

Flying in the face of high-tech competition

BY ERIC PHILLIPS
PACIFIC BUSINESS NEWS

Taking pictures of Hawaii from the sky used to be a big business for Karl Hedberg—until satellites started doing it for free.

Now Hedberg, 64, is scrambling to find new ways to sell his product. His company, Aerial Photography Hawaii, is one of the last of a dying breed of aerial survey and photography businesses in Hawaii.

Sitting in the back of his partners' jet-engined helicopter — "Chopper 8" for Hawaii's NBC affiliate — Hedberg takes aerial pictures of Hawaii's landscape for his clients. Customers include engineering firms that need aerial surveys of future projects, general contractors who want overhead shots of their buildings, and other clients who simply want shots of their products — such as boats — from the sky.

But most of the survey business has gone to the million-dollar satellites hovering above the earth. Aerial shots that used to cost thousands of dollars are now available for free from the United States Geological Survey. Even Google has a free service — Google Earth — in which users can peer down from a virtual sky and see actual photos of most places around the world.

Most of Hedberg's competitors closed their doors once the satellite pictures became easily accessible to the public about three years ago. For Hedberg to stay in business, he says he's had to monopolize what little "custom charter" business there still is.

FEAST OR FAMINE

But because that type of business is, as he says, "feast or famine," he's trying to market his product to the masses, particularly Hawaii's tourists.

"What's really important is that you have a passion for your business," he said. "There's nothing I'd rather be doing."

Hedberg got into photography when he studied it in a high-school class while growing up in Fresno, Calif. He's not shy in discussing his aptitude for the craft.

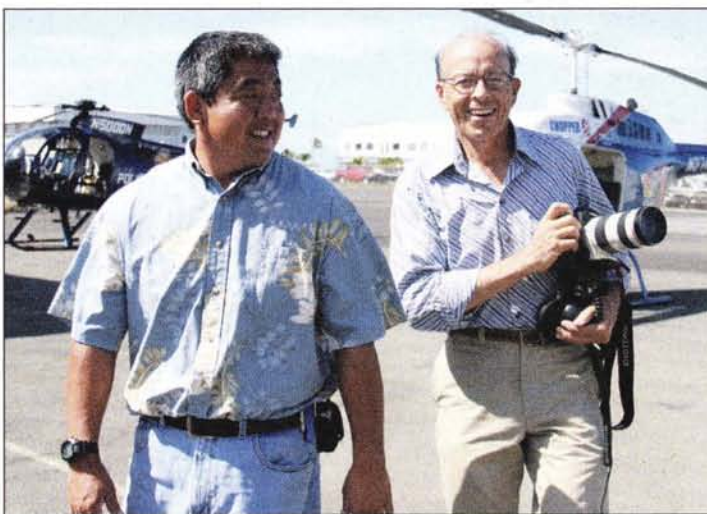
"The camera became an extension of my arm," he said. "I was a natural."

Hedberg entered the U.S. Navy and was stationed at Pearl Harbor in the early 1960s, spending much of 1964 on a ship off the coast of



PHOTOS BY TINA YUEN PBN

Aerial photographer Karl Hedberg shoots from the sky as Brian Kitaoka pilots his "Chopper 8" jet helicopter over Honolulu. Satellite technology is providing tough competition for Hedberg.



Vietnam. He says the experience taught him speed.

"It was all about shooting fast and moving quick," he said. "That's been my world ever since."

When he returned to Hawaii, he met the woman who would become the mother of his two children. "We thought, 'Why should we leave?' We loved it here from the beginning," he said. "We lived off mushroom soup and rice."

That's when R.M. Towill, a local engineering firm that offered its clients aerial surveys and photography, hired Hedberg as a photographer for \$375 per month.

Within six months, Hedberg was R.M. Towill's main aerial photographer.

"It was booming back then," he said. "Everyone was using us for everything, especially the government."

But in 1978, Hedberg quit and went into construction.

"I just felt it was time for a change of scenery," he said. "I made big bucks. We'd go skiing and buy nice things. It was nice having money."

But by the late 1990s, he says his body was beginning to wear down.

Small-business issue

Competing against a technology that has rendered most of your services obsolete.

Strategies

- Market the "human touch."
- Diversify the product.
- Target new markets.

Kitaoka and Hedberg return to Genesis Aviation after a photo shoot over Diamond Head. Hedberg says he can provide the human touch to aerial photography that satellite technology cannot supply.

"I asked the Lord what I should do," he said. "And the big voice said, 'Get back into photography.'"

Initially, Hedberg stayed on the ground, mostly shooting construction sites. But there wasn't enough work for him to quit his construction job.

That changed in 2002, when a customer who was a politician wanted a shot of his entire district. Rather than climb to the top of a Honolulu skyscraper for the picture, Hedberg bought time on Genesis Aviation's Chopper 8 helicopter. He says the pilot, Brian Kitaoka, was so good that Hedberg offered to go into

business together.

Kitaoka, who, in addition to flying for KHNL NBC Hawaii, also flies aerial tours for visitors, says he welcomed the added business Hedberg would bring. Hedberg formed an "associate partnership" with Kitaoka and his partner, Jeff Gebhard, which means each charges his own price — generally about \$800 for the helicopter and \$1,000 for the photography.

Using his contacts and referrals from R.M. Towill, Hedberg focused on the mapping and survey market — investing more than \$30,000 in equipment for that type of photography.

"Work was coming in," he said. "But as a lot of [aerial photography] became available on the Internet ... people said, why spend \$3,000 for me to go out when they can get it on the Internet for \$200. Now we get zero requests for surveying."

Hedberg changed his focus, targeting the "oblique" market, or scenic photography. Since then, the business is surviving. He says he made about \$30,000 last year.

But it's not enough, and certainly not close to what he made in the 1980s and 1990s as a general contractor.

Hedberg's clients have traditionally been bigger corporations and agencies that need specific jobs. Now, he's shifting his focus to the general public.

Last year he tried selling stock photographs on the Internet.

"That didn't go anywhere," he said.

MARKETING TO TOURISTS

Now he's trying to sell his stock photos directly to tourists and businesses for about \$199 apiece in addition to taking specific aerial jobs for construction companies. After only three months, he's seeing results.

"I should make a lot more this year," he said. "And there's still a market for specific jobs. People are realizing that what's missing on the Web is that loving touch they can only get from us."

Hedberg insists he's not that concerned with the bottom line.

"I don't regret getting back into this business one bit," he said. "When you're 10,000 feet up and it's a crisp day ... you look at the pilot and say with a huge grin, 'Isn't this awesome.'"