Boeing Executive Challenges Industry, Governments to Partner in Transforming Second Century of Flight

During a speech to the Royal Aeronautical Society, Boeing [NYSE: BA] Integrated Defense Systems President and CEO Jim Albaugh, challenged the aerospace industry to define the 21st century as it had shaped the 20th.

The speech entitled, " Embracing Risk: A Vision for Aerospace in the 21 st Century," was the ninth annual Frank Whittle lecture, and alternated between honoring industry luminaries like Sir Frank Whittle, the British jet aircraft pioneer, and challenging the audience of aerospace leaders from industry, government and academia.

"Like all great eras in history, man's journey into the skies and beyond began with dreamers moving forward into unknown territory," Albaugh said. "The second century of flight will not only be worthy of the first; it will exceed our imaginations if we can embrace the risks inherent in discovery, boldly pursue what we know is out there, and if we are guided by the spirit of exploration."

Albaugh tempered his remarks by acknowledging the great forces shaping today's world and the challenges the aerospace industry must overcome to transform itself for the future. He said first and foremost, the industry needs to move away from the way things have been done for the past 40 years.

"We must think in terms of revolutionizing how we do our business from the development of technology to how we build our products," Albaugh said. "We must foster the innovation that comes from a risk culture. I am not talking about taking risk with human lives. I speak of the risk of new approaches."

"If we want to transform the aerospace industry, we cannot be content with an evolutionary approach. We have to choose between being incrementalists, content to simply upgrade airplanes or becoming innovators creating the next quantum leap that will mark the dawn of a whole new era."

Albaugh also called for an increased emphasis on industry partnerships with governments. Partnerships characterized by openness, a shared vision and an understanding of the difficulties in achieving that vision. Specifically, he said government customers needed to provide industry with "good product definition, dependable funding, and a willingness to trade cost, schedule and capability in order to achieve the best solution."

As for industry, Albaugh said, "It means thinking ahead of our customers, anticipating their needs and investing in appropriate technologies and skills." He also called upon industry to work together to forge new partnerships within industry.

"In this global economy, no company is an island unto itself. Companies that think they are, that is that are vertically integrated, cannot be the best in the world at everything they do," Albaugh said. "Therefore, by definition that company cannot offer their customer the best solution, they will deliver a sub-optimal product. Giving customers the best solutions means giving them the best of industry -- whether that comes from America, Europe or Asia ."

A unit of The Boeing Company, Integrated Defense Systems is one of the world's largest space and defense businesses. Headquartered in St. Louis, Boeing Integrated Defense Systems is a $27 billion business. It provides network-centric systems solutions to its global military, government and commercial customers. It is a leading provider of intelligence, surveillance and reconnaissance systems; the world's largest military aircraft manufacturer; the world's largest satellite manufacturer and a leading provider of space-based communications; the primary systems integrator for U.S. missile defense and Department of Homeland Security; NASA's largest contractor; and a global leader in launch services.

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