Recovery Continues As Boeing Returns 747 Line to Full Production

Boeing Commercial Airplane Group has returned its 747 line to full production after completing the initial phases of a multi-month recovery effort.

Boeing announced several weeks ago its plan to overcome the challenges facing the company as it ramps up to meet unprecedented customer demand for new airplanes. Part of the plan called for stopping segments of the 747 production line for 20 days, and delaying the movement of Next-Generation 737 airplanes into the final assembly factory. This would allow employees to concentrate on finishing late work and provide an opportunity for some production-line suppliers -- both inside the company and externally -- to catch up.

"Boeing is pleased to have completed this step of our recovery plan, and we are encouraged by the results," said Bob Dryden, executive vice president for Airplane Production, Boeing Commercial Airplane Group. "We continue to track the situation daily, but our factories may not be back to where they should be until the second quarter of next year."

During the 747 factory shutdown, the company reduced part shortages from more than 500 to fewer than 100, cut jobs-behind-schedule by 80 percent and significantly reduced disruptive, out-of-sequence work.

To date, the Next-Generation 737 rebalancing exercise has reduced the number of parts shortages by 40 percent from the peak and also cut jobs-behind-schedule by 40 percent.

"The challenge now is to keep part shortages and behind-schedule jobs under control as we increase the 747 production rate from four per month to five per month, and the Next-Generation 737 from seven per month to 14 per month in spring 1998," Dryden said. Total 737 production (all models) will increase from 21 per month to 24 per month at that time.

While most of the attention has focused on the 747 and Next-Generation 737 production lines, to a lesser extent all other Boeing commercial-airplane programs based in the Puget Sound area are experiencing problems of part shortages, behind-schedule jobs and out-of-sequence work. The plan for these airplanes does not involve shutting down production lines, but rather the use of overtime and some work on holiday breaks.

"The magnitude of the production-rate increases planned for 1998 represents a significant challenge to the operations of the company and its supplier base," Dryden said. "We're working hard to restore optimum factory performance and prepare for those increases."

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