Boeing CEO Condit Outlines Company's 'Transformation'

Boeing is focused on:

Running healthy businesses

Providing customer solutions

Opening new frontiers

Using the biennial Farnborough Airshow as a backdrop, Boeing Chairman and CEO Phil Condit today outlined the transformation of Boeing from a company focused on building products to one now committed to providing solutions for its customers.

Joined by top executives from the company's businesses units, Condit briefed media representatives on Boeing's priorities.

"Boeing is committed to three goals: running healthy core businesses; leveraging the company's core strengths into new products and services; and opening new frontiers," Condit said.

Condit said that business performance in Commercial Airplanes "continues to strengthen." Citing improved airplane production and margins, coupled with several big campaign wins and a healthy market outlook, Condit said Boeing continues "to develop total customer solutions, from financing and leasing to life-cycle maintenance services."

This customer solutions focus applies across the company's core businesses, including Military Aircraft and Missile Systems.

"The reality today is that defense forces must modernize and maintain their forces under tight budget conditions," said Jerry Daniels, president of Military Aircraft and Missile Systems.

"All our programs focus on providing solutions that offer more capability at less cost," he added.

Daniels cited his group's Military Aerospace Support business, which has potential revenue for 2000 estimated at $3 billion, a total that likely will triple within a decade.

Daniels said that particular area of business "is driven by the concept of allowing customers to use scarce resources more productively by affordably providing the maintenance, modification, and upgrade activities customers were doing by themselves."

Jim Albaugh, president of Space and Communications, pointed to his group's launch services as providing solutions for a wide range of customers. Condit added that the group's new services unit, Space and Communications Services, will provide "ongoing customer support for current space and communication activities, and will help us capture new government and commercial service-related business."

The service arena also offers great opportunities for Boeing Commercial Airplanes, according to its president, Alan Mulally.

"Today, Boeing Airplane Services has teamed with partners around the world to offer modification and engineering services on a much greater scale," said Mulally. "These include major passenger-to-freighter conversions, avionics enhancements, interior reconfigurations and installation of in-flight entertainment systems," Mulally added.

Citing the company's focus on "new frontiers," Condit credited the company's Phantom Works group with helping to drive innovation into all areas of Boeing.

"I think Boeing and Phantom Works are leading a revolution in aerospace, characterized by major breakthroughs in the ways we are designing and producing systems not only to be more affordable, but also to have higher quality and higher performance," said George Muellner, Phantom Work's general manager.

In wrapping up the briefing, Condit told the group, "We have solid business performance. We know our markets. We know how to leverage core strengths, intellectual capital, and large-scale system integration expertise to provide total solutions for our customers."

Condit added, "We know how to open new frontiers with innovative products, services and solutions to create a much stronger company around the world."

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