

AVIATION BUSINESS

OFFICIAL PUBLICATION OF THE NATIONAL AIR TRANSPORTATION ASSOCIATION

JOURNAL

4th Quarter 2010



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Aviation in the Blood

At general aviation businesses like Cutter Aviation and Priester Aviation, family is as important as flying.

By Colin Bane

Imagine starting something today that your great-grandkids will still be happily working on in 82 years. It takes vision and it takes commitment, but it's not impossible, particularly in aviation where, as they say, the sky's the limit.

The family-owned and family-operated business celebrated in American mythology and mourned as an endangered species is in fact alive and well in general aviation, and family has become a core corporate value at many of the top companies in the industry. Mom-and-pop operations are still the rule in general aviation, and it's not uncommon to take over the family business from your folks or to be preparing to hand it off to your own children and grandchildren.

Curious about the future of general aviation and the next generation of business leaders, we spoke with presidents and CEOs from Cutter Aviation and Priester Aviation. These thriving businesses are each putting the F-L-Y in "family."

"Cutter Aviation, where customers are friends and employees are family."

More than 82 years ago, William P. Cutter barnstormed his way into the American Southwest, setting up shop in New Mexico as Cutter Flying Service, Inc. His son William R. Cutter took over in the 1960s (and still owns 18 percent of the business), his grandson William W. Cutter is running the show these days (he now owns 88 percent, after buying out other family members' shares), and his great-grandson William D. Cutter is now 18 years old and helping out around Cutter's operations at Phoenix Sky Harbor Airport after school three or four days a week.

"We're not real bright when it comes to picking names," said current CEO Will Cutter, the third to take up the family legacy. "Come Christmas time when they call Will or Bill, everyone comes running."

"Family" is one of Cutter Aviation's core corporate values (along with integrity, trust, health, prosperity, friendship, forgiveness, respect, personal growth, and stewardship), and it's specifically stated

in the company's vision statement: "Cutter Aviation, where customers are friends and employees are family."

For the oldest fixed-base operator network in the United States, the roots of this way of doing business go all the way to the beginning.

"These are tales that have been passed through the family lore for all these years, so make of them what you will, but as I understand it my grandfather was a pharmacist in Iowa, and one day he bought an airplane out of the blue and became a barnstormer," Will Cutter said. "We've got a lot of old pictures of him from all across the country. He'd land in a field somewhere and start giving rides for a nickel. Well, he lands in Santa Fe one day and this big black limousine pulls up, and the guy gets out and said, 'Listen, do not give that girl over there a ride under any circumstances.' So the end of the day comes along, late in the afternoon, and nobody's left but this girl who's been standing there waiting the whole time. She said, 'Please, can I have a ride?' and he ends up taking her up. It turns out the limousine guy was the governor of New Mexico, and he was furious. He detains my grandfather,

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Cutter Aviation Founder William P. Cutter accepts the 100th Beechcraft Bonanza sold by Cutter Aviation from Walter H. Beech in 1949.



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confiscates his plane, and won't allow him to leave the state while it all gets sorted out, which all backfired spectacularly on the governor. Ultimately my granddad married that girl, and they started Cutter Flying Services in 1928 and ran it together from the very start."

William P. Cutter became known as the "pilot-pioneer of the Southwest," and he and his wife, Virginia, grew the business as a flight school, military flight-training center, aircraft dealer, and FBO, developing longstanding relationships with the Beech Aircraft Corporation and other manufacturers. They knew people like Amelia Earhart and Howard Hughes ("my grandma had a lot of colorful stories," Cutter said), interacted with the great names in aviation of their day, and sold many, many airplanes.

"We became a Beech dealer around 1945, and we had the territory from West Texas to New Mexico and Arizona until 2009, when they went to factory direct," Cutter said. "In 1960, just after I was born, my grandfather said to my dad, 'Go out there and sell some planes in Phoenix.' So he came out here and braved the heat with no air conditioning and got it going, and 20 years later we moved the headquarters here and we've been expanding from Phoenix ever since. I don't mind the heat and I

Cutter Aviation Chairman Emeritus William R. "Bill" Cutter (left) and President and CEO William W. "Will" Cutter in front of a Cutter Flight Management Beechjet 400A at the Phoenix, Ariz., company headquarters.



don't care for shoveling snow, so this is where we'll stay."

Cutter Aviation now has operations at Phoenix Sky Harbor Airport (KPHX) and Deer Valley Airport (KDVT) in Phoenix, Albuquerque International Sunport (KABQ), McKinney Airport (KTKI) in Dallas, El Paso International Airport (KELP), San Antonio International Airport (KSAT), and Colorado Springs Airport (KCOS).

"We're the oldest FBO in the world, and we're also the oldest Phillips Petroleum dealer in the world, and not just for planes: cars, boats, planes, anything," Cutter said. "That's kind of what we do. We get business partners and we stick with them, we support them and they support us for the future. Some of our partnerships go all the way back to my grandfather's days, and I think he'd recognize his own contributions in the business we are today. For all the advancement in technology, the truth is that the core of the business hasn't changed a heck of a lot. It's still putting fuel in planes and flying through the air and making sure both the planes and their passengers are well taken care of. The rest is in how you do business, how you treat people, and how you manage your own team to get the job done."

Cutter said he doesn't have many memories of his grandfather beyond the family photo albums and colorful handed-down stories, but he likes to think William P. Cutter would be proud of what Cutter Aviation has become and where it's headed.

"He died around 1965, when I was about 5-years old. I've heard a lot of stories and seen a lot of pictures, and my grandma Virginia, who I knew much better, was a great aviator in her own right," Cutter said. "They lived in Albuquerque and had a big house out on the lake, and when I was a teenager I used to go out there and spend the summers working at the FBO. It's where I learned a lot of the business, mainly as a lineman and in the parts department and mopping those big old hangar floors and such. They had me start at the bottom, so now nobody can BS me and tell me, 'No, you can't wash a plane in an hour' or 'there's no way to get the floor mopped that fast' because I know you can. I appreciate it now. You start at the bottom, you learn everything, and you work your way up, and you learn how much work is involved in every facet of the business. It makes me appreciate the guys who are out there doing it for me today. Occasionally I'll go out there and take off the tie and lend them a hand."

For Cutter, "family" has come to mean much

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more than immediate blood relations, for better and for worse. In 2008, Cutter Aviation had its best year ever; in 2009, like a lot of general aviation businesses, the company had its worst year ever.

“We had to do some tough layoffs last year, and I’ll tell you, that was the hardest thing I’ve ever had to do in my life, to look these guys in the eye and say, ‘You’re great. You’re perfect. But I just can’t pay you anymore, and I have to let you go.’ How do you show someone who is family to the door? Fortunately we’ve been able to hire a number of them back now that sales are climbing back up. I think we let go 40 or 50 people, and we’ve been able to bring about 15 back so far.”

Sales are indeed back up in 2010, and Cutter said the investment in the people who work for him has been his key to success, in the best of times and the worst of times. The company’s recent marketing campaigns have emphasized both its long history and its family ties, messages that resonate with Cutter’s loyal customers in the Southwest market.

“I think it’s important to our customers to know that we’ve been here a long time and we’ll be here for a long time to come,” Cutter said. “The family thing, I think it’s real important, and obviously we’re spending money advertising that it’s important, with old photos of my grandfather at the center of that campaign. I think it’s something that gets people’s attention, and family is certainly one of our core values. Does it bring more people to me than to the competition? Probably not. But it represents something we have that our competitors don’t. Whether it’s customers or business partners or our own team members, we tend to keep good people around forever. You can come in here and see these people day after day and year after year, and they’re going to know your name and treat you like family.”

Cutter’s not exaggerating. Some of his top employees have been with the company for 10, 20, even 30 years or more, longer than some of his competitors have been in business. It’s no coincidence that many of his customers have been with the company just as long.

“In September I saw my own anniversary card come up. I’ve been full-time with Cutter Aviation since 1979, so I’ve definitely put in my hours,” Cutter said. “But we’ve got people who have been here even longer than that. Our general manager in Albuquerque has been here for 35 years, and he’s got a custodian and a mechanic who’ve been with him for more than 30. You see these people every day, and you get involved in their lives and their families’ lives. You see their kids growing up,

and many of their kids have come to work for us over the years. We’ve also prioritized taking people from inside our company and growing them up through the business. We want to move good people up through the chain, just as I was given the opportunity to move up, and I’m proud to say we’re doing it. Half of our charter pilots used to work on the line, and a number of people in the main office today started here answering phones in entry-level positions. I tell people every day, ‘Look at me. If you stay here long enough some day you’ll be the president!’ And I’m not kidding, either. I know that the next leader of Cutter Aviation will come up from within, and I’m trying to encourage that.”

True to family tradition, the next leader of Cutter Aviation may very well be one of William P. Cutter’s great-grandchildren, but Will Cutter said it’s not something he wants to force on his son or his three daughters.

“My son’s down here a few days a week working three or four hours a day to get some gas money and spending cash to take his girlfriend out, and I’m giving him the same opportunity my father and I were each given: ‘Here’s a chance to have a job and learn the business, but your name’s on the side of the building so you can’t slack off. You’ve got to work your butt off harder than everybody. If you want respect than you’ve got to earn it.’ He’s got a ways to go, and he’s starting college next year. If he wants to come back and be part of the business some day, I’d love to have him. And the truth is he might have some competition. My youngest daughter, Anna, tells people all the time she’s going to be running Cutter Aviation when she grows up, and she’s quite a fighter and a go-getter so I imagine she probably will be!”