Boeing Centralizes Defense, Space Development Efforts to Improve Performance

Jim O'Neill named president of BDS Development

New organization will address development risks and affordability

Leanne Caret to lead BDS Services & Support; Jim Zrust named CFO

ST. LOUIS, Feb. 11, 2015 – Boeing [NYSE:BA] is consolidating management of key defense and space development programs into a new organization to enhance its performance on the pre-production development activities that significantly influence its ability to provide customers with the right capabilities at the right time and cost.

"This BDS Development organization is the next step in breaking the cost curve on our programs," said BDS President and CEO Chris Chadwick. "We expect our customers to see step-function improvements in affordability and schedule performance as we more effectively apply engineering expertise, development program best practices, and program management and integration from across Boeing to our most important development activities."

BDS Development is patterned on the Airplane Development organization in Boeing Commercial Airplanes. Those groups demonstrate the company's best-of-Boeing approach to reducing risk and improving the affordability of key development activities.

Six programs now managed elsewhere in BDS will be the first ones overseen by BDS Development:

- U.S. Air Force KC-46 aerial refueling tanker.
- The Air Force's presidential aircraft.
- CST-100 spacecraft for NASA's Commercial Crew program.
- NASA's Space Launch System rocket, which will take humans beyond Earth orbit.
- Boeing's 502 small satellite effort.
- BDS work on Boeing's 777X commercial airplane.

Jim O'Neill, formerly president of the BDS Global Services & Support unit, will lead BDS Development while Leanne Caret, the BDS chief financial officer, will succeed O'Neill as president of GS&S.

"Jim's experience across development, production, and support activities will position us to exceed the expectations of our customers and stakeholders, while Leanne's financial insights, and experience leading a variety of programs, makes her ideal to take us to the next level in terms of providing customers with robust, affordable support," Chadwick said.

Jim Zrust, Boeing's corporate vice president of Tax, has been named BDS CFO. Zrust will report to Chadwick and Boeing Chief Financial Officer Greg Smith.

"Jim is a proven leader who brings nearly 35 years of business experience and who will help continue to strengthen BDS and position that unit for profitable growth," Smith said. The leadership changes are effective immediately.

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