

Boeing: 2020 Adapting to the Pandemic

Business Administration

- Brenda Cline** - Finance-10+years in Hospitality Management
- Matt Baker** -Marketing/Management-10 yrs Leadership, Customer Satisfaction, Problem Solving
- Jessica Coleman** -Finance-Newly introduced to work as Accounts Manager at Selkirk Sport with various experience in other fields
- 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.

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).

Weaknesses

- The 737 Max and resulting inventory.
- The company is currently at a 0.8 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.

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

Strengths-Opportunities

- 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.

Weaknesses-Opportunities

- 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.

Strengths-Threats

- 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.

Weaknesses-Threats

- 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.

Strategic Formulation and Implementation

PHASE ONE: [0-3 months]

STEP 1

Integrate digital learning towards manufacturing hospital equipment.

STEP 2

Reopen factories May 15 with limited staffing

STEP 3

Begin manufacturing of hospital equipment

STEP 4

Plan for partial liquidation of inventory 737 Max Jets

PHASE TWO: [3-6 months]

STEP 5

Begin partial liquidation of unsold 737 Max Jets for parts.

STEP 6

Repurpose parts to increase production speed of 777X ultralight, fuel efficient commercial jet.

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
Target: By June 21, 2020

Customers

Tactic: Reputation
Objective: Marketing campaigns customers surveys
Target: Results at 78.7%

Internal Support Systems

Tactic: Digital support systems
Objective: All employees trained 80%
To Build 20,000 per month
Target: Year end stockpile 80,000

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
- Putting the knowledge gained throughout college to work.
 - Trust the system

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Questions