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Problems in Fractional Ownership of an Aircraft

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### **Introduction**

Fractional ownership refers to a situation where several people are involved in the ownership or operation of an aircraft. The aircraft can be classified as net jet flex jet plane Sense and air sprint. The problem statement of this study include competitive availability of the aircraft with other co-owners. The report will include a detailed discussion of the problem statement and the significance of the problem to the fractional aircraft operators. The report will further discuss two alternative actions to the problem statement and provide two advantages and disadvantages of the alternative set of action. Lastly, the report will make recommendations to the fractional ownership of an aircraft.

### **Problem statement**

Competitiveness of the availability of the aircraft with other co-owners of the plane is the major challenge affecting the fractional ownership of an aircraft (Patterson, et al, 2021). In case there many people who are in the ownership of the plane, there might be a challenge on accessing the plane due to the many members who demand to use the aircraft.

### **Significance of the problem**

The competitiveness of the availability of the aircraft from other members is the major problem affecting the fractional ownership of the aircrafts. The unavailability of the aircraft is common especially when the aircraft is small. Due to high demand of the aircraft from the co-owners, another member may fail to get a chance to use the aircraft hence forcing the member to postpone the flight or use another flight (Sun, et al, 2021). The competitiveness on the availability of the flight may make those members who fail to get a flight from their aircraft to incur extra cost of hiring another flight.

### **Alternative actions**

To minimise the level of competitiveness of the availability of the plane, the co-owners should lease or buy a big aircraft that can accommodate every member. Having a big aircraft that can accommodate every member will help reduce the level of competition from the co-owners. The second advantage of getting a big plane will help increase the quality of services offered by the aircraft. However, there are huge cost off running and maintaining a larger aircraft. Secondly, there is high cost of purchasing a larger aircraft which may not be available. The co-owners can also draft a constitution that guides the members on the usage of the aircraft. Designing a set of laws to guide the use of the aircraft will help reduce the level of competition on the availability of the aircraft. This will facilitate efficient management of the aircraft. Secondly drafting the laws governing the usage of the aircraft will help avoid the cases of conflict of interest with the members. The limitation to drafting the laws includes it may increase the cost of coordination and management of the aircraft. Lastly, there could be a misunderstanding in the formulation of the laws which could hinder their effectiveness.

### **Recommendations**

To facilitate the effectiveness of the fractional ownership of the aircraft, the members should put a limit on the maximum number of members to participate in the ownership of an aircraft. This will help to reduce the competition on the availability of the aircraft. Lastly, the co-owners of a fractional aircraft should draft and implement laws regarding the usage of the aircraft to facilitate equality in terms of access of the aircraft.

**References**

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