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When buying, a good broker can prevent nasty - and expensive - surprises such as physical problems with the aircraft, overlooking an aircraft that would be far better suited to your needs, or finding that the deal you made has unexpected tax implications.

- Choosing the right broker is not easy, but it is possible
- Choosing the right broker is very important, and the wrong choice can be very expensive

The first thing you need to know is this. Aircraft brokers are completely unregulated. Anyone can setup up shop as an aircraft broker, even if he has no capital, no experience, no training, no expertise and (dare I say it) no ethics.

On the other hand, I can assure you from firsthand experience that there are many well-run, well-funded, highly ethical organizations specializing in brokering business aircraft.

The trick is to tell which are the good ones, and then which are the best for your particular needs. Here are a few guidelines.

1 - Compile a list of the brokers and dealers who specialize in the type of aircraft you are interested in. One place to start is to peruse aircraft listings, such as those in Business Air or on the ASO website at www.ASO.com. Each listing includes the seller's name. These are usually brokers with some level of expertise in the aircraft they are selling. Look for names that are repeated in multiple ads, because that will indicate specialization.

2 - Short-list the brokers that seem to be the best fit, and use their websites to screen them. As a guide, look at the type of aircraft, and the number of aircraft listed compared to other brokers handling similar aircraft. Too few listings or deals should be a warning sign, as should too many listings from a small company (see #3 below). Also, don't simply look for geographic proximity; that is less important than finding a good match, although it is best to use a broker in your own country if possible.

3 - Call your shortlisted brokers, and ask them:

- How long they have been in business
- The size of their organization compared to others handling similar aircraft
- The experience of the principals
- If they will provide a list of aircraft they sold (or acquired) in the last 12 months
- Whether they will provide a list of reference customers, including a complete, unedited list of all deals they have worked on in the past 12 months
- Whether they restrict their listings to aircraft which they have an exclusive listing right

As I said in Part 2 of this series, working with a broker on an exclusive basis is desirable. You can't expect a broker to put energy and money into promoting your aircraft if there is a good chance that someone else will get the deal. By giving a broker an exclusive, you are incenting him to use the period of exclusivity to get the deal done. He then has every reason to put his resources into selling your aircraft.

Conversely, some organizations that do not offer exclusive listing rights will try to list anything they can find in order to appear larger and more successful than they really are. It would be wise to be wary of this type of organization.

4 - Ask each broker to send you their standard contract and payment terms. Then review the information for clarity and comfort with each broker's business practices. Be particularly sure that it is clear what you pay and when, and be wary of a commission rate that looks too low. In the end, you get what you pay for, and it's usually better to pay a little more to have confidence in the outcome of the transaction.

5 - Get client references from the brokers you are considering, and then check them. Although it is unlikely that a broker will supply a negative reference, even a conversation with a satisfied client can throw additional light on the broker's capabilities and practices.

6 - Get broker references from your friends and business contacts. This is imperative. As I said in Part 2 of this series:

"The good brokers really care about their reputation because that's how they got to be successful. The aviation world is very small, and your broker needs your word-of-mouth recommendation and your future business. That's why you want to do business with a successful, well established, reputable and capable broker. It's your best chance at a satisfactory result."

So, if you have a broker reference from a friend or business associate, make sure you tell the broker that you were referred by that person. The broker now has two people he wants to satisfy: you, because he wants you back as a repeat client, and your friend, because he wants him to hear that your transaction was satisfactory and return the next time he is buying or selling an aircraft. This doubles the pressure on the broker to perform.

7 - As your shortlist narrows, start calling other aviation industry organizations such as finance companies, insurance brokers, attorneys and consultants. Ask them about the companies you are considering. The aviation industry is small, and the good brokers are well known. One good source for these names as well as for broker listings is NARA, the National Aircraft Resale Association (www.NARA-Dealers.com). NARA is the only significant trade association of aircraft dealers and brokers. Its goal is to promote high ethical standards in buying and selling business aircraft, and most of its members specialize in business jets and turboprops.

The NARA website will give you a complete list of NARA members with links to their individual websites, plus a listing of NARA Associate Members (including our company, ASO) who can serve as trade references.

8 - After checking and cross-checking your research, choose a broker. But be prepared to switch if things are not going the way you expected. While this may be painful, it is much better than suffering through a more painful and drawn out process. And since you have already done your homework, you can immediately turn to your second or third choice without having to start from scratch.

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