

Flight plan for 2010

Seven strategies take priority in building Boeing's future

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Boeing finished 2009 on a high note. Despite the difficult market conditions and other challenges we faced, our team's hard work and perseverance ultimately paid off in the form of significant progress on our development programs, solid core business performance and continued financial strength.

While we have clearly turned momentum in our favor, 2010 will be another challenging year for both of our big businesses—and for our customers. Our plan for addressing these challenges and taking advantage of the tremendous growth potential we see ahead includes these seven strategic priorities:

1. Deliver on our development programs, particularly the breakthrough 787. We're seeing solid progress across the board on our development programs, including the 787 Dreamliner. This airplane represents about 40 percent of our total backlog. Certifying it and ramping up deliveries to customers will have a major positive impact on our cash flow and ability to continue investing in other growth projects. The team has made great progress, but there is much work to be done this year.

2. Speed up repositioning of our defense business and extend existing programs. Boeing Defense, Space & Security has a strong set of core businesses in military airplanes, rotorcraft, communications networks and satellites, services, and more. Expecting tighter defense budgets and changing customer priorities, we began repositioning this business a few years ago with investments in new areas like unmanned systems, intelligence and surveillance, and cybersecurity. Last year's big shift in U.S. defense priorities reaffirmed our direction and signaled we must further speed our repositioning.

3. Expand our international advantage. Our international relationships, reputation and experience are big competitive advantages. We must continue capitalizing on them by addressing global market opportunities as one company with in-country teammates who broaden and deepen our relationships with governments, technology centers and industry partners. Successes here are on the rise, but we've only scratched the surface of how much we can achieve.

4. Leverage and grow our services businesses. Our focus here is on both extending existing lines of business (such as spare parts, supply chain management, maintenance and overhaul, and



modifications and upgrades) and moving into adjacencies that require intricate management of information-technology-related networks (such as large logistics organizations, security and energy grids). Our commercial and defense services businesses have worked well to reduce costs and integrate acquisitions that are contributing to our current results while sowing seeds of growth that will flourish when today's struggling markets revive.

5. Drive innovation through focused enterprise research and development. We are aligning our technology investments companywide and sharing the results of that investment across the enterprise. These efforts are all about growth and productivity, and efficiently and effectively investing our money to achieve them. A "One Boeing" approach to planning and setting investment priorities is among the keys to this effort, as is strengthening the role of Boeing Research and Technology, our central research arm.

6. Aggressively manage our financial strength. Until we begin delivering 787s and 747-8s in meaningful numbers (which we expect to happen in 2011) we need to maintain our 2009 intensity for managing our financial health. That means executing to plan on our development and production programs, driving new and replicating existing ideas for improving productivity, and managing our discretionary and capital expenses to free up cash for smart investment in growth opportunities.

7. Empower and deploy a new generation of leaders. We have the best team in the industry. Our goal is to develop an even better one for the future. We have proactively moved promising leaders into key positions based on how well they perform their jobs and live our Leadership Attributes, and we will continue to develop and promote leaders on this basis, stretching ourselves to make Boeing a better company with each passing day.

Executed well, these strategies will lead to a more prosperous future for Boeing, employees, our customers and the communities we support around the world. None of it will be easy—that's for certain. But I believe we have the plan, the resources and the people to get the job done, and thereby ensure our continued leadership of this exciting and meaningful industry. ■

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