

Sounding Board

Sounding Board: Five Minutes With Mooney International CEO Jonny Pollack

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Jonny Pollack is CEO of Mooney International, which was recently sold to U.S. Financial, a Wyoming-based financial group. U.S. Financial bought the majority share from Soaring America, part of the Meijing Group in China, which purchased the company in 2013. Pollack, a New York-based entertainment lawyer and Mooney owner, has run the company since January.

Q. With the change of ownership, what is the focus for Mooney now?

A. We build a plane that, in my mind, is the best single-engine piston that's ever been produced. It's fast, efficient and handmade by craftsman that are really dedicated to what they do. But it's manufactured using '70s technology. Our competition is able to manufacture planes in a much cheaper and more efficient way. We can't really compete the way we're doing it. And what I certainly don't want to do is to throw money at the problem and end up in the same place three or four years later.

Q. What are the plans?

A. There are currently two aircraft on the line—one Acclaim Ultra and one Ovation Ultra. We are completing those and we'll sell them. Then we are going to take a break from producing aircraft for a while and focus on supporting the existing fleet and supporting parts production. But in supporting the fleet, we have to make some adjustments in our thinking. The short-term goal is to steady the ship and get parts out more efficiently. But we're also working on a retrofit to increase our useful load. We are hoping within a year we'll be able to sell those owners who want it, a landing gear retrofit so their planes can carry more weight. It will be a game changer for Mooney. In addition to providing something the Mooney community has wanted for years, we will have a platform we can build on. We would be in a position to build a bigger plane or add a ballistic parachute, for example.

Q. Your costs to build an aircraft are more than your competi-



Photo Credit: Jonny Pollack

tors, you said. How do you change that?

A. We're going to have to look at automating some aspects of how we build our planes and building more of it with composites. As it's currently manufactured, the gross margin on a Mooney is about 10%. With that low a margin, we lose money. The problem is, it's not easy to change the way a plane is manufactured. It takes significant resources to redesign a plane; it requires a new Type Certificate, engineers, retooling. Past ownership has assumed you can simply market it differently or add a door and that's going to improve the bottom line. But that doesn't change the underlying economics. The Mooney wing is at the heart of a Mooney; it makes our planes faster and more efficient than our competition. But a Mooney wing averages 1,800 to 2,000 manhours to build and they are handmade by craftsmen. These are not a bunch of folks on an assembly line like Lucille Ball making chocolates. It takes skill and hard work. So, while we're pouring our heart and soul into our aircraft, the competition is pouring plastic into a mold. We're using an older technology that, unfortunately, can't compete. I would argue that the end result is better, but we can't turn the clock back.

Q. Composites or metal in the future?

A. If I had my druthers, the entire plane would always be metal. Our metal wing with an aluminum spar from tip to tip is the hallmark of a Mooney. It gives it its strength and durability. If our wing were made of composites, it would no longer be a Mooney

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wing. So, we have to look at automating the manufacture of the wing in order to compete, but it should always be metal. A good part of the fuselage of the Ultras are already composite. We are looking into making more of the fuselage out of composites. So, in answer to the question, the likely result will be a healthy hybrid.

Q. You mentioned the possibility of using the facility to build aircraft and parts for others. What are you thinking?

A. It's a terrific facility and it's able to manufacture all sorts of parts for aircraft, not just for Mooney. There are only so many parts that (a fleet of) 7,000 (Mooney) aircraft are going to need. For us to survive, we have to come up with other ways to bring in revenue. We're already manufacturing parts for third parties, but we have the capacity to do much more, so we'll be bidding out other work. Since we are looking out another year and a half before we're even talking about manufacturing a new plane, we plan to use our space to refurbish older Moonies and offer factory certifications and warranties. We're also discussing strategic partnerships with those folks who may want to manufacture their aircraft under our Production Certificate.

Q. Will Mooney ever move from Kerrville, Texas?

A. I will never take Mooney out of Kerrville. I would never build these planes somewhere else because of cheaper labor either. The folks in Kerrville are the best people to build the Mooney. Over the years they've put their heart and soul into Mooney. They've earned the right to build this aircraft.

Q. Why did Soaring America decide to sell most of its stake in Mooney? What happened?

A. I don't want to speak on behalf of Soaring America. But as I understand it, they bought Mooney with the idea of building a trainer with a diesel engine to sell in China. They don't have av-fuel in China like we do in the United States; but they have diesel fuel so they wanted to develop a new diesel-powered trainer. Conceptually, it was a good idea. But general aviation has not expanded in China as quickly as they may have anticipated. Then the trade wars started and it was a challenge for them to infuse cash into Mooney. When this happened, although they couldn't put more money into the company, they desperately wanted to

keep Mooney alive—their hearts were in the right place. We came on board and reached an agreement to keep Mooney alive.

Q. Soaring America still has a minority stake. What is its role now?

A. We left on very good terms and they have the rights to manufacture Mooney in China and in Africa. We view this as an asset because if they succeed in those territories, it will benefit the Mooney community overall.

Q. Who is U.S. Financial? Please tell us more.

A. The folks that are involved all have aviation backgrounds either as pilots or aircraft owners and operators. And they've all had some interest or something to do with Mooney aircraft in the past. Early on, when Soaring America was having issues, when no one else was ready to do so, they cut a deal with Soaring America to keep Mooney going. I met them because I had thought about putting a group together to purchase Mooney, but they beat me to the punch. Our ideas for Mooney's future were aligned and in January they asked me to run down to Kerrville and assess operations. I was able to streamline the team and, in the background, I've been running Mooney ever since. I'm relieved we've been able to keep Mooney going. It's been a challenge and all the while without knowing if the deal would be consummated. Now that it has been, we can start to implement our plans.

Q. How did you first get involved with Mooney?

A. I'm an entertainment attorney by trade, but I've always loved aviation and flying. I leaned to fly at a small airport called Great Barrington Airport in [Massachusetts] over 20 years ago. I remember the first time I saw a Mooney—I remember thinking "now that's a cool looking plane." I've owned two Mooney aircraft since: a 201 for 15 years and an Acclaim for a year and a half. I've flown all different GA aircraft, but nothing compares. Its speed, its efficiency and the way it handles—it's like flying a Ferrari in the sky. So, the idea of Mooney failing really keeps me up at night. It's going to take a lot of energy and passion and maybe some luck to get Mooney righted. It's not an easy picture. It's not like I'm taking over a company that's been successful. I'm taking over a company that's really, really struggled over the last couple of decades ... I'm going to make this work.

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