



## **Executive Summary**

The 787 Dreamliner is so much more than a plane. It presents a new platform for innovation, a new market direction for the airline industry, and new production and manufacturing process. All of these factors have helped established a network of strategic global partners, which we hope to leverage moving forward to the future. Our supply chain overhaul was quite practical at the time since there were risks of large capital requirements, lagging demand, and brand new technology. However, the new direction that we have implemented presents considerable challenges but immense opportunities as well.

### **Short Term Strategy: Building Customer Confidence**

Our recent choice to pursue a new global direction has given way to material shortages, design changes, and supplier challenges. As a direct effect, our Dreamliner launch has been delayed and stakeholder confidence in our performance is shaken. To prevent further negative financial implications, it is imperative that a supply chain-wide quality management system be implemented to restore stakeholder confidence, dissuade order cancellations, and attract latent orders.

It is our recommendation to immediately implement a system to ensure quality management at every level of production. By negotiating quality requirements, standardizing processes, and having a consolidated information sharing process, we are confident that the quality and timeliness of our products will improve substantially. Additionally, this supply chain management system is expected to bring us an NPV of \$500 million through the avoidance of \$900 million in cancelled orders. In other words, this more tightly-knit supply chain will restore stakeholder confidence and will improve overall efficiency allowing us to pursue new innovative paths.

### **Long-term Strategy: Sustaining Superior Market Position**

Our company has a vision for 2016 in which we are fully integrated as “people working together as a global enterprise for aerospace leadership.” By this time, we expect to be experts in our composite technology, have an established network of strategic suppliers, and own aging lines of the aluminum 777 and 737 lines. We firmly believe that this global vision can be attained through new innovation in the industry.

It is our recommendation that we satisfy growing demand for single aisle aircraft, leverage our fuel efficient models, and push our knowledge of composite technology acquired during the 787 experience to create a modernized 737 line. With benefits such as reduced fuel and maintenance costs, increased lifespan, and capacity meeting the market demand, it will bring us over \$100 billion in the first ten years. This modernized 737 will launch us in to our future of innovation and help us to sustain our superior market position.

### **Conclusion**

Overall, we believe that our short-term strategy will restore stakeholder confidence and set up a supply chain management system for long-term success. Also, our long-term strategies will allow us to sustain our superior market position and will set us up for being an industry leader in technology innovation. Through implementation of these two strategies, Boeing will be soaring to a brighter, strong future.

Sincerely,

**Task Force Team**

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