COO Focus

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Vice Chairman, President and Chief Operating Officer

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Boeing Strategic Imperatives

- Deliver BCA growth and business continuity on a significantly larger scale
- Speed BDS repositioning, extend existing platforms
- Expand our international advantage
- Leverage and grow Services
- Drive innovation through focused enterprise R&D
- Aggressively manage financial strength
- Empower and deploy new generation of leaders

Accelerate change, deliver results
One-Boeing Advantage

**Growth**
- International / new markets
- Derivative products
- Services Synergy
- Network scale / mgmt
- Leadership Development
- Partnerships, M&A potential

**Productivity**
- Market-based affordability
- Lean+/CVQ, DPE and Safety
- Cycle-time reduction
- First-time quality
- Supply-chain leverage
- R&D leverage

Global scale – One-Company approach – clear differentiation
One Boeing Accomplishments

- P-8A Poseidon, KC-46A Pegasus
- Partnering for Success
- Development Excellence / Lean+
- Leadership & Knowledge Transfer
- 777X Work Packages
- Composites/C4ISR Technology
- Global Capability

One Boeing approach drives shareholder value
Partnering for Success

Enduring commitment to customers
“More for Less” commercial and defense environment

Expanded throughout the supply chain
Deployed initiative to more than 500 suppliers

Driving win-win solutions with partners
1,000+ active pipeline opportunities & another 200 already captured

Productivity fuels future growth
Affordability enabled multi-years on Chinook and V-22

Already starting to capture savings
Numerous programs are seeing the benefit

Driving productivity/quality across supply chain; More to Do; Long Term
PFS Integrated Approach

- Cost Reduction Initiatives
- Value Engineering
- Dedicated Engineering Support

- Internal Processes – Factory & Office
- Contracting options
- Schedule options
- Boeing Doing It’s Part

- Engage sub-tier suppliers
- Competition
- Potential use of Boeing contracts

Work all cost levers… internal, supply chain, technical, Boeing
**Mission**

Develop and deploy high leverage practices to improve product development efficiency, enable development program success, and yield significant business results.

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**Design, Build and Test Trend**

- KC-46, P-8
- 702SP, SLS
- 787-9, 737 MAX
- UCLASS, T-X, LRS
- 787-10, 777X

**Fundamentally breaking the development cost curve**
Boeing Product Development System

Optimize Value
Control Demand
Accelerate Flow
Prevent Traveled Risk

Design for Value | Design for Productivity | Systems Engineering | Modularity and Reuse | Technical Maturity | Operationalize Product Development | Geographic Diversity | Full-Kit | Gated Process

Affordable solutions that increase customer and shareholder value
Capturing the Value of Quality
Drive **first-time** quality in every step of the value chain

**Lean+** is an approach to continuously drive breakthrough improvement

**Capturing the Value of Quality** - recognizing significant value if everything went perfectly

**Lean+ / CVQ** provides the tools and methods to further drive productivity by empowering employees

**Drive Shareholder Value; Create Affordability Advantage; Fuel Growth**
Executing on our Strategic Imperatives

Partnering for Success  |  Lean + CVQ  |  Market-Based Affordability  |  Development Excellence

BCA Growth  |  BDS Extend/Position  |  Grow International

Services Synergy  |  Lead with Innovation  |  Empower Leaders

One Boeing Advantage – Productivity and Growth

Executing on our strategic imperatives to drive shareholder value