Boeing Positioned Well for the Future, Woodard Says

The Boeing Company is well positioned for the future, Boeing Commercial Airplane Group President Ron Woodard told investors attending the Piper Jaffray 12th Annual Pacific Northwest Investor Conference.

"Our strong customer and market bases, broad product range, new product development, process improvements and talented people put this company in a solid long-term position," said Woodard.

In addition to investing in new products, Woodard said the company is investing in process improvements, which will make Boeing more flexible and competitive in the future. One of those process initiatives, Define and Control Airplane Configuration/ Manufacturing Resource Management (DCAC-MRM), focuses on getting the right data to the right place at the right time. Another is Lean Manufacturing, which is designed to improve efficiency on the factory floor by eliminating unnecessary steps in the movement of parts and people.

Woodard's speech covered the outlook for the company's major business units: Information and Communication Systems; Space Transportation; Military Aircraft and Missile Systems; and Commercial Airplanes. Woodard said the merger between Boeing and McDonnell Douglas has produced a new company with an "amazing range of products." The greater balance resulting from the merger "should smooth out some of our traditional cyclicality while opening new areas for growth in the future."

On the commercial side of the business, Woodard told the group that airplane orders in 1997 were extremely good and that 1998 is expected to continue to be a strong year for orders of commercial aircraft.

Addressing the recent production problems at Boeing Commercial Airplane Group, Woodard said: "While progress has been made, there are plenty of challenges ahead as we prepare for production-rate increases on the Next-Generation 737 and 747. Production recovery remains the central focus of our entire management team."

He said the company's $121.6 billion firm backlog represents the highest level in Boeing history and is a strong base going forward.

Although Boeing is carefully monitoring the economic crisis in Asia, Woodard said, "The company shares the view of many others that the region can weather the storm, take care of its troubles and could have a fast rebound.

"I would like everyone here to recognize that although we've hit some bumps in the road recently, The Boeing Company is well-positioned for the long term," Woodard emphasized.

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