

Focus on the plan



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Scott Carson reveals his priorities for 2007

By KAMARA SAMS

With his appointment as president and CEO of Boeing Commercial Airplanes in September, Scott Carson leads a Boeing business unit that appears to be firing on all cylinders. BCA is following up a record year in 2005 with a strong performance in 2006.

Boeing Frontiers recently sat down with Carson and asked about his first few months in the new position. Carson spoke about the growth of Commercial Aviation Services, production rate increases, Jim Jamieson's role as BCA chief operating officer and challenges in 2007.

Q: What are your observations after your first months as president and CEO of Boeing Commercial Airplanes? In what areas do we excel? Are there areas in which we can do better, and are there things that keep you up at night?

A: My observations are the same as they were when I started this assignment. This is a wonderful team of people. We are producing wonderful products, we know our mission, and we know what to do. The strategy is right, the product is right, and it's the right team. So that's the really good news.

In terms of things I am worried about: Execution is the single most important thing that we have to focus on right now. The risk we face is thinking we are doing well and can re-

Scott Carson, president and CEO of Boeing Commercial Airplanes, said the business unit has the right strategy, products and people, and that it must continue its focus on execution.

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Q: We have several major development programs under way, including the 787, the 747-8 and the 777 Freighter. What must we do to meet all of our commitments to our customers?

A: For each of the three programs, the issue is focus and delivering on promises. We have promised our customers on the 787 that the airplane will roll out next year, fly next year and be ready for service in mid-2008.

We have a very complex production system that will, in the end, bring great value to our customers, but it's different from the way we've ever built an airplane before. At the same time that we are focused on the capability of the airplane, we also have to stay focused on the production process and systems to make sure our suppliers are delivering at the rate and quality we need.

We have much the same challenge with the 747-8. We have a very robust schedule for an airplane that will, for the first time, be a freighter first and a passenger airplane second.

We have a similar challenge with the 777 freighter—a brand new mission for that airplane, but a mission that as the months unfold we'll find is a key part of a strong, well-rounded product family.

Q: How is Commercial Airplanes' effort to increase production going? What are the challenges and what should we focus on to be successful?

A: Carolyn Corvi (vice president of Airplane Production) and her team have done a wonderful job with our production rate increases. Our execution has been very, very good.

We're delivering high-quality products

Despite recent news reports, Airbus shouldn't be dismissed as a competitor, said Commercial Airplanes President and CEO Scott Carson. "I think it would be a mistake for any of us to believe that Airbus is down and out," he said.

to our customers, we're delivering them on schedule, and we're creating products that bring real value to our customers every day.

At the same time, we realize that employees are working really hard and there are some real challenges in fulfilling our commitments and delivering results. We have to make sure that we stay focused on Lean+ and our other companywide growth and productivity initiatives, and stay focused on our plan.

We must continue the journey of improving our efficiencies in the factories, and I can't think of a better person to be leading that than Carolyn Corvi, who delivered the moving line in Renton and has the moving line under way in Everett.

Q: BCA's Commercial Aviation Services unit has been experiencing tremendous growth, both by providing new types of support to airlines and making selected acquisitions. Looking out over the next few years, how do you see CAS contributing to Commercial Airplanes' business plan?

A: What we need to do is look at what is happening in the airline industry. As many

airlines have worked over this last decade to find a profitable business model, they have been outsourcing more and more work they historically had done themselves

That has created a real opportunity for CAS, both in terms of jobs that we know and in jobs that are emerging but are of critical importance to the airlines.

By applying that technical capability we can offer the airlines a service that creates great value for them, allows them to continue to lean out their own operations and at the same time improves the utility of the airplane and service.

So, CAS is the right organization at the right time to help the airlines find this profitable path forward.

Q: Now that Airbus has a new leadership team, what do you expect from our competition in the near term and over the next few years?

A: I think it would be a mistake for any of us to believe Airbus is down and out. We all can remember Boeing's own difficulties of the last decade, and we know we came back stronger than ever with a better set of products. We should expect ex-

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—Scott Carson, president and CEO,
Boeing Commercial Airplanes



Scott Carson speaks to Boeing employees after a videocast from the Spares Distribution Center, located near Seattle-Tacoma International Airport.

actly the same thing of Airbus. So for us, we have to get better every day in every way to maintain the leadership position that we have re-earned. To maintain it, we have to be better every day—creating value for our customers and shareholders, creating opportunities for our people, and making a difference within the community.

Q: Can you elaborate on Jim Jamieson’s role as chief operating officer of BCA? What will he focus on, what will you focus on, and how will you divide responsibilities?

A: We have a great management team. Jim brings to that an added dimension of excellence from his experience over many decades in this industry and many development programs. He’ll lead the execution of our airplane programs and will help drive the development on the 787 and 747-8 home and also make sure, as we continue our ramp up across the factories, that we do it right. I think his background, his oversight, his ability to help lead and shape the direction of the team will make our excellent team even better.

Q: What are our challenges—and what should we focus on—as we head into 2007?

A: 2007 will be an interesting time. We have a lot of critical milestones in front of us. Certainly the beginning of production of the 787 is critical. But similarly, we have the 777 Freighter coming down the path. We have the 747-8 Freighters and Intercontinentals coming down the road. We must perform on those programs as well and at the same time take the steps necessary to prepare us for the future.

That means continued research work on the replacement study for the 737 family of airplanes. It means continuing to look forward to ensure the continued dominant position enjoyed by the 777 in its market segment, and it means being excellent in every way, every day. Certainly it means continuing to create opportunities inside of CAS, in terms of how we create value for our customers. So there is a large market basket of important needs as we face 2007.

And in no small measure, preparing the team for the future is key. I see that as one of my critical roles. I want there to be no ques-

tion about the readiness of our next group of leaders to step in, lead our team and develop the generation behind them.

So I think a big part of the role that both Jim and I have is to continue the journey of developing people and their capabilities so that when we’re gone, they carry on, and this company remains as great as it is today.

Q: What one message would you like to leave with employees?

A: This is a great company with a great heritage and a great legacy within the industry. Boeing is the name that—anywhere you go in the world—is equated with quality. That’s the legacy.

Every one of our employees should continue to work hard every day so that Boeing remains the name associated with excellence—product excellence, service excellence, customer relationship excellence, excellence in our support to our communities, excellence in every way. ■

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