



Finding their tailwinds

With BOK Financial, Aero-Zone is navigating through an aerospace boom.

One of Aero-Zone's biggest challenges today is that inventory keeps flying off its shelves. As challenges go, that's a pretty good one for the aircraft parts and components provider to have.

"Aerospace has never been stronger in the 30 years that I've been doing this," said Alfredo Dreyfus, president and founder of the Phoenix-area company. "People are traveling like they've never traveled before. Being in the commercial airline industry, that means that we're busy all the time."

Roughly 52% of Aero-Zone's business is supporting aircraft on ground, called AOG. "It's similar to what you might

consider a 911 emergency for aircraft," Dreyfus explained. We've all been there: you're sitting onboard a plane waiting for it to take off and suddenly you hear an announcement that the airline is waiting on a part.

When airline travel is busy, you'll hear those announcements more often. Just like a car that's driven a lot, the more a plane flies, the more often the parts need to be replaced. Something even as simple as the lighting on a sign not working can ground a plane, or it could be something more significant like an engine or landing gear component.

Meet Aero-Zone

FOUNDED: 1994.

After serving in the Air Force, Alfredo Dreyfus founded Aero-Zone in 1994 in Chandler, Arizona. A California native, Dreyfus had previously been stationed at the former Williams Air Force Base, which is now the Phoenix-Mesa Gateway Airport, and chose that area as the base of operations.

WHAT THEY DO: Aero-Zone provides airplane parts and components to airlines worldwide, including the major carriers.

DID YOU KNOW? The airplane parts that tend to break the most often are anything that passengers or staff members touch, including mundane items such as lavatory fixtures, according to Dreyfus.

HOW AERO-ZONE HAS MADE ITS MARK:

With an inventory of 6,000 unique items and live 24-hour AOG (aircraft on ground) emergency services, Aero-Zone has the parts that airlines need, when they need them, to get commercial flights off the ground and keep waiting passengers happy.

Today, Aero-Zone operates around the globe, with offices in Ireland and Singapore. Plus, there are people representing the company across the U.S.—in New York, the Midwest and, of course, Aero-Zone's Arizona homebase.



Shared values: a commitment to community

Aero-Zone's Alfredo Dreyfus and BOK Financial's Mike Carney knew each other well before Carney became Aero-Zone's banker. They used to serve together on the board for the Boys & Girls Clubs of the East Valley, which is now part of the Boys & Girls Clubs of the Valley.

These shared experiences and values created a sense of familiarity between them that helps foster a better working relationship today, Carney said. "You want to work with good people. If the person at the top of a company is a good person, it cascades down. Alfredo truly cares about his clients and his employees."

And this dedication to helping the local community also aligns Dreyfus and BOK Financial, which highly values community involvement.

AN INVENTORY-INTENSIVE BUSINESS

Whatever the plane needs, chances are, Aero-Zone has it because of its extensive in-stock inventory. This inventory-intensive approach is a smart business move in a field where hundreds of passengers may be delayed from a plane waiting on a single part—but it also requires having enough working capital.

That's where BOK Financial comes in. For over a decade, BOK Financial has provided Aero-Zone with a line of credit that enables the company to keep their inventory up with demand—however high it soars. "BOK Financial has been an integral part of our growth planning. They are basically part of our team," Dreyfus said.

It truly is a dual effort: BOK Financial's financing capabilities, combined with Dreyfus's proprietary inventory management software, helps Aero-Zone ensure that it's keeping the parts that aircrafts need most in stock, without getting weighed down by overstocking less-needed components—and turning a profit in the process.

"That's the beauty of Aero-Zone's business: they make their money on the 'buy'—on the purchase of the part, knowing what the resale is going to be," said Mike Carney, BOK Financial relationship manager. "If they buy a part for a dollar and then sell it for \$10, that takes knowledge—and Alfredo's got it."

Alfredo has the specialized knowledge to succeed in the niche field of aircraft parts because he's spent most of his adult life around planes. After growing up in California, he joined the Air Force and was stationed at the former

Williams Air Force Base in the Phoenix area. He later decided to make the Phoenix area home to Aero-Zone, which he founded in 1994. Today, the area is home to other companies in the aerospace industry as well, and there is a spirit of cooperation—and, of course, healthy competition—among them, Carney noted.



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Alfredo Dreyfus
President and Founder of Aero-Zone



SPANNING THE GLOBE

Over the past three decades, Aero-Zone's business has grown far beyond its Arizona roots—and the nation, for that matter. Today, it has customers and employees worldwide with offices in Ireland and Singapore—an endeavor that was initially challenging from an operations standpoint.

"We pay employees in four different currencies," Dreyfus noted. "We originally had a bank that we worked with in Ireland and another bank in Singapore. The hoops that we had to jump through as an international organization to keep those relationships and those funds accessible were honestly almost not worth it," he recalled.

Fortunately, BOK Financial was able to help streamline Aero-Zone's international banking needs by enabling the aerospace company to bank in different monetary units all through one financial services company. Meanwhile, BOK Financial's foreign exchange team helps Aero-Zone make the most out of currency markets, answering questions such as whether it's better to do a wire transfer in U.S. dollars or euros, Carney noted.

BOK Financial was also able to use the international nature of Aero-Zone's business to respond to the company's needs for more working capital. "A few years ago, we were trying to push our line of credit up and a lot of the receivables and the inventory we had overseas weren't being considered towards the collateralization," Dreyfus said.

Fortunately, the BOK Financial team knew Aero-Zone and its international track record well enough that they recognized that Aero-Zone's Ireland-based inventory and receivables should be part of the conversation. "We went down that

route and were able to push our credit line by several million dollars because of the open mindedness, logic and common sense behind the decision-making powers that be at BOK Financial," he explained.


For Carney, having the freedom and breadth of services to respond to Aero-Zone's needs helps him go above and beyond for them and other clients.

In Aero-Zone's case, BOK Financial has helped with everything from common business needs such as treasury management to more personal needs such as Dreyfus's estate planning. "From top to bottom, BOK Financial's team is always accessible and relatable," he said. "I feel like I'm talking to a peer."

“When we need to, we can go outside the box. We have the leeway to get creative. We can bring clients in, give them good service and by knowing their business and industry, we can help them understand other areas of their business we can support.

Mike Carney

BOK Financial relationship manager



Three questions to consider before you expand your business internationally

Expanding your business internationally can be exciting—but also daunting. Here's some of what you need to consider:

Where do you want to locate your other operations and why?

When Aero-Zone chose Shannon, Ire., Dreyfus considered factors including the ease of travel between there and the U.S., the skilled workforce, government regulations, the existing aerospace industry and the proximity to continental Europe. Weighing these and other factors into your decision early can save you a headache down the road when dealing with regulatory red tape, difficult travel or a lack of a skilled workforce.

How will you pay your overseas employees?

Aero-Zone's international operations means that they have to pay employees in four different currencies, which can itself be daunting. Originally, Aero-Zone tried working with banks in Ireland and Singapore in addition to the U.S., but that led to "too many hoops" to jump through, Dreyfus said. Instead, working with one financial services company—BOK Financial—made it easier to access funds internationally and maintain a good banking relationship. Plus, BOK Financial now enables them to bank in these different currencies all through one financial services provider and make the best out of currency market fluctuations.

If you have a working line of credit, will your loan provider be willing to consider your non-U.S. accounts and receivables as collateral?

Some may not be willing to do so because of the international auditing it requires, Carney noted. Finding a loan provider that will collateralize non-U.S. accounts can make a huge difference in your business's access to credit; in Aero-Zone's case, it enabled them to boost their credit line by several million dollars.



Meet Mike Carney, Relationship Manager at BOK Financial

JOINED BOK FINANCIAL: 2014

WHAT MAKES BOK FINANCIAL DIFFERENT?

"When we need to, we can go outside the box. We have the leeway to get creative. We can bring clients in, give them good services and cross sell."

WHY DO YOU CHOOSE TO WORK AT BOK FINANCIAL?

"I've worked in banks for almost 40 years. What sets BOK Financial apart is the quality of clients we seek rather than the quantity."

