who examine the effects of COVID-19 in a post-pandemic world. One thing that will not return is normalcy.

While life after the pandemic will certainly bear a resemblance to life before, subtle changes will stay in place as a result of COVID-19 forever, just as they did after September 11th and the global financial crisis. If skeptical, try bringing more than three ounces of a liquid through a TSA checkpoint or applying for a No-Income-No-Job verification loan for your next home purchase. The only constant is change. It is against this backdrop that we examine the “lessons learned” thus far from COVID-19 on the FBO industry, and how it evolved to weather yet a third economic storm in a little over two decades.

Though new procedures could be categorized in a multitude of ways, for

the sake of simplicity, all businesses in the US, not just FBOs, made adjustments that broadly fall into two categories: health and safety or financial. Some

changes of course may have been both, such as remote work. Let’s unpack each category and examine what policies and procedures we may want to have at the ready when the next storm comes.

On the health and safety side, many employers created employee sub-teams or actively scheduled employees to ensure if one member became infected with COVID-19, the entire FBO’s workforce was not at risk. While the nature of shift work already provides separation of employee groups across a 24-hour day, more thoughtful scheduling meant the morning or afternoon shifts at an FBO may have been divided into two teams, say blue and gold, for example, such that



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assigned teams never overlapped with one another. A subtle lesson learned here was also in nomenclature, as the A team/B team phraseology does not exactly inspire confidence. After all, what customer wants to know the “A team” towed the airplane, but the “B team” fueled the airplane?

For some full-time employees, COVID-19 friendly scheduling meant that employees finally enjoyed a benefit they’d been asking for since the weekend was invented: three days off in a row. These scheduling changes increase employee health and reduce employee absenteeism, both of which contribute positively to a business’ financial health.

Also, in the health and safety category, the FBO customer experience changed dramatically. In addition to clever hold-short markings some FBOs put six-feet from their front desks, many communal snack offerings — such as the self-serve popcorn machine or the plate of warm cookies, that seemingly every customer has touched — have been replaced with single-serve pre-bagged individual snacks. Other alterations FBOs made both reduced cost and increased environmental stewardship, like touchless water dispensers meant to refill a customer’s reusable bottle, which happened to reduce the use of single-use plastic water bottles as well.

Lastly, remote work of non-customer facing positions — typically back office roles such as accounting — became the norm. The fear of lost, unproductive time by employers was clearly over-hyped pre-pandemic as employees previously accustomed to working “office hours” instead now struggle to create work-life boundaries at home. It is likely a great number of an FBO’s administrative offices will remain vacant in the coming years due to an embrace of remote work, freeing up that space for another lesson learned during the pandemic: the value of hangar and office rental.

On that subject, the financial changes FBOs refocused on, as a result of COVID-19, deserves a brief examination, as those lessons should not gather dust going forward. As many FBOs have only two revenue levers — fuel sales and hangar/office rental — the value of an FBO’s real estate finally became manifest.

About a month after the first stay at home orders began taking shape in the US, April 2020 saw the seven-day average of General Aviation movements drop off by 72.9 percent. That means three out of four GA aircraft were effectively parked for most of April and FBO fuel sales cratered nationally. The key word in the previous sentence however was “parked,” as it was the monthly ramp, hangar and office rental revenue that kept flowing to the FBO to cover the basics, as fuel nozzles ran dry.

Another rather counterintuitive change took place at FBOs and other businesses across the country, as a result of the pandemic. For the most part, a financial downturn sees a textbook-like reaction from business: Travel is cut, marketing budgets are slashed and third-party professional services contracts get the axe. However, COVID-19 saw some FBOs double down on third-party services over W-2 employees performing similar tasks, for a multitude of reasons. One big reason for

the growth in third-party services is simply the evolutionary time period of the economy more generally. The “gig economy” had already arrived in the years leading up to COVID-19 and the flexibility brought about through the use of contractors is increasingly being adopted. Third-party firms offering virtual expertise pre-pandemic saw increased adoption of their services, no doubt adding to the meteoric rise in stock price of the software companies that developed those platforms, such as Zoom.

While the world as we once knew it is gone, one hopes our post-pandemic world is no more frustrating than having to buy those miniature shampoo bottles just to pass through a TSA checkpoint unmolested. That said, many of the lessons learned are here to stay and that is for the better. Though many of us are more geographically distant from our co-workers, customers and vendors than ever before, a notion of all being “in this together” has permeated our business interactions. In person, we ask more thoughtful questions and we care far more about the response. We have also seen it remotely, as a restless child jumped in a parent’s lap during a Zoom call, or a pet walked across the screen during a high-stakes presentation — and we kept going, undisturbed by the interruption. A new sense of shared humanity and humility appears to have taken hold. Let’s hope that is one of the lasting changes we enjoy as an industry and society. ▀



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