

# Safety Value Proposition

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*Safety Through Collaboration*

# Major Safety Incidents Can Have Enormous Financial Impact

## Potential Impacts of Safety-Related Service Disruption or Grounding

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### Owner/Operator

- Payouts to families and legal costs
- Potential asset value loss = \$100-200M
- Potential loss of contracts and reputation

### End User

- Payouts to families and legal costs
- Potential multi-week service disruption at offshore installations = \$200-300M, typically mitigated through crew shift, backups or alt. transport

### OEM

- Multi-month loss of service revenue for offshore fleet= \$200-300M
- Potential asset value loss = \$200-300M+
- Potential loss of future sales and legal costs

### Financier/Lessor

- Potential asset value loss = \$200-300M
- Potential lost rent and legal costs

A single incident can destroy lives, businesses, billions of dollars in revenue & asset value with massive costs incurred.

# Safety...An Investment with Tremendous Return

What would a business invest to save \$1 Billion in the next 10 years with a 15% ROIC target?

\$250 Million Investment



\$1 Billion Return



How much capital are we deploying to achieve meaningful results? Is it enough? Is it efficient?

A concerted investment is justified to mitigate the financial costs of safety incidents...  
Why aren't we investing more?

# Barriers to Investment...Creating Proper Environment for Return

## Challenges to Safety Investment

- x The ability for end-customers to cancel contracts short notice
- x Legacy designs & regulation, indefinite product marketability and slow or uneconomical implementation of safety technology
- x Lifecycle management lacking. Long-life assets without proper management of secondary markets and transition/upgrade capacity
- x Unique configurations and specs create inefficiency and safety challenges



## Incentivize Safety

- ✓ Procurement practices that reward safety performance and technology while providing a stable planning horizon for contractors
- ✓ Incentivize technology deployment via transparent industry requirements and capital allocation
- ✓ Rethink indefinite support of legacy types and encourage implementation of new technology via lifecycle & transition support
- ✓ Standardization of configuration requirements and “modular” design approaches for easy reconfiguration

Safety advancement requires investment with a prospect for return...  
It's time to align industry incentives in that pursuit.

# Call to Action

We know the stakes...

The potential payoff is massive...

The value chain must be modified to incentivize investment and more efficiently allocate and manage risk...

**The time is now...why wait?**