

## RBI Acquires Ascend, Aviation Finance Workflow Success

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**Ascend provides a prime case study for B2B trade publishers pursuing their own workflow services.**

**Important Details:** Reed Business Information (RBI), publisher of Flightglobal and the business information division of Reed Elsevier, has acquired the entire issued share capital of aircraft fleets and data business Ascend Worldwide Group Holdings. Ascend joins eight brands already in RBI UK's aviation group.

In Outsell's earlier analysis of Ascend (see Insights 19 April 2010, Ascend: First Define Your Niche, Then Fill It), David Worlock described one of the firm's key services: "Ascend's Aircraft Ratings [allow banks to] get a rating for an individual vessel based on a bundle of factors including historic price movements, GDP, oil prices, noise and fuel use regulatory compliance. Ascend maintains a matrix of 328 ratings across 61 aircraft types, and its forecasts hinge on its estimates of Expected Annual Depreciation and Implied Downside Volatility. Factor all this in, and banks and lessors really can track the value of their assets with unprecedented accuracy, so that decision-making on loan approvals and asset retention becomes quicker and better informed."

Ascend tripled its revenue between 2007 and 2010, and was cited as one of the 50 fastest growing UK companies. It went from break-even to very profitable, has offices in Hong Kong, New York and London, was an early practitioner of Twitter and blogging, and was early in giving free iPads to prospects so that they could engage with the custom microsites which Ascend builds specifically for major sales proposals.

This transaction follows other significant M&A activity in aviation, aerospace and defense that includes IHS' acquisition of Janes in 2007, and UBM's acquisitions of OAG, BACK Aviation, Air Cargo World, Aviation Industry Group, Aerostrategy's MRO data business, Routes and ASM (Airport Strategy & Marketing) which began in **2006**.

**Implications:** Ascend provides aviation financing workflow solutions, and since most airlines do not buy and own their own aircraft anymore, Ascend's customers are the groups of private equity firms, venture funds and banks

who do own them. Ascend has made understanding these customers' workflows its most critical imperative. It has succeeded so well that its financial services clients even hire Ascend to understand their own workflows!

This workflow focus (1) made Ascend a prime target for Reed Business Information and (2) makes Ascend a prime case study for those B2B trade publishers pursuing their own workflow services. It is no accident that (except for Variety) the RBI US brands not divested are all workflow-focused businesses: Reed Construction Data, RS Means, MarketCast, 411 Publishing, BuyerZone and Mardev DM. For RBI UK, Ascend joins workflow focused services delivering the highest growth in the portfolio, including ICIS (chemicals and energy pricing), TotalJobs Group (recruiting across multiple verticals) and Bankers Almanac (sorting codes for bank clearing).

Ascend has implemented tight focus and discipline in taking "a clear aim at a valuable core requirement in aircraft valuation and financing," working backward to study and address the data, process step and tools needed within just those tasks, and filling them completely. Ascend "illustrates the huge opportunities that still exist for niche players if they are able to concentrate tightly on initially limited objectives", according to Outsell's latest analysis of keys to workflow solutions success (see Workflow: Information's New Field of Dreams? Version 2.0, 19 April 2011).

This illustrates the "opportunity sizing math" for what is still virgin workflow territory. Multiplying the hundreds of vertical markets and submarkets served by B2B trade publishers by the scores of professional functions within each market by the multiple critical professional tasks people in these different functions regularly perform, equals tens of thousands of specific professional workflows. Yet only a small fraction of that many effective information-fueled workflow solutions exist. The gap between the size of the tasks and workflow landscape and existing solutions defines the "huge opportunities" for publishers, one of which, in aviation finance, RBI's Ascend will continue to profit from addressing.