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Aspen Avionics expects great 2010

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Aspen Avionics President/CEO John Uczekaj envisions revenue doubling within the next year.

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Aspen Avionics Inc. President and CEO John Uczekaj expects company revenue to double over the next year.

The Albuquerque firm, which launched in 2004, makes digital flight displays for general aviation aircraft to replace old analog systems with modern cockpit panels at an affordable price.

Since March 2008, when the company received **Federal Aviation Administration** certification for its basic Evolution Flight Display System, Aspen has installed some 2,000 of the digital devices, generating about \$15 million in revenue, Uczekaj said.

In September, Aspen received FAA approval for its next-generation system, which offers a much broader suite of digital cockpit displays to allow plane owners to completely replace old mechanical gauges and controls. In addition, the company expects FAA certification before the year's end for a similar system for helicopters, greatly expanding its customer base.

“These new products and markets will take our revenues to twice what they were, over the next 12 months,” Uczekaj said. “Given the current economic environment and all of the competitive pressures in the market, we couldn't be more pleased. We expect to become cash-flow positive in the first half of 2010.”

That will be welcome news for Aspen investors, who pumped another \$14.6 million in venture capital into the company last March. That brings total private investment in Aspen to \$29.6 million, including about \$8 million in commitments from the New Mexico State Investment Council, said Brian Birk of **Sun Mountain Capital**, which manages the SIC's private equity program.

Other investors include **Granite Ventures**, **EPIC Ventures**, vSpring Capital and Fort Washington Capital Partners.

“With Aspen Avionics, we see a wonderful combination of a very experienced management team meeting a very significant need in the market with breakthrough technology,” Birk said. “For investors, it’s tremendously exciting to see that combination.”

Aspen used the latest round of venture funding to finance new product development and achieve FAA certification, Uczekaj said.

Aspen’s original flight display system offered a digital panel, or glass cockpit, with information on altitude, air speed and other navigational data to increase a pilot’s situational awareness and improve safety.

But in August, Aspen requested FAA approval for a new multi-function display system, and for a “weather receiver.” Together, the new devices add photo-quality moving maps, terrain awareness, traffic displays and weather monitoring.

“It brings a whole new level of safety and situational awareness previously unavailable to most general aviation aircraft,” Uczekaj said.

Aircraft owners can now purchase a basic multi-function display or a deluxe model that provides instrument redundancy for emergency situations.

“With redundancy, if something fails, the pilot can still see what’s going on and safely land the plane,” Uczekaj said.

Aspen received FAA approval on Sept. 18 for its new multi-function displays and weather receiver. It then received a type certificate on Sept. 30, paving the way to install the devices in more than 650 airplane makes and models.

Aspen’s cockpit displays are essentially plug-and-play devices that allow plane owners to rapidly modernize aging general aviation aircraft. About 200,000 analog-based planes continue to fly in the U.S. alone, said Phil Boyer, former head of the 400,000-member Aircraft Owners and Pilots Association and now a member of Aspen’s board of directors.

“Rather than having to buy a new aircraft for \$600,000 or more, owners can now spend, say, \$40,000 to add modern equipment to old planes, many of which date back 30 years or more,” Boyer said. “It makes those planes safer, more efficient and more convenient.”

Moreover, Aspen released a new flight display system for helicopters in July. The company expects FAA certification for at least three types of choppers by late November, although some police helicopters are already using the system, Uczekaj said.

In addition, the company is awaiting certification to install digital displays in class III aircraft, which weigh 6,000 to 12,000 pounds. To date, the systems are certified only for planes weighing less than 6,000 pounds, said Marketing Director Brad Hayden.

“That will grow our market considerably because the current market is for discretionary spenders, or people who own their own planes,” Hayden said. “By moving into helicopters and class III planes, we’re targeting aircraft for commercial and other uses, such as charter and cargo services.”

Aspen is working to certify its systems in foreign markets, especially in Europe and Asian countries, which conduct their own aviation approvals independent of the FAA, Hayden said. About 15 percent of Aspen’s total sales to date have gone to countries that rely on FAA certification, such as South Africa, New Zealand and Australia.

The company received certification in July from Brazil to install digital displays in more than 320 aircraft models. Canada also has certified the devices for Diamond DA20 aircraft.

“We’ll work on growing our sales now in Brazil and in markets that rely on the FAA, but we expect international markets to expand a lot more as we get new certifications,” Hayden said.

Aspen currently employs 64 at a 23,000-square-foot facility at 5001 Indian School Rd. NE. The company could hire more employees as sales grow, but the work force will most likely remain below 80 for the foreseeable future, Uczekaj said.

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