Jets of Daytona

Student’s Name

Institution

Date

**Introduction**

Daytona Jets is one of the leading airline training and management organization. It has a team of experts, which provides a specialized aircraft maintains, flight management, and trainings of individuals pursuing a career in the aviation industry. Over the last years, the organization has experience steady growth, which created a need to add more aircrafts into the fleet of aircraft the company manages (Daytone Jets, 2019). There is an increase demand of aircraft services in Florida, Caribbean and East Coast and therefore, Daytona Jets is forced to seek for new fleets of aircraft to add on its already over used aircrafts so that it can be able to meet the demand in the market.

The purpose of this study is to seek for the aircrafts, which can meet the needs of the company based on the market requirement. Therefore, the company should consider two options of aircraft based on the available offer in the market. It is important for the company to consider technical advantage of the aircraft, and therefore, Pilatus PC 12 and Cessna Jet are the best option for Daytona Jets.

**Market requirement**

Based on the market and demand of the aircraft the company requires aircrafts, which can serve a flight range of 401 to 2200 miles. It should be able to carry a maximum of 6 people per trip and this would be profitable to the company. Since it only serves a specific route and range of flights a light aircraft with a better engine would be an idea aircraft, which would serve Daytona Jets well for several years. Market research also indicates that 30% of market is premium segment, 50% are average customers and 20% are leisure travelers (Holand & Seth, 2015). These are some of the key elements, which make light aircraft to be the best aircraft for Daytona Jets to purchase for the purpose of business expansion.

**Aircraft**

The Pilatus PC 12 is the best aircraft for the flight since it has the specific range, passenger capacity and space, which can meet the demand in the market. The Pilatus PC 12 and Cessna 182 are able to meet the main mission required. The Cessna 182 and Pilatus PC 12 have a speed of more than 401 and can cover an average speed of more than 240 miles stretch in just one hour and forty minutes (Lessard, 2016). When given enough fuel and good maintenance, Cessna 182 can serve for several hours without taking rest to cool the engine, which most aircrafts cannot manage to complete and therefore, Cessna 182 and Pilatus PC 13 are the best aircraft, which Daytona Jets should settle on and purchase to expand its fleets of aircraft operations. Cessna Citation Jet/M2 have the capacity to complete or fulfill the need of the market based on its flight hours, capacity and range of flights and therefore, the two aircrafts Cessna Citation Jet/Ms and Pilatus PC12 are the best choice for the aircraft, which would be able to meet the mission requirements.

**Operational Concepts**

The company will require a total number of five aircrafts to meet the growing demands in the market. With a yearly flight schedule of 1700 hours of every aircraft, and calculated requirement of 7200, 30 aircrafts would be able to meet the demand in the market. Daytona need to acquire about 30 aircrafts to be able to provide the demanded services from the customers. It will acquire 10 Cessna Jet/M2 and 20 Pilatus PC 12 aircrafts, within a period of two years (Toppari, 2009). With an acquisition of these aircrafts, Daytona Jets would be able to serve the market efficiently and grow its market share within the next five years. However, the acquisition of the 20 aircrafts will also make the company to hire more pilots, and other crews to provide required assistant during the flight. It is also important to point that more control podium and management team would be required as well so that it can monitor the operations of the entire flights. And because of the additional aircrafts, the company would require efficient management from marketing and sales, IT and other relevant department, which provide support to the aircraft so that Daytona Jets could provide appropriate and effective services to its customers.

**Cost**

The market assessment has established that the acquisition of Cessna Jet/M2 would cost the Daytona approximately $4.5 million. It is tabulated that each Cessna Jet/M2 cost about $45000 and the ten pieces would cost the company about $ 4.5 million. This cost does not include delivery and other related costs, which the company would incur during the delivery. The Pilatus P12 is established to cost about $55000 each and therefore, twenty pieces of the said aircraft would cost about $11 million. It is therefore, means that Daytona would used about $15.5 million to acquire the light aircrafts, which it needs to have complete fleets to the additional market demand. However, the total operational cost of Pilatus P 12 is estimated to be $3.5 million annually and Cessna jet/M2 is $2.7 million. This is for the next 30 years until 2050 and based on this calculation, it is an appropriate to point that the purchase of the aircraft is a good business decision. They have the capacity to generate the intended amount and more profit for the company, therefore, the cost related to operation and purchase of the two aircrafts would be easy recovered from the operations within five years. This is due to the high demand in the market and therefore, it is appropriate to point that the two aircrafts are affordable and would be profitable based on their costs.

**Recommendation**

The assessment conducted established that, Daytona Jets requires light aircrafts, which could serves its current routes and new routes, which is about to be established. And based on this it needs aircrafts which requires little maintenance, fuel efficient and can serve the company for a longer time. It is therefore, recommended to purchase Cessna Jet/M2 because of its fuel consumption and cost of maintenance. The aircraft would be able to serve for years and cover longer distance and this makes it more profitable compared to other aircrafts. However, because Daytona is also looking into comfort of tourism and high end clients, Pilatus P12 is therefore, recommended and purchasing this aircraft is likely to give the company more edge in the market. With both aircrafts being a good business idea, the company should purchase more Pilatus P12 because of its comfort, fuel consumption and the number of hours the aircraft can take nonstop without refueling. In order to ensure that the aircrafts are profitable, it is recommended for Daytona Jets to hire pilots, and some experience crew for the purpose of the new aircrafts. It would also important to get specialized technicians for this new fleets of aircrafts foe the management purpose to make sure that the serve the airline for several years without serious damages.

# References

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