

Grounded pilots flying high after raising €528k

Three Aer Lingus pilots grounded during Covid-19 lockdown have raised €528,000 for their start-up Frequency.

The pilots, who have more than 40 years' flying experience between them used their downtime during lockdown to launch a [crowdfunding campaign](#) for their start-up Frequency.

They raised €278,000 for their start-up Frequency on Irish crowdfunding platform Spark Crowdfunding and also received €250,000 match funding from Enterprise Ireland.

Frequency is an internet-based communication system, which aims to ensure critical communication lines between the aircraft, line maintenance and operations control are kept open all the times, drastically improving decision making and communication transfer during airline turnarounds.

The three pilots – Justin Perry, Darach O'Comhrai and Kris Vansteenkiste – took to Irish equity crowdfunding platform Spark Crowdfunding, launching a 30-day campaign to raise funds, in exchange for equity in their company.

“Everything came together during lockdown. We weren't flying so had extra time to do fundraising. It has been a benefit to us. We are also getting airtime with airlines. Previously they were so busy, but now have the time to talk to us,” Frequency chief executive and Aer Lingus first officer Justin Perry said.

Spark Crowdfunding founder and chief executive Chris Burge said the raise by Frequency shows that despite the pandemic, there is still an appetite to invest in high potential start-ups.

“People see that Frequency is an exciting new business, providing airlines with the opportunity for greater efficiency, which will be vital for lower costs and competitiveness post-Covid,” Burge said.

“It's exciting to see how much the aviation start-up has struck a chord with our investment community, with 75 different investors opting in to support the business financially,” he added.

Aces high

Perry, who is an Aer Lingus first officer, said the start-up was inspired by the pilots' daily frustration using an overly complex system that relies on inefficient, unreliable, and dated forms of communication.

“We were having a terrible day with delays and trying to talk to the right people. We were giving out about communications and the systems. We’d call one person who would then call aircraft engineer who then talks to maintenance. All these calls cost small amounts of time, but it adds up. Every minute wasted costs the airline \$78. If we can speed up process of talking to boarding agent, it can quickly save hundreds of dollars. The turnaround is a critical time for an airline for efficiency.”

He said airlines currently use a combination of VHF radios, HF radios, mobile phones, landline phones, satellite phones, CPDLC, ACARS and emails.

“Each of these methods has its associated limitations and extra costs. For example, the satellite phone can be used in the air, but it is incredibly expensive, a mobile phone can’t be used in air but cheap, HF radio is long range but poor sound quality. Frequency can meet all these communication needs in one.”

He said Frequency requires minimal capital expenditure, has no range issues, no line of sight issues, can run in parallel with existing systems before replacing them, has better sound quality, can use the optimum method as required (voice, text, photo, file), is less expensive and has minimal capacity constraints.

“Delays cost airlines over €22 billion annually. Airlines use an overly complicated web of 8 - legacy, predominately analogue - communication channels on a daily basis. Frequency is building the first, aviation operations specific, communication and collaboration platform.”

Sparking the idea

Spark Crowdfunding, which is Ireland’s first equity crowdfunding company, has closed fundraising campaigns for Fleet, Campsited and Wellola, among other Irish start-ups.

Equity crowdfunding is a method of raising capital predominantly used by start-ups and early-stage companies. Like Dragons’ Den, equity crowdfunding offers shares in the company to a number of potential investors in exchange for financing. Each investor is entitled to a stake in the company proportional to their investment. The main objective of equity crowdfunding is to raise the required capital by obtaining small contributions from a large number of investors registered on the platform. In the case of Spark Crowdfunding, the average investment amount is less than €2,000.

The platform has seen a record 75pc surge in business during the pandemic, as cash-strapped

companies turn to the equity crowdfunding platform for financial support. The Dublin-based company saw a 75pc increase in new accounts in the quarter from April to June, compared to the same period last year.

The company connects start-ups looking to raise funds with investors interested in buying shares in private Irish companies. Investors can invest anything from €100 upwards. To date, the platform has raised in excess of €2.4m for 14 Irish start-ups.

“Our role is to facilitate connections between exciting Irish start-ups and individual investors interested in finding the next Stripe,” Burge said.

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