

Tulsa aviation firm expands under new owners

BY KIRBY LEE DAVIS
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TULSA – Quality Aircraft Accessories intends 50-percent growth in its facility and work force under its new ownership team, adding services for two new markets.

An investment group led by the Boston private equity firm Hastings Equity Partners has bought a majority stake in the Tulsa company for an undisclosed price.

“We bought this business because we see a business that’s been focused primarily on the piston engine market and we see an opportunity to move this into turboprop as well as the gas turbine markets,” said Brett Benton, a former Nordam executive who has taken the chief executive post at QAA.

Founded in 1999 by Justin and Lorie Hicks, Quality Aircraft Accessories (www.qualityaircraftaccessories.com) enjoyed rapid growth supplying general aviation accessory parts. It also repairs and refurbishes generators, magnetos, and other aircraft engine components, meeting Federal Aviation Administration and European Aviation Safety Agency standards.

“They are exceptional at quality parts overhaul/refurb,” said David L. Perkins Jr., managing director of Tulsa-based Acquisition Advisors, which advised the Hicks family on the recapitalization deal. “And they are fast.

“Planes are expensive,” said Perkins. “To get the most out of them – i.e. their cost – they need to be flying and making money all the time. So, when one is down for repairs, the owners want them done ASAP. QAA accommodates this with speed of service. Customers try them and then return. They also tell others, who try QAA.”

While Quality Aircraft recorded 15-percent revenue growth last year, Benton said that came primarily serving the piston engine market.

Even with the general economic downturn clouding its skies, he expects Quality Aircraft to achieve 15- to 20-percent minimum sales growth from adding turboprop and gas turbine services.

“Those are the two fastest-growing segments in general aviation right now,” said Benton, who with longtime aviation



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Quality Aircraft Accessories' Justin Hicks, left, and new partner Brett Benton are planning to almost double their facility and expand into turboprop and gas turbine systems at their Tulsa-based business.

executive Michael Lipscomb joined Hastings in the recapitalization deal.

Benton said Justin Hicks will maintain day-to-day oversight of operations as Quality Aircraft moves to expand its 8,500-square-foot Tulsa base by 5,000 square feet.

Over the next year Benton also expects to add another nine employees to its 21-member staff.

Since Quality Aircraft Accessories is neither an original equipment manufacturer nor a maintenance, repair and operations base, Benton said the nation's financial crisis will have a limited impact on its operations.

“We’re bullish,” he said, seeing aviation fuel prices as the larger handicap. “With oil in the \$60 range, our business will continue to be good.”

Before taking his role in QAA, Benton served as Tulsa-based Nordam's vice president and general manager for its Asia Pacific department, residing in Singapore before returning his family to Tulsa.

“I spent my first five years at Nordam

with the general aviation market segment,” he said, explaining his background for expanding Quality Aircraft. Benton also hopes to apply some of the strategies he learned in managing Nordam's \$50 million Singapore operations.

Lipscomb, the owner of Aircraft Component Solutions and former chairman and CEO of Argo-Tech Corp., joined Quality Aircraft's board of directors. Over 20 years Lipscomb grew Argo-Tech into a primary supplier of fuel pumps and airframe fuel systems for turbine-powered airplanes, giving him a strong background in QAA's targeted growth area.

Perkins said Hastings was chosen from a pool of more than 100 equity investors. The new debt was provided by MFC Capital Funding of Chicago.

“Acquisition Advisors did a tremendous job helping us evaluate our options and put this new structure in place,” said Lorie Hicks, whose family retains an ownership stake in QAA. “It will enable us to continue our rapid growth.”