

Eclipse aviation case study

[Engineering](#), [Aviation](#)



Eclipse Aviation is a big private jet manufacturer, who does not create new jet aircrafts, but also new jet customers. Their aim is to offer the convenience, performance and safety of private jet travel to be available to more people but not only the elites. So their offers on products are more likely to be affordable, easy to own, easy to operate, but with nice performance capabilities previously found only in military and commercial aircraft.

The company seems to have a good idea, but the reality does not go to the right direction. Eclipse Aviation was judged to be bankrupt by the Federal Bankruptcy Court of the United States in 2009. Bankruptcy documents indicated that a total of USD 702.6 million was owed. After the bankruptcy, the assets were bought by a new company, Eclipse Aerospace, to continue its business. The bankruptcy of the company was due to the problem of the market.

The market was expected to have a nice performance, but finally it didn't develop as well as it was expected. At the same time, many of the startups like Eclipse entered the market. At this point, the rivalry of the competitors was quite high in the market. The current aviation market does not perform well either. According to the General Aviation Manufacturers Association (GAMA), the total worldwide aviation shipments fell by 2.1% to 369 units in the first quarter of 2012, compared with 377 in the first quarter of 2011.

Eclipse has not publicized its orders of the new aircraft, Eclipse 550, of the first quarter of 2011, but according the datasets of its nearest competitors - Embraer Phenom 100 and Cessna Mustang, they didn't perform well on the market at the beginning of the year. Both of them only delivered 4 and 7 of

their lightest jets, compared to the number of 41 and 43 in the first quarter in 2011. As the market seems to have a great uncertainty, I don't think that it would be a good idea to invest in this startup.