



Making the Case for Corporate Aircraft from 200 Feet Underground

Greg Cirillo
Founder, Member
HCH Legal, LLC

July 24, 2015

I admire consultants and trade associations that defend and promote corporate aviation as a business tool. It's not easy to do, especially using objective business metrics and GAAP. There is nothing in GAAP quantifying the value of a fresh, rested executive. And there is no metric that reliably connects and quantifies sales success with multi-point, nationwide road shows. But a recent experience in an unusual context enlightened me.

I recently had a 10AM meeting about 15 miles from my office, on Capitol Hill, in the Longworth House Office Building. It was late July in Washington, which generally means temperature and humidity both well above 80. I had three transportation options. DC's Metro subway system, my personal car or a hired car (Uber or taxi). Using conventional financial metrics, it's a no-brainer. Metro will cost about \$12 all-in, and will put me two blocks from my destination. The other two options were financially uncompetitive. So underground I went.

I parked at a municipal lot at Bethesda Metro, grabbed my suit jacket and ventured off. Ten steamy minutes later, I was riding the long escalator down to the train. To my surprise, the climate on the subway platform, 213 feet

underground, was as steamy as it was on the surface. After 4 minutes on the platform, I was seated on a visibly dirty subway car, which was slightly less steamy than the platform. I had hoped to review my notes for the meeting, but it was too crowded, and I was having ergonomic issues juggling my suit jacket (too warm to wear it) and my briefcase.

As anyone who rides the DC Metro regularly knows, I was fortunate to have had dodged any delays on the trip. I arrived at the South Capitol Metro stop 30 minutes after leaving Bethesda, and had a warm, five minute walk to the Longworth Building. Door-to-door transit was about 75 minutes. The meeting lasted less than an hour, and I reversed the process. I arrived at my office after 1PM, relieved but craving a nap.

On the subway trip back, while sitting stationary in a tunnel, and missing a scheduled lunch appointment, it dawned on me that I was living an experiment. By letting conventional financial metrics govern my decision making, I burned up time, I created vast unproductive periods in my day, I jeopardized my timely arrival, I degraded my mental acuity and physical appearance. For another \$20 (plus fuel, wear-and-tear) I could have driven myself, parked and walked a short distance to the meeting. For another \$50-70 I could have hired a car to take me door-to-door, in comfort, in less than half the time. I would have had control of my schedule and my environment, I would have been fresher at the meeting, and I would have been back at my office sooner, not craving a nap. The potential value of my meeting to me and my firm was high enough to justify the additional investment because that investment could have changed the quality and outcome of the meeting.

That's the business jet argument in a nutshell. The DC Metro is like commercial airline travel -- financially unbeatable, but functionally defective. The private car is like corporate aviation -- financially hard to justify, but intangibly valuable. What is the value of the meeting, or of the executive's time? What are the true risks of taking the lower-cost option? There are certainly meetings in the business world where the desired outcome is worth the investment in private aircraft transportation. But you will never see it expressed in financial terms. If you do not look beyond the financial metrics, you risk making the wrong decision.

Greg Cirillo is Founder and Member at HCH Legal, LLC, a law firm based in Bethesda, Maryland, serving business clients nationally and internationally. www.hchlegal.com