

As a boy, Cirrus Design chairman and co-founder Alan Klapmeier knew...

BY MOLLY MCMILLIN

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As a boy, Cirrus Design chairman and co-founder Alan Klapmeier knew that someday he wanted to own a company that built airplanes.

He fell in love with airplanes and in high school learned to fly with the Civil Air Patrol.

So did his brother, Dale, who along with Alan started the company in 1984 by producing kit airplanes.

From those roots, Cirrus Design -- based in Duluth, Minn. --has grown dramatically.

A rival of Cessna Aircraft, Cirrus builds the composite Cirrus SR20 and SR22 single-engine piston aircraft. Cirrus is also developing its first jet -- a personal jet called The-Jet.

Last year, Cirrus delivered 721 planes, up from 600 in 2005 and 553 in 2004.

For 10 years, Alan Klapmeier's biggest job was raising money; his brother and others on the team oversaw getting the airplanes built.

The company brought in outside investors in 1996, and in 2001, private equity firm Arcapita Inc. bought a majority share of the company.

Next month, Arcapita will likely bid against Cessna to buy the assets of troubled Columbia Aircraft, an Oregon-based maker of high-performance, single-engine aircraft. The company filed for bankruptcy last month.

After doing its due diligence, "we expect to find that there is value there that is good for our company," Klapmeier said. "And we would probably bid as well."

Klapmeier, 49, grew up in DeKalb, Ill., and majored in physics and economics at Ripon College in

Ripon, Wis.

He is married to Sara and has two daughters and four stepsons.

Why are you interested in the Columbia plant?

"We know a lot about building four-seat composite airplanes. We can add Columbia to our overhead and infrastructure. We can get cost out of that airplane and improve its product."

You mentioned that the company doesn't need Columbia's intellectual property.

"Just the opposite. We would bring what we know about composite manufacturing to their organization."

But don't your products compete with Columbia's?

"From a product point of view there's a little bit of overlap, but I believe there's greater differentiation in the airplanes than others do. (When you look at) Diamond, Cessna, Columbia and Cirrus -- there are no two products in that whole matrix that are really identical sorts of products. They are similar, and they are alternatives to each other."

How much is your interest in Columbia based on keeping Cessna from ultimately buying the company?

"That's certainly part of the analysis, what the economic landscape looks like if Cessna gets them. We'll study them. It will be part of the valuation we put on the bidding if we end up bidding."

How would an acquisition of Columbia change the competitive landscape in that area of the market?

"We really do see this as validation that we were right, that in fact these kinds of airplanes bring more value to the customers. These are the products that customers want."

What's next for Cirrus?

"We have two main focuses -- the current line, the current customers, and how we grow that customer base."

What about your personal jet?

"(It's) the next place up for our customers to move to. That program is coming along well. We think we'll sell a lot of those airplanes. We see it as a growing market niche."

You mentioned that the personal jet is good for the entire industry. How so?

"There will be a lot of volume.... The more people we get flying these airplanes, as they move up in their economic world, they're more likely to buy business jets.... All these things are good for Cessna and Hawker Beechcraft and Dassault."

Reach Molly McMillin at 316-269-6708 or mmcmillin@wichitaeagle.com.