

# Vertical

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**HILLSBORO –  
DOING THE AVIATION  
BUSINESS RIGHT**

# Doing the Aviation Business *Right*

A QUIET, UNASSUMING COMPANY, HILLSBORO AVIATION HAS CHANGED THE WAY THE AIRCRAFT INDUSTRY DOES BUSINESS.

Story by Jen Boyer | Photography by Heath Moffatt



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**ABOVE** Hillsboro is the second-largest helicopter flight training school in the U.S. It currently operates a fleet of 25 R22s, one R44 and one 300CBi.

**BELOW** Hillsboro owner Max Lyons (seen here) bought the company in 1999 from his former mentor, Ed Cooley.



Occupying a handful of well-maintained hangars and buildings at the southeast corner of the Hillsboro, Ore., airport, Hillsboro Aviation has an air of quiet authority. Nothing flashy touts the company's many achievements. Instead, business hums along smoothly with people and aircraft coming and going at a steady pace. Yet, take a closer look and this quiet industry player leaves a respectful impression.

Founded in 1980, the company started as Hillsboro Helicopters, a one-helicopter flight school in what was then an agricultural town 15 miles west of Portland, Ore. As Hillsboro's landscape changed with several large technology companies moving to town, Hillsboro Helicopters steadily built its helicopter and airplane business, until 1992, when Ed Cooley, CEO and chair of Precision Castparts Corp., purchased it.

The Harvard Business School trained Cooley took the formerly pilot-owned school into the world of business philosophy, implementing large company practices to help track and increase growth. Additionally, he helped expand its portfolio to include an impressive sales division and a strong, focused charter arm. He finally sold the company in 1999 to Max Lyons, who he'd put in charge of running and building Hillsboro during the 1990s.

Today, Hillsboro Aviation is 72 aircraft and 170 employees strong, having enjoyed a steady average of 20 per cent growth during the last 14 years.



**"We want to be known for our safety, quality and longevity, which is achieved by managing our growth."**

**ABOVE** Hillsboro's aviation manager, Morgan Kozloski, hooks up a long line on the belly of a LongRanger for a student training session.

**TOP RIGHT** Hillsboro's Bell 205A++ was the first to be modified with a Chelton glass cockpit. The 205 spends its summers fighting fires in Oregon.

**RIGHT** Hillsboro's management team (l-r): Franz Bergtold, contract and charter manager; Ryan McCartney, chief helicopter flight instructor; John Norling, DOM; Stephen Johnson, helicopter sales manager; Houston Hickenbottom, director of marketing; and Max Lyons, president and CEO.

**POWER OF INFLUENCE**

While Cooley's methods weren't new or revolutionary, they had a great influence on Hillsboro's success, and were a rarity in a small aviation company. "We've had representatives of large business come in and they're always amazed at how we run things," said Lyons. "On the books, it looks like a large, publicly held company. I fully believe Ed and his business practices are the reason we're still here today and are the reason, despite September 11th, we've grown 20 per cent a year for 14 years straight and we're still going."

Hillsboro is comprised of 14 profit centers. Each one is tracked separately, with its own internal monitoring, including profit and loss statements for everything affecting the bottom line. Each aircraft even has its own profit and loss statement, to narrow in on opportunities to improve and grow.

Each department has goals, objectives and indicators that drive everyday business. These are shared with every employee, as well as weekly and monthly updates on where each division, and the company on a whole, stands in relation to those goals.

Lyons, standing in one of the hangars, points to a huge white board mounted to one of the walls. Each aircraft

model's current flight hours and annual goal is written there, in addition to the company's current financials and financial goal.

"At any time, any member of our team knows exactly where we are financially as a company, as well as how their division is doing in relationship to their goals," explained Lyons. "There is a lot of pride in seeing those numbers climb."

Cooley also believed in the diversified portfolio. "Ed believed we needed to be diversified for sustained profitability," said Lyons. "We went about growing our three main divisions — the school, sales and service, and contract and charter — with the goal of building the company to a manageable size with room for managed growth. We weren't interested in being the biggest . . . We were focused on short and long-term manageability. We want to be known for our safety, quality and longevity, which is achieved by managing our growth."

Today, those three divisions (the school, sales and service, and contract and charter) make up equal shares of the company.

**GROOMING THE NEXT GENERATION**

When it comes to flight training, Hillsboro is the second

largest helicopter flight school in the nation. However, helicopter training only makes up about 38 per cent of the flight school and 16 per cent of the overall company. The rest of the school is fixed-wing training, which includes several contracts with Asian airlines.

The helicopter flight school division employs 36 flight instructors and operates 25 Robinson R22s, one R44 and one Schweizer 300CB, in addition to a Frasca TruFlite helicopter simulator. The vast majority of flight instruction occurs in Hillsboro, but the school also has a smaller facility at Troutdale Airport, 15 miles east of Portland.

Hillsboro is also one of only three flight schools in the United States offering the J-1 visa to foreign students. This special 24-month work/study visa allows students to train, then work as flight instructors to build experience in the U.S. Hillsboro was the first J-1 school to receive Transportation Security Administration approval to continue issuing them after 9/11. As a result, Hillsboro trains an even mix of American and foreign students from around the globe.



**TOP** Ryan McCartney goes over the various cockpit instruments in an R22 with student Amanda Combs.

**LEFT** Flight instructor Aaron Clark reviews test results with a class of future helicopter pilots.

**RIGHT** Morgan Kozloski hones his water bucketing skills on a training flight.

**BELOW** Eduardo Gait refuels an R22 moments before another training flight.





The school is both FAA part 141 approved, and accredited by the Accredited Commission of Career Schools and Colleges of Technology. It also offers two- and four-year college degree programs through Portland Community College and Embry-Riddle Aeronautical University, respectively.

What's more, Lyons and his team believe Hillsboro's location is an offering that can't be duplicated. Said Lyons: "Here, in Oregon, you'll see real weather, not just study it. Our students get real world experience with our geography, topography and weather that places like Southern California and Florida can't offer. We don't want our graduates leaving with just a piece of paper, but rather with the confidence and abilities to be professional pilots because they've flown in four distinct seasons and all kinds of weather and terrain. It may take a little longer to get your ratings due to bad weather days, but in the end, wouldn't you rather have the realistic experience?"

Many, it seems, do. Hillsboro trains more than 300 students, airplane and helicopter, a year, each attracted to the school for their own reasons. "I wanted to go to school where there was lots of terrain and traffic," said helicopter certified flight instructor candidate Amanda Combs, who moved to Hillsboro from Missoula, Mont. "There are all types of places to fly, from mountains to congested air-

**ABOVE** In addition to being a leader in the U.S. when it comes to helicopter sales, Hillsboro is a Robinson, Schweizer and Bell service center, which includes doing retrofits and avionics installations.

**BELOW** At Hillsboro, each aircraft even has its own profit and loss statement, to narrow in on opportunities to improve and grow.

space to the ocean, not to mention the weather. . . . Plus, the people here are amazing. I get to train with people from all over the country and the flight instructors, and even other students, are so supportive."

**CARRYING THE STANDARD**

Hillsboro's second division, contract and charter services, carries the company's name across the nation. The division employs 23 helicopter pilots and operates 11 helicopters: a Bell 205 A++ (the first of its kind with a glass cockpit), two Bell 206L-4s, two Bell 206L-3s and six 206B-3s. One B-3 is dedicated to electronic news gathering work in Portland, while another is contracted to offer sightseeing tours at Mt. St. Helens in the summer. Four aircraft are used on exclusive fire fighting contracts during the season, and another is always on the ramp to support charter operations for various public and private customers. The remaining ships are available to travel throughout the country, performing fire fighting, seismic, powerline patrol, heavy lifting, and film and aerial photography work.

Of its fire fighting ships, one, the 205 A++, spends the summer and early fall in Lakeview, Ore., on an exclusive contract with the Bureau of Land Management (BLM). The BLM crew, 28 people responsible for initial fire attack, have developed a deep respect for the company, because of its professionalism and dependability.

"We've had contracts with many other companies, and, I have to say, the dependability of Hillsboro really stands out," said Clark Hammond, helicopter program manager for the BLM interagency helitack division. "Often people rotate in and out of companies, but we've had the same pilot for the four years straight we've worked with Hillsboro. Because he's been there each year, we have built a rapport, trust and a system. We're much more efficient and streamlined because we use the same person who knows the ropes. Also, most of the time we expect a 205 to be down for maintenance. This is one thing that just hasn't happened with Hillsboro."

In addition to the aircraft, Hillsboro supplies, and in some cases even designs, support equipment. For instance, the company recently designed a multi-hook carousel system with a solid-state brain to help reduce down time and increase reliability during its seismic jobs. Hillsboro also operates a fleet of 20 fuel and support vehicles for operation both at the airport and in the field. The company, incidentally, is a fuel service provider at Hillsboro Airport.

**TYING IT ALL TOGETHER**

The third division, sales and service, ties the company together. Hillsboro is the leader in helicopter sales in the U.S. It was one of Robinson's first dealers, is the only outside dealer for Bell in the U.S., and is a Cessna dealer as well. Hillsboro sells more than 65 new and used aircraft a year, and currently has more than \$130 million US of aircraft on order with Bell alone.

Dane Armstrong, owner of San Juan Aviation, has been a Hillsboro customer for three years, buying three ships



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and selling two through Hillsboro. He's also leased aircraft to Hillsboro. "They're all extremely professional and exceptionally honest," said Armstrong. "The sales manager won me over with his business style. He takes his integrity very seriously . . . He makes certain I have ownership, operating and damage history of the aircraft I'm considering. He does a lot of research to ensure I'm getting a good buy. I respect that."

In addition to sales, the company is a Bell, Robinson, Schweizer and Cessna single-engine and Caravan service center, operating FAA licensed maintenance and radio repair stations, as well as a retrofit center and avionics installation shop.

Since 1992, Hillsboro has also purchased four competitors, including a small avionics company on the field. That provided a pathway to the avionics world and led to it gaining dealership rights for the Chelton Flight Systems avionics, including 3-D synthetic vision.

### A LYONS SOFT ROAR

A year and a half after selling the company to Lyons, Cooley passed away in December 2000. Lyons, though, continues to walk in his footsteps and lead by example.

A soft-spoken man with a quick smile and peaceful personality, Lyons comes from a four-generation logging family. He worked in his dad's company right after high school, seven days a week up to 14 hours a day, to earn money for a trek around the globe that saw him visit 25 countries in 18 months. What he learned and experienced on that trip laid the foundation he brings to Hillsboro today.

He came to Hillsboro Helicopters in 1983 to learn to fly, was hired as an instructor in 1988 and promoted to international programs shortly thereafter. When Cooley bought the company, he saw the potential in Lyons and soon took him under his wing.

"Cooley was my mentor," remarked Lyons. "I guess you could say I got my Harvard business education through him. I try to pass along his teachings to others here. I believe human beings are extraordinary things, life is short and it is very important to have high standards. I meet personally with all our employees, and take great pleasure in meeting with as many students as possible. A company's culture is only as strong as its leader and I try to lead sby example."

Lyons' example is one of honesty, kindness and friendship. All of these principles have solidified his and the company's relationship in the industry and community, and opened many doors.

At no time was this more apparent than just after 9/11. Lyons saw two paths before him. One was to hunker down, mothball aircraft and layoff employees. The other was to push forward.

"A week after the terrorist attacks, I went to Canada to look at buying a medium Bell," he explained. "I'd already planned to do this before the attacks and decided I was going to push forward."

Lyons moved forward with purchasing that aircraft and didn't lay a single person off. He held a company meeting to rally his troops to maintain a positive attitude and work



together to keep moving the company forward. He traveled more than he was in the office, developing business relationships through close friendships forged during his time in Asia.

In the end, Hillsboro grew 23 per cent, adding employees while other companies faded from the industry. Said Lyons, with a tone of humble appreciation for his team, "Really, it was everyone pulling together with the right attitude that saw us through."

Today, Hillsboro has a strong Asian business network, including several airline pilot training contracts, and a few other business opportunities brewing there that Lyons is keeping under his hat for now. He also hinted that his sales department will soon expand domestically and that he plans to add several more turbine helicopters soon.

Closer to home, he's negotiating with the Port of Portland, which owns Hillsboro Airport, for 15 acres and permission to build a 82,000-square-foot building on the north side of the field adjacent to the future new runway. At three times the land and twice the facility space Hillsboro Aviation occupies today, this would make room for the continued growth Lyons has in mind.

As he prepares to take the company into new frontiers, Lyons plans to stay with his tried and true business models. Just what those new frontiers are, though, he's not telling.



*Jen Boyer is media relations manager for a U.S. airline. A 1,500-hour helicopter pilot, she holds commercial instrument, flight instrument and instructor instrument certificates. When not flying, writing or spending time with her new daughter, Jen mentors current and future Whirly-Girls.*

**TOP** Chief inspector Devon Quinn installs and inspects a drive belt on an R22.

**CENTER** Hillsboro was one of Robinson's first dealers, and is also the only outside dealer for Bell Helicopter in the U.S.



## PERSONAL ATTENTION at a Higher Level

Mt. Hood, Oregon

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