

GreaterHalifax
PARTNERSHIP

Well-Aimed Strategies Hit Head Office Mark



New York Times best-selling author Malcolm Gladwell's latest book, *David and Goliath: Underdogs, Misfits and the Art of Battling Giants* could well have included a chapter written from

the pages of Chorus Aviation Inc., an international company whose name may elude you and whose history is as familiar as your family tree.

Chorus is a Halifax-based, head office dividend-paying holding company that owns Jazz Aviation. Jazz's roots date back to the 1930s and its company lineage boasts names most Nova Scotians would be familiar with, starting with privately owned Air Nova (1980s) which became a wholly owned subsidiary of Air Canada in the 1990s. At that time, Air Nova operated as a fairly independent entity.

"Things started to change here in the late 1990s," says Joseph (Joe) Randell, President and Chief Executive Officer of both Chorus and Jazz Aviation. "Air Canada had a number of operations like Air Nova across the country and had decided to sell one of them."

Thanks to Air Nova's "reasonably consistent profitability," the well-run organization was in a position to chart a new flight path. Instead of being sold, Air Nova bought the Québec carrier, Air Alliance, the very operation Air Canada had decided to sell. Little did they know, this was just the beginning of ongoing change.

In 2000, Air Canada merged with Canadian Airlines. That meant Air Nova, Air Ontario, Air BC, and Canadian Regional would become one carrier. With each entity residing in different geographic regions, which one would claim head office status?

"The head office selection was competitive," says Joe. "I was asked to lead the process and in the end, Halifax won." How?

"Talent is the number one driver," says Joe. "We have a depth of smart people who are from here and who want to stay here."

Head offices generally attract some of the best brainpower.

"There is a natural attraction that some of the best talent moves towards a head office. If you're in a regional office and you're smart and want to move up, you're going to have to move. We've moved quite a lot of people here from all across Canada and generally, when they come here, they love it and they stay, which is great"

Governmental help was another key opportunity used to retain Air Nova's head office status.

"We reached out through our relationships," says Joe. "The government was instrumental in building infrastructure for us around the airport which was another key to our ability to stay here."

With the new entity came a new name – Jazz Aviation, launched in 2002. And then, another series of corporate restructuring continued as Air Canada formed a holding company of which Jazz was part of and by 2006, Jazz became a public-traded income trust. On December 31, 2010, Jazz completed a corporate conversion to Chorus Aviation Inc., a dividend-paying holding company that now owns Jazz Aviation.



Headquarters?

Still in Halifax.

"Success builds success. When you are thriving, that puts your organization in a far better position in terms of not being shipped out or shut down." And in Chorus' case, it also means growing here locally. In August 2013, it consolidated its London and Halifax heavy maintenance bases in Halifax, consistent with its overall strategy to focus on strengthening Jazz's competitive position.

"A very small part of our operation is actually in Atlantic Canada – probably only 10 percent," says Joe. "Our largest operational base is Toronto, our second is in Vancouver, third in Montreal, and fourth in Calgary."

Today, Jazz Aviation operates 800 flights carrying 30,000 passengers daily and serves more than 80 destinations across Canada and the US. More, it employs 4,700 full-time equivalent positions.

Here, in Halifax's head office, Chorus and Jazz employ 830 people and their payrolls total \$62 million a year. Those wages pay employees "who have come from every educational institution in Atlantic Canada," with many having completed university and post-graduate programs. "We employ a lot of chartered accountants, engineers and a large talent pool of aircraft maintenance personnel," says Joe.

Over the past 20 years with its pouch of well-aimed stones, Chorus has mastered the art of battling giants – and Halifax and Nova Scotia is all the more prosperous for the territory strategically fought and won.