

Piper sings a new tune

Piper's emergence from Chapter 11 heralds a rebirth of general aviation.

RAMON LOPEZ/WASHINGTON DC

PIPER AIRCRAFT'S recent emergence from Chapter 11 has coincided with a renaissance of the US general-aviation business brought about largely by a watering-down of product-liability legislation.

Under the leadership of Charles Suma, Piper one of the most famous names in aviation, is preparing to launch derivative aircraft, upgrades, the replacement of certain models and the re-introduction others as part of an ambitious ten-year plan to build annual production to the 800-aircraft level.

In discussing plans for the so-called "New Piper Aircraft" company, Suma, the firm's president and chief executive says that the aircraft maker expects to achieve annual sales of between 700 and 800 general-aviation aircraft across a broad product line of new models within a decade.

These include a four-place primary trainer; a four-place retractable gear aircraft; a six-place pressurised single-engine model; and, a six- or eight-seat twin-engined aircraft.

Suma, only 38 years old, started out on the Piper assembly line in 1976 as a riveter. Within a year, he was in charge of manufacturing engineering and, over the course of the next eight years, he sharpened his skills in various management positions within aircraft production.

His fast-paced rise in the company ranks continued as the firm began its fall from financial grace. As Piper Aircraft started its sharp decline in early 1991,



Charles Suma

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Suma assumed full responsibility for manufacturing.

Piper filed for Chapter 11 bankruptcy protection in July 1991, after it went on a price-cutting binge that boosted sales, but killed profits. By then, the firm had less than \$1,000 in the bank and 45 employees, including Suma, who was now president of a company which delivered only 41 aircraft that year — the lowest production in its long history.

In February 1992, Suma and his management team began the turnaround which would eventually allow the company to emerge from bankruptcy court three years later. Suma says that his ascent to the top job was akin to winning a battlefield promotion at Custer's last stand — although he hoped for a different ending.

New Piper Aircraft continues to build trainers (the Warrior III, Arrow, Dakota and Seminole), personal aircraft (Archer III,

Saratoga II HP) and business models (Malibu Mirage and Seneca IV). It will deliver 174 aircraft during 1995 and projects 207 sales in 1996. In five years, the firm expects the production rate to reach 500-600 aircraft, although the business plan filed with the bankruptcy court offers a conservative 310-aircraft build-up.

Suma does not believe that Cessna Aircraft can build up the Model 172/182/206 yearly production rates to 2,000 units by 1998. He says that a more realistic figure is between 1,000 and 1,200 Cessnas.

Notwithstanding, he believes that the worldwide piston-engine aircraft replacement market is lucrative enough for both firms.

In July, the firm emerged from its four years' stay in bankruptcy court. A judge approved the sale of the company to its creditors, including Teledyne Continental Motors, and the Dimeling,

Schreiber and Park investment firm for \$95 million.

Principals of the investment firm, which controls three seats on the new board of directors, will not take part in day-to-day operations at the aircraft maker, choosing instead to rely on Suma and other existing managers. A public offering is viewed in two to three years to raise capital and pay down debt.

New Piper Aircraft is looking to replace the Dakota and Arrow and, late in 1996, offer two new derivatives of the six-place Cherokee. In January, the firm will unveil significant upgrades to the Saratoga and Malibu Mirage. Plans call for re-introduction of the seven-place twin-turboprop Cheyenne IA and the twin-piston-engine Navajo within the next two to three years.

"We are a new company with new ownership and an aggressive operating plan for the future," Suma says. New Piper Aircraft, he adds, will also begin development of quieter, composite general-aviation aircraft of the 21st century that will include cutting-edge technologies such as lightweight, compact, and more powerful engines, flat-panel displays, and fly-by-wire or electronic controls.

With 535 workers on the payroll, the firm expects to employ 575 by the end of the year and to grow employment by a further 25% in 1996. The company has room to expand since it now uses only about half of its 110,000m² (1.2 million ft²) plant at Vero Beach (Florida) Municipal Airport.

Suma says that Pilatus Aircraft's unsuccessful bid for Piper was an "unpleasant experience." The Swiss firm still wants a final assembly and completion site in North America for the PC-12 single-turbine utility aircraft. He says that it will not be at the New Piper Aircraft site.

Piper's boss says that New Piper Aircraft is a lean, cost-effective, aircraft maker now protected by product-liability legislation, which he calls "...a gift from heaven on which we will capitalise". □