

Boeing: 2020 Adapting to the Pandemic

Business Administration

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Peggy Gunther-Management/Finance-30+ yrs Management, Customer Relations

Boeing Background

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Mission Statement
Connect, Protect, Explore and Inspire the World through Aerospace Innovation

Situational Analysis

Strengths

- Boeing is globally recognized and supported with a robust supply chain network.
- Boeing is pushing through some of the latest advancements in research and development.
- Boeing produces planes for a large array of needs and geographic regions.

Weaknesses

- The 737 Max and resulting inventory.
- The company is currently at 1.08 liquidity ratio.
- Boeing's supply chain is their lifeline to parts and materials.
- If the supply chain shuts down due to Covid-19 the company is essentially not able to produce.

Threats

- Covid-19 could lead to a further delay of moving planes regardless of their ability to fix the issue with the 737 Max.
- Lawsuits (Gov, public).
- Boeing could potentially go bankrupt.
- Pending Sales: Indefinite.
- Public perception towards 737 Max.
- Global economic instability.

Opportunities

- Backlog of unrecognized gains and inventory.
- Government contracts for defense and space.
- Possible repurposing of factories to combat Covid-19 fallout/shortages (hospital equipment).

Strategic Analysis

Internal Factor Analysis

	Strengths	Impact	Response	WS
Global Supply Chain	0.15	3	0.45	
Advancements in R&D	0.15	5	0.75	
Array of Buyers	0.2	2	0.4	
Weaknesses				
Excess Inventory	0.2	4	0.8	
Liquidity Ratio	0.1	2	0.2	
Global Shutdown	0.2	3	0.6	
Total	1		3.2	

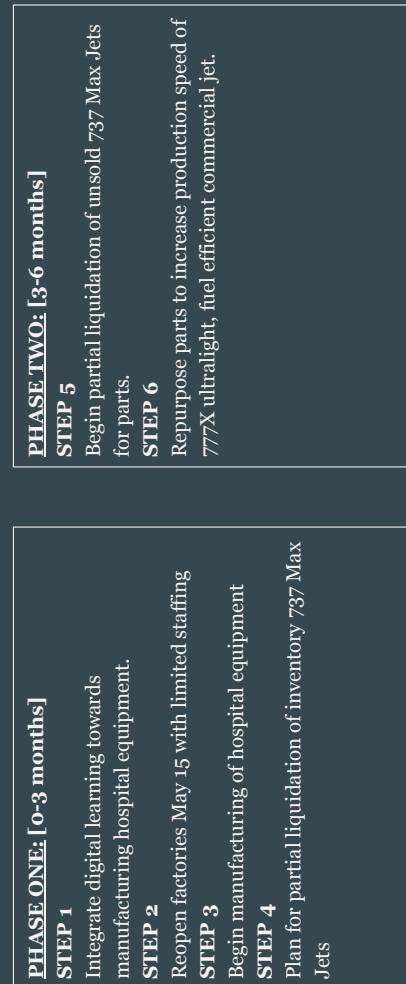
External Factor Analysis

	Opportunities	Impact	Response	WS
Unrecognized gains & inventory	0.2	4	0.8	
Gov't contracts	0.1	3	0.3	
Build Medical Equipment	0.2	1	0.2	
Threats				
COVID-19 delays in orders	0.2	4	0.8	
Lawsuits	0.2	2	0.4	
737 Max reputation	0.1	5	0.5	
Total	1		3	

TOWS

Strategic Formulation and Implementation

Strengths-Opportunities	Weaknesses-Threats
<ul style="list-style-type: none"> -Boeing's highly skilled workforce could be utilized for many different tasks that could benefit the company in the long run. • Aiding in and assisting the production of highly needed hospital equipment • Finding solution for 737 Max issue • Coming up with sustainable cost cutting ideas. • Increasing the company's product and manufacturing line for sustainable backup products. 	<ul style="list-style-type: none"> - Loss of profits through trickle-down effect of airlines losing business due to COVID-19. - COVID-19 shutting down supply line. - Current inventory is draining funds while product is depreciating. • Liquidation of 737 Max jets currently in inventory. • Heavy loss of profits with 85% parts salvageable. - Boeing will cut costs to survive. This is a good time to figure out where the company is needlessly hemorrhaging money. • Bankruptcy - The issue with the 737 Max could never be remedied, which could lead to a liquidation of planes- this would be highly detrimental to Boeing if even fiscally possible. -Operating too lean and not producing at a financially sustainable rate.



Balanced Scorecard

Mission- Connect, Protect, Explore and Inspire the World through Aerospace Innovation
 Vision- Designed to inspire and focus all employees on a shared future and to reaffirm, that, together, we can meet the challenges that lie ahead

Finances

Tactic: Decrease liabilities
Objective: Increase current assets to increase the liquidity ratio to 2.2
Target: Year end 2020

Research and Development

Tactic: Learning and growth digital support system
Objective: All training completed

Customers

Tactic: Reputation
Objective: Marketing campaigns
customers surveys

Success/Failure

- Short-term sustainability
- Financial downturn
- Lighten the impact
- Liquidation vs. repairing the 737 Max
- Long-term effect

What we learned

- Companies are never too big to fail
- Analyzing the financial health of companies
- Building a strategy that is considerate of global affairs
- Effective teamwork
 - Delegation of duties
 - Contributing to a shared goal
 - Meshing of ideas
 - Resolving conflicting ideas> Win, Win, Win option
- Putting the knowledge gained throughout college to work.
 - Trust the system

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Questions