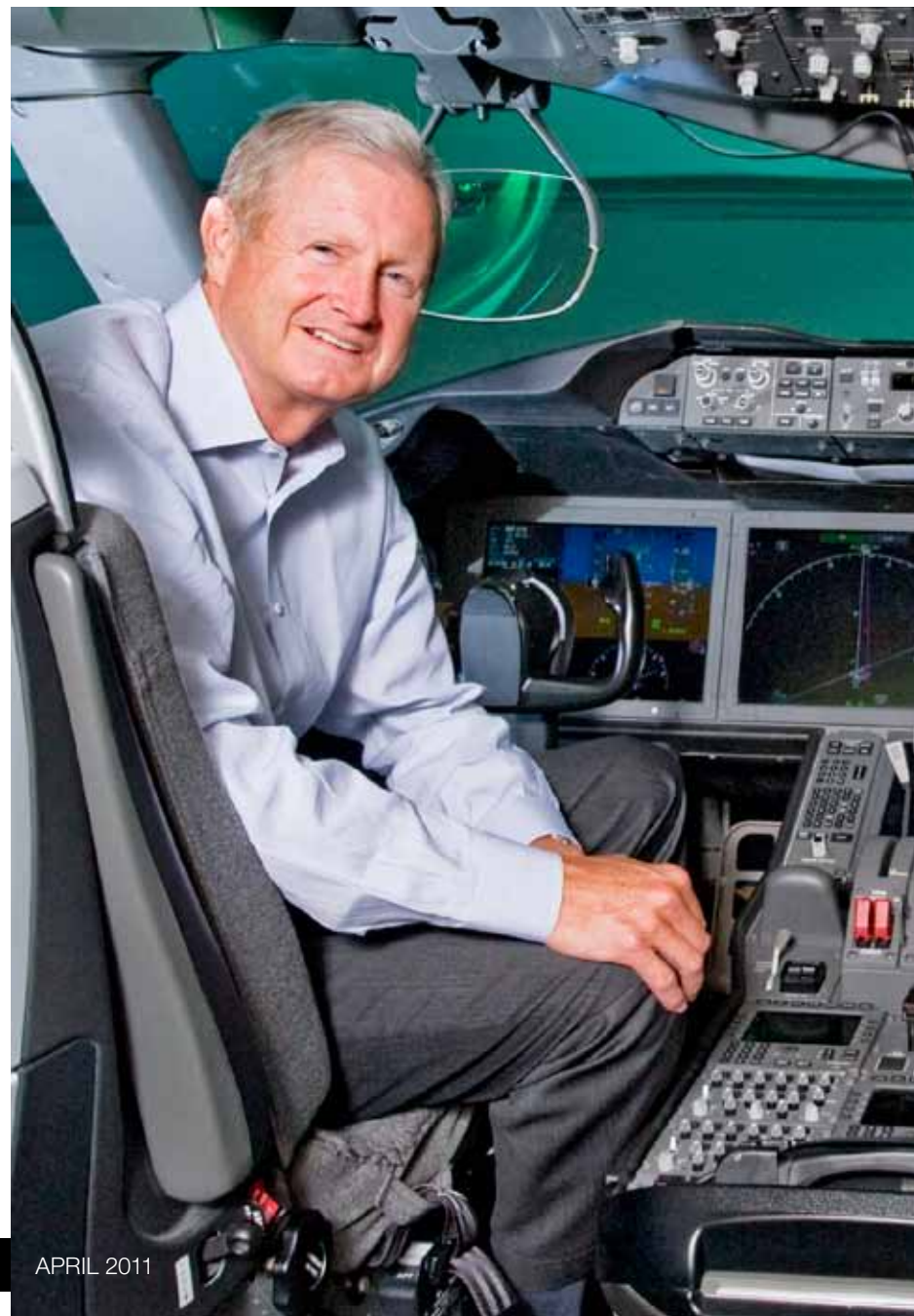


Game plan



Commercial Airplanes leader Jim Albaugh charts the path back to the top

By Christina Kelly and Dawsalee Griffin

When Jim Albaugh addressed senior leaders of Commercial Airplanes earlier this year he was uncompromising on one point.

“Our intent is to be the best in the world, to be No. 1 by all measures,” the Commercial Airplanes president and CEO (shown left) told 850 Boeing executives. “I’m talking about selling the most airplanes, having the highest revenues, having the most profitable business and—the most important thing—being the airplane manufacturer of choice for customers in every market we serve.”

Laying out seven strategies “that all employees can see themselves in,” Albaugh said Commercial Airplanes can regain that market leadership. And he set a deadline to get there—before the company’s 100th birthday in 2016.

The people of Commercial Airplanes are stepping up to the challenges Albaugh set out.

These are their stories.



PROGRAMS: THE 767 TEAM EFFORT

The 767 team is working to streamline production, improve quality and create more value for customers. The team’s work exemplifies the first of the seven strategies: Extend existing programs.

Even as the 767 team worked with Boeing Defense, Space & Security on the successful bid to build an aerial refueling tanker for the U.S. Air Force, members of the Everett team transformed the program’s production system. By moving production from one side of the Everett, Wash., site to the other, the team reduced the factory footprint by 40 percent, found ways to cut labor hours by a third and increased the production rate. (See story on Page 40.)

The 767, like the 777 and 737, is profitable and producing airplanes that customers like, Albaugh said, adding: “We want to extend those programs as long as we can.”

Phil Weatherholt (above), a 767 final body join manager, shares that vision.

“My dream is to extend this program for another 15 to 20 years and see it built as a tanker,” Weatherholt said. “We’ve developed a revolutionary way to build airplanes. I’m very proud of that.”



PROVIDE GREATER VALUE: GOLDCARE

GoldCare offers 787 customers complete solutions for maintaining airplanes, including monitoring airplane performance and ordering replacement parts; that’s part of Commercial Airplanes’ second strategy—to provide greater value to customers in all markets.

“When you talk to customers about GoldCare, it’s amazing the value that the Boeing brand brings to that service,” said Bob Avery (above), vice president of Fleet Management at Boeing’s Commercial Aviation Services. “They really like the fact that the people who designed and manufactured this airplane are going to be the same people who take care of them.”

That aligns with the strategy perfectly.

“Boeing doesn’t build the cheapest airplanes, but we build airplanes with better fuel burn, lower maintenance and operating costs, and greater range and payload,” Albaugh said. “GoldCare gives our customers more value for their money.”



TECHNOLOGY AND INNOVATION: THE 787

Innovation sets Boeing Commercial Airplanes apart from the rest of the industry. The third strategy—to accelerate leadership in technology and innovation—is a call to action.

“It’s easy to talk about innovation, but you need to know where you are going to go with it,” said Dan Smith, director for 787 major projects and technology.

In using a more electric architecture on the 787, the program knew where it needed to go. The new design taps electricity generated from the spinning engines themselves and avoids using ultra-hot “bleed air” energy from the engines’ compressor stages. Because the electric system requires fewer parts, maintenance costs are reduced and reliability improved.

Another result is a lighter, more efficient airplane. Like many other Boeing innovations, the new electrical system is considered intellectual property to be closely guarded. It won’t be the only breakthrough to be zealously protected.

“We have asked the engineering organization to define core technologies that we need to invest in and that we need to hold very close to The Boeing Company,” Albaugh said. “We need to build very high walls around them and make sure we don’t give anything away.”



MANAGE THE VALUE STREAM: BOEING SKY INTERIOR

To manage the value stream for competitive advantage—the fourth strategy—the Boeing Sky Interior for the Next-Generation 737 required close collaboration among suppliers, customers, Fabrication’s Interiors Responsibility Center and 737 program staff to streamline work, improve quality and increase efficiency.

“It’s a new look, a new feel and a new experience for the customer,” said Troy Terry, design engineer on the project.

Going forward, Albaugh said, Boeing must have the knowledge and capability to manufacture and assemble all key systems of the airplane. “That doesn’t mean we’re going to build everything, but we need to build some of everything so if our partners get in trouble, we can help them or bring the work inside.”



CONTINUOUSLY IMPROVE: PROJECT \$747

As the cost of doing business continues to rise, Boeing works to improve quality, productivity and affordability. Project \$747 was created to look for ideas that cut costs, save time and simplify processes. The goal is to save \$747 million in the next two years.

By engaging key members of the value chain at the beginning of a project to discuss changes and costs, the Project \$747 team resolves issues early, said Christi King (above), director of Supplier Management.

More than a year into the four-year program, the team has exceeded six quarterly targets and is poised to achieve its goal early.

Albaugh sees such efforts as key: “Every day, our customers face the need to reduce their cost of doing business. And our competitors have a very different cost structure. So we have to make sure we are doing our part to improve quality and make our airplanes more affordable.”



CULTIVATE CUSTOMER KNOWLEDGE: SOUTHWEST AIRLINES

Last year, when Southwest Airlines had technical issues with some of its 737s, employees from across Commercial Airplanes met with the airline to find a solution. It took disciplines from across Boeing—engineering to finance, customer support to design, maintenance to quality assurance—to identify the problem and solve it.

“I can think of no other situation where there is greater risk or opportunity of building trust and respect than when challenged with a major technical issue such as this,” said Paul Richter, chief engineer, Out-of-Production Airplanes, Single Aisle.

“I don’t think you can have that kind of soul-searching if you don’t have a strong partnership and a strong relationship,” agreed Mike Van de Ven, executive vice president and chief operating officer for Southwest Airlines.

That’s the sixth strategy: Cultivate intimate customer knowledge and relationships.

“We need to be with our customers, understand their needs, understand their routes and understand the political issues in their countries,” said Albaugh, defining customers as those both inside of Boeing and outside the company. “Then we must translate that knowledge into products and solutions they will prefer.”



ATTRACTING, DEVELOPING, RETAINING PEOPLE: THE 777 PROGRAM

The 777 program came up with a better way to help new managers succeed from the start of their careers.

“Historically we would hand them their crew list on their first day and say ‘good luck,’” Patti Taksa (above), 777 Human Resources specialist, said about the seventh strategy—to attract and retain the best employees. “Now, we have great information that really gives them a foundation to be successful.”

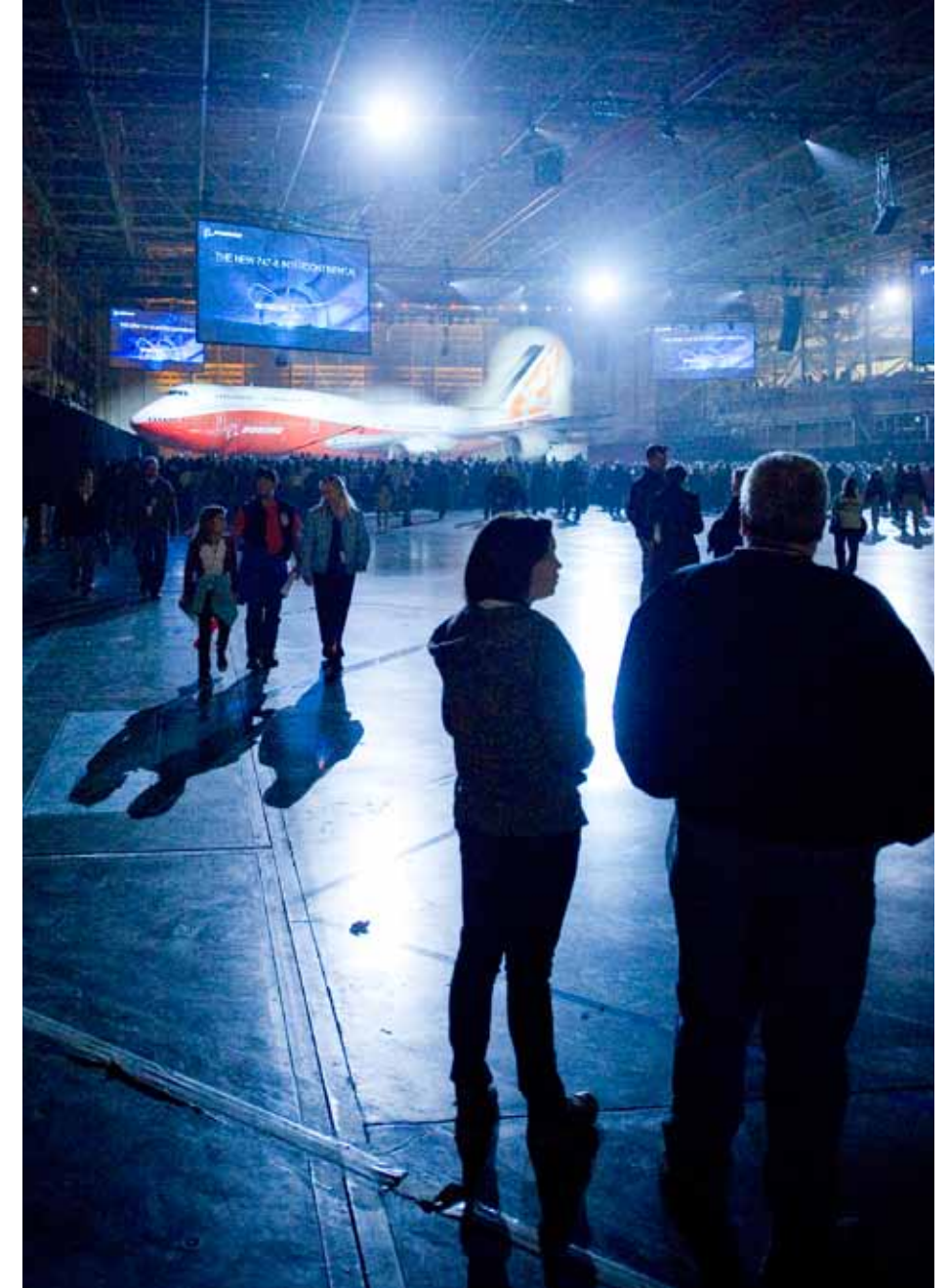
New managers also have the opportunity to come in early to experience the pace of production and tailor their knowledge about the area where they will work.

Developing people is the single most important job of leaders, Albaugh said. “It isn’t about just hiring talent, it’s about providing meaningful experience and opportunities—about inspiring the team and making sure people get up every morning wanting to come to work for the best aerospace company in the world.”

Being No. 1 again, Albaugh often says, means returning to what made Commercial Airplanes great in the first place: engineering excellence, innovation, providing customers with products they want—and building tomorrow’s airplane while competitors are still building today’s.

Seven teams already have pointed the way. ■

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— Jim Albaugh, president and CEO of Boeing Commercial Airplanes

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