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Management Project Presentation

Company Overview

Boeing was founded by William Boeing on July 15, 1916, in Seattle, Washington.

The Boeing Company has its corporate headquarters in Chicago, Illinois.

In 2017, Boeing recorded US\$93.3 billion in sales, and ranked 64th on the Fortune Global 500 list of 2018.

Boeing has the following major divisions:

- Boeing Commercial Airplanes (BCA)
- Boeing Defense, Space & Security (BDS)
- Boeing Global Services
- Boeing Capital
- Engineering, Test & Technology
- Boeing Shared Services Group
- Boeing NeXt - explores urban air mobility

Corporate Social Responsibility

- Promoting education
- Promoting Healthcare including preventive healthcare
- Vocational Skills
- Eradicating Hunger, Poverty, and Malnutrition
- Ecological Balance
- Conservation of Natural Resources
- Renewable energy products

Competitive Advantages held by Boeing



Global Sales and Production Facilities

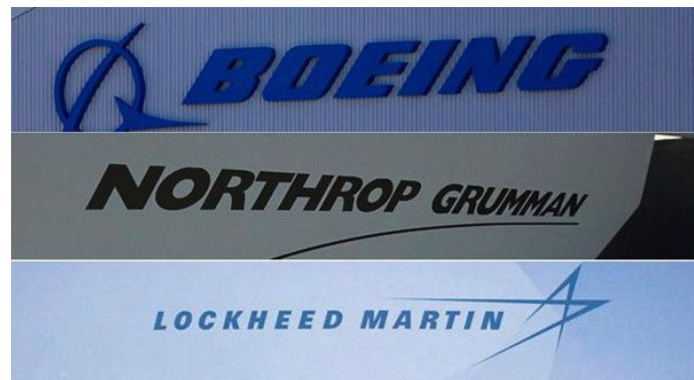
- Boeing has its facilities spread in over 140 countries.
- This allows it a greater authority to negotiate contracts and is often seen as a power player in various developed and developing countries.
- Boeing has four major centres in India:
 - Delhi
 - Mumbai
 - Bangalore
 - Chennai



Countries with the largest Boeing presence

Strong relations and partnerships

- The company enjoys strong relations with many companies, even its competitors. It successfully deploys a number of joint programs.
- For example, Boeing partners with Lockheed Martin (LMT) in the United Launch Alliance and with Northrop Grumman (NOC) in a joint common missile program.
- This has given the company a good image in the eyes of many companies, which further adds to the reputation of Boeing.



Broad range of products

- BA has a broad product line that includes the Boeing Business Jet and the 717, 737, 747, 757, 767, and 777 families of jetliners. Also, the company's newly launched Dreamliner caters to major markets and niche segments.
- This enables Boeing to satisfy the specific needs of its customers and hence, many aviation businesses arrive at Boeing first to fulfill their orders.
- Boeing also has a dedicated plan to expand its range of products horizontally in the future, capturing more such types of niche segments.



Business Strategies adopted by Boeing



Strong Distribution Systems

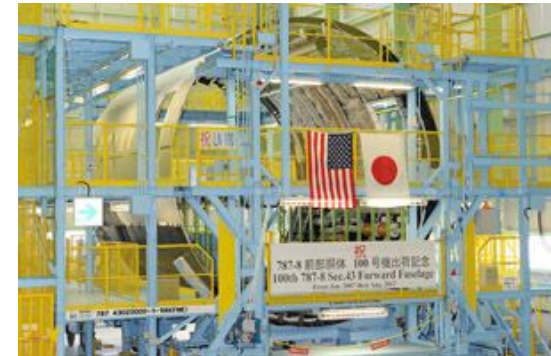
- The company has a strong, strategically positioned global distribution network that is linked by advanced digital systems to ensure prompt spare parts delivery.
- Up-to-the-minute inventory information is available on demand to keep Boeing fleets operating at optimum productivity.
- This helps the distribution centres be aware of the deadlines and they are helped by the advanced management systems to keep the costs optimized.



Wing maintenance and distribution centre

Teaming up with Regional Giants

- Boeing teams up with suppliers from different countries to develop technologies and design concepts.
- This in turn helps it gain market in these countries since companies that have a stake in Boeing are more likely to buy from Boeing than from its competitors.
- For example, Boeing has maintained long standing relationships with Japanese suppliers, including Mitsubishi Heavy Industries and Kawasaki Heavy Industries.



Aggressive pursuit of government contracts

- The U.S. government is the single largest customer for Boeing and brought in almost 31% of company's revenue in 2018.
- Notably, Boeing accounts for 21% of the U.S. Department of Defense (DoD's) procurement budget.
- Boeing has also been able to secure various other government contracts from countries like India, Japan etc.
- Government contracts account for more than 30% of Boeing's revenue.

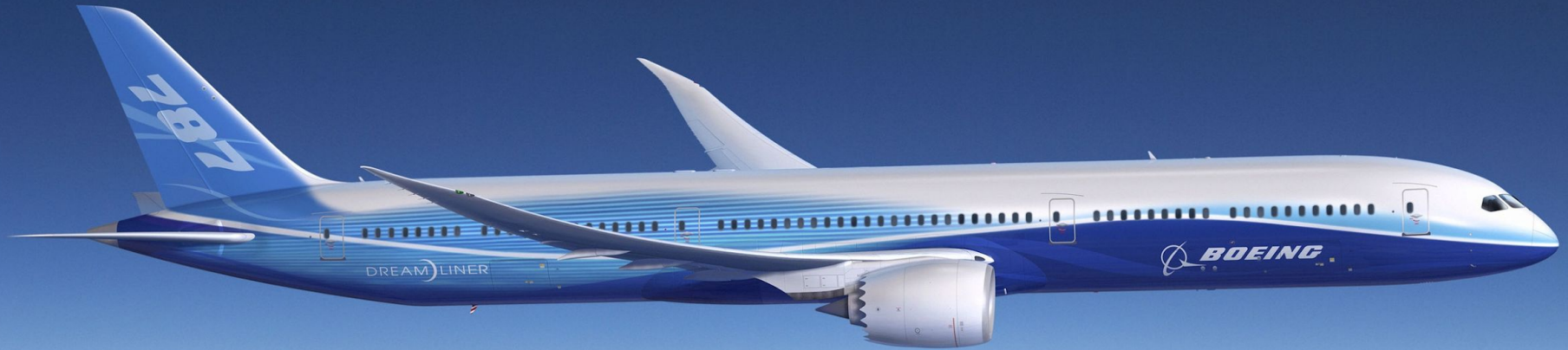


Extended-period airplane parts supplies

- Boeing offers dedicated support for out of production airplanes and parts. This enables Boeing to remain in the airplane spares business and maintain its stronghold even in the maintenance of the planes which have been long retired.
- Boeing also earns a lot of profits from this tactic, as almost 70% of the commercial planes flying in the world are Boeing planes. This gives Boeing the advantage of being the sole official spare parts supplier.



Products, Services and their Importance



Product and Services from Boeing

Boeing offers its products and services in various domains

- Commercial
- Defence
- Government Services
- Space

Boeing offers numerous qualities in its diversified segments which makes them class apart and important in different perspectives.

We will discuss these product, services, their qualities and importance one by one.

Boeing Commercial: Product and Services

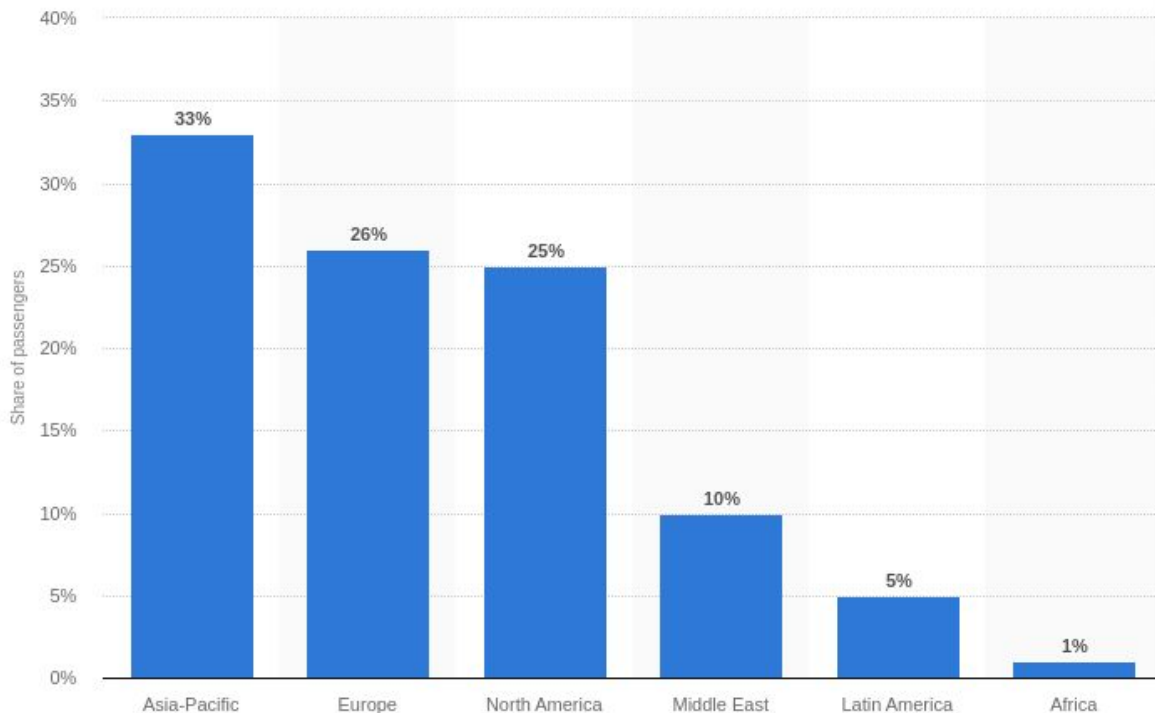
Boeing offers following products and services to cater to the commercial airline industry

- Freighters
- Boeing Business Jets
- 787
- 767
- 777
- 777X
- 747-8
- 737 Max
- Next Generation 737
- Boeing Support and Services

Passenger Markets

Asia-Pacific Region has become largest consumer of aviation services.

A lot of the countries are developing countries with a strong growth in aviation sector.



Boeing Commercial: Countering Climate Change through tech

- Today, there are more than 10,000 Boeing commercial jetliners in service. Moreover, the volume of air travel has started to grow at a high pace in the developing world.
- This would increase the global air traffic exponentially as countries with high populations can afford air travel.
- There have been projections that by 2020, global international aviation emissions would be around 70% higher than in 2005 and this trend is likely to continue.
- To counter this, Boeing uses state of the art technology to produce airplanes that fly farther on less fuel, airplanes that reduce airport noise and emissions



Boeing Commercial: Safety at the Centre

Boeing takes certain measures to ensure safety of its passengers. This is important as even one crash in a thousand can cause high damage. The steps include:

- Implementing methods to ensure full proof, no defect manufacturing like Continuous Improvement, Lean Six-Sigma methods.
- Automation of processes that require precision with minimum human touch.
- Standardization and benchmarking of manufacturing processes.
- Training of its engineers and workers to ensure high skilled inputs to manufacturing, 24/7 customer support.



Boeing Assembly line

Boeing Commercial: A push to the Economy

- Boeing Commercial Airplanes, a business unit of The Boeing Company, is headquartered in Seattle, Washington and employs more than 60,000 people worldwide.
- Boeing contributes to a large percentage of the economies of the countries it operates in.
- Helps increase the tourism sector growth rate especially in the developing countries where demand is increasing at a good rate.



Spicejet using Boeing 737
max

Boeing Defence: Broad Expertise

- Defence sector requires highly sophisticated products with high level implementation of state of the art technology.
- Requires a huge amount of research and development and expertise.
- Boeing has been investing a bunch in research and development.
- Boeing as mentioned before follows aggressive approach for its defence products and services and thus is the second largest arms producing companies only behind Lockheed-Martin.
- Its expertise helps Boeing in getting big defence contracts.

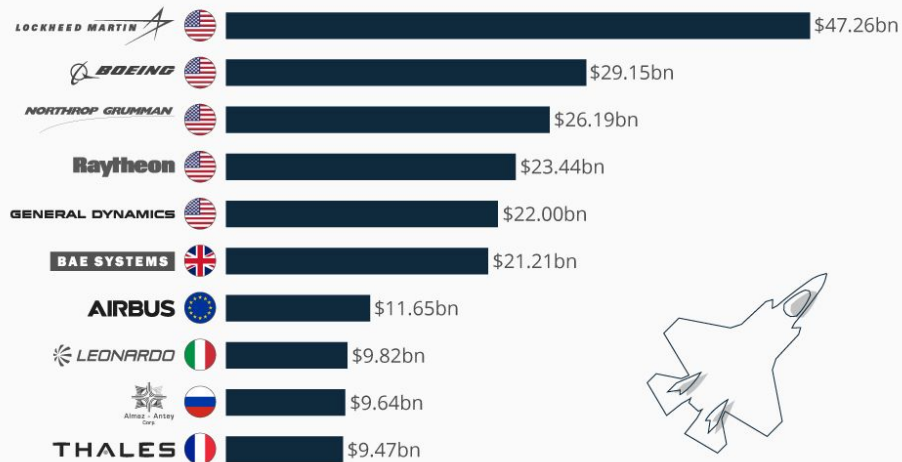


F/A-18 Aircraft

Boeing Defence: Broad Expertise

The World's Largest Arms-Producing Companies

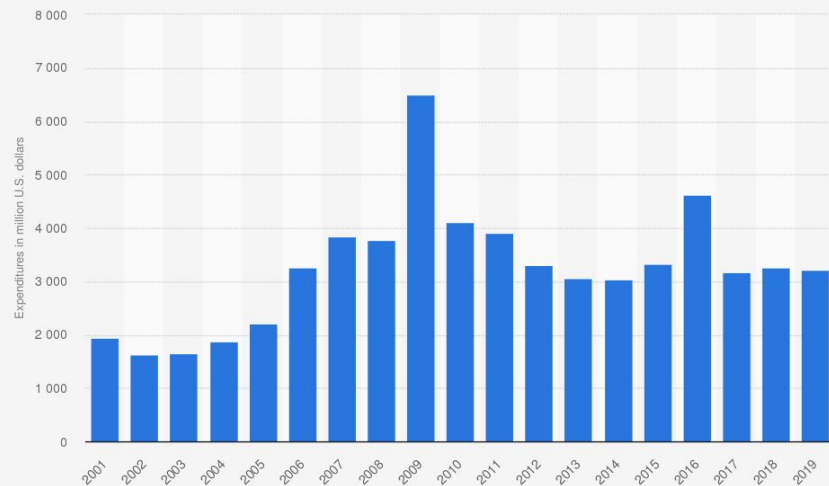
Revenue of the top arms-producing and military services companies in 2018*



* Excluding China due to a lack of comparable and sufficiently accurate data
@StatistaCharts Source: Sipri

statista

Boeing's R&D expenditures from FY 2001 to FY 2019 (in million U.S. dollars)



Source
Boeing
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Additional Information:
Worldwide; FY 2001 to FY 2019

Boeing Defence: Broad Expertise

Boeing acts on 3 key points to deliver best defence products and services:

- Readiness, to provide equipments when and as needed as quickly as possible.
- Reliability of its products and services
- Affordability

Boeing achieves this through:

- Top class engineering practices
- Modification and Maintenance as required by the consumer.
- Using Data Analytics and IT to build infrastructure for testing and training.
- Employs professionals for building the infrastructure.
- Streamlining Supply Chain

Boeing Space: Innovation to lead the way

- Space endeavours have seen major private players spending billions to explore the space.
- Boeing has experience in the space industry gained from supporting a lot of major U.S. endeavor to escape Earth's gravity.
- Boeing helps in designing and building the future of safe, assured space exploration.
- Boeing is currently working in giving commercial access to space travels.
- Lead the digital transition of the satellite industry for both government and commercial customers around the globe.



Boeing: A part of
Artemis Programme

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Boeing Space: Commercial Space Travel

- Involved in making of commercial spacecraft such as CST-100 Starliner.
- This has an impact on tourism and manufacturing.
- Will open a market for tourism and manufacturing in low Earth orbit, while increasing research conducted on the ISS.
- That will allow NASA and its partner agencies to focus on deep-space exploration missions.
- These efforts are driven by innovation being the core of the company's efforts.

Ethics and CSR in Boeing

- Responsive to the concerns of communities, customers, employees, public officials, shareholders and suppliers.
- Additionally, the Board has adopted a Code of Ethical Business Conduct, to focus the Board and each Director on areas of ethical risk and provide guidance for ethical interests.

Boeing follows following principles:

- Sustainability: Environment, Social
- Global Equity, Diversity and Inclusion
- Ethics and Compliance
- Human Rights
- Education
- Safety and Quality

Boeing: Marketing Strategies



Marketing Strategy of Boeing

- Boeing uses a mix of demographic and geographic strategies in order to cater to the customers of different nations. Based on the customer groups of Boeing selective targeting strategy is used as a different set of offerings like fighter jet planes, commercial planes, and private planes are meant for a different set of customers.
- User benefit based positioning strategy is used by the company to highlight the differentiated benefits of the offerings in terms of IT-enabled advanced features.

SWOT Analysis

- Mission- *To Connect, Protect, Explore and Inspire the World through Aerospace Innovation*
- Vision- *To be best in Aerospace and Enduring Global Industrial Champion*

Tagline of Boeing

A marketing tagline is a short catchphrase used by a business or brand to summarize its mission and the products or services it offers.



Boeing was very excited about their *Build Something Better* campaign. They were so excited about a message they thought conveyed their dedication to innovation and their commitment to *Challenging the Impossible*.

Marketing Objectives

- Boeing wants to bring out with the marketing programs an image of a great reliable and exclusive product that is manufactured by an excellent, conscious organization and that company is composed by a group of professionals that love what they do. Marketing has to bring out Boeing as part of the community and regular life, as company's products are used for travel every day around the world.
- The main objectives are to reach the main market, which is airlines and build a reputation that becomes part of the selling point for the products. The established airlines and futures entrepreneurs need to know the advantage of acquiring the Boeing products. From helping the environment to saving millions on efficiency and performance, Boeing products are the solutions.

Marketing Mix: 4 P's

- *Product Strategy:* Boeing brings the most advance line of commercial airlines planes in the market with a comprehensive warranty package to support its product.
- *Pricing Strategy:* Boeing pricing strategy is linked to an environmental analysis. Saving money is vital for success as well as responsiveness to customer needs. Boeing is striving hard to achieve economies of scale from its procurement process to designing and manufacturing.

Marketing Mix: 4 P's

- *Distribution Strategy:* Boeing distribution centers are strategically positioned around the world and linked by advanced digital systems to ensure prompt spare parts delivery. Up-to-the-minute inventory information is available on demand to keep Boeing fleets operating at optimum productivity.
- *Promotion Strategy:* The Boeing Company is known around the world as a leading manufacturer of commercial airplanes. What's less well known is that Boeing is also a leader in space technology, defense aircraft and systems, and communication systems. The company's advertising campaigns close the gap between current perceptions of Boeing and our true scope as a global aerospace company. Most of the advertisements are on TV ads, printed newspapers and magazines and internet websites.

BCG Matrix in the Marketing strategy of Boeing

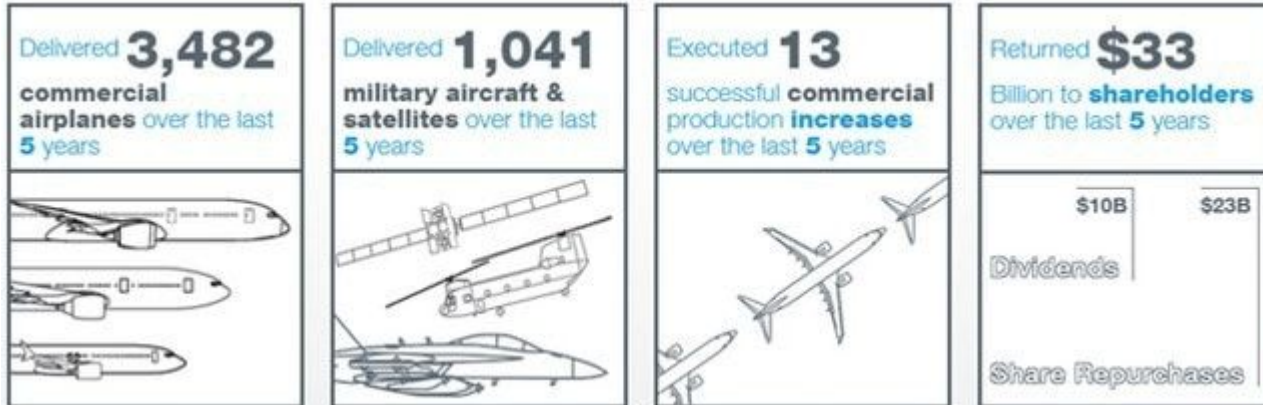
The business segments of Boeing are divided into three categories Commercial Airplanes; Defence, Space & Security (BDS) business comprising three sub-segments:

- Boeing Military Aircraft (BMA)
- Network & Space Systems (N & SS)
- Global Services & Support (GS & S)
- Boeing Capital (BCC).

The segment in which it operates is *Stars* (i.e. Less Market Share and High Market Growth)

Distribution Strategy of Boeing

- It employs more than 14,000 in more than 65 countries who help the company in operating in business segments Space & Security, Commercial Airplanes etc.
- The Company supports airlines and government offices through products & MTO (make to order) products such as weapons, electronic and defense systems



Thanks for Reading