

Global Business Strategy - 24/25 Workbook

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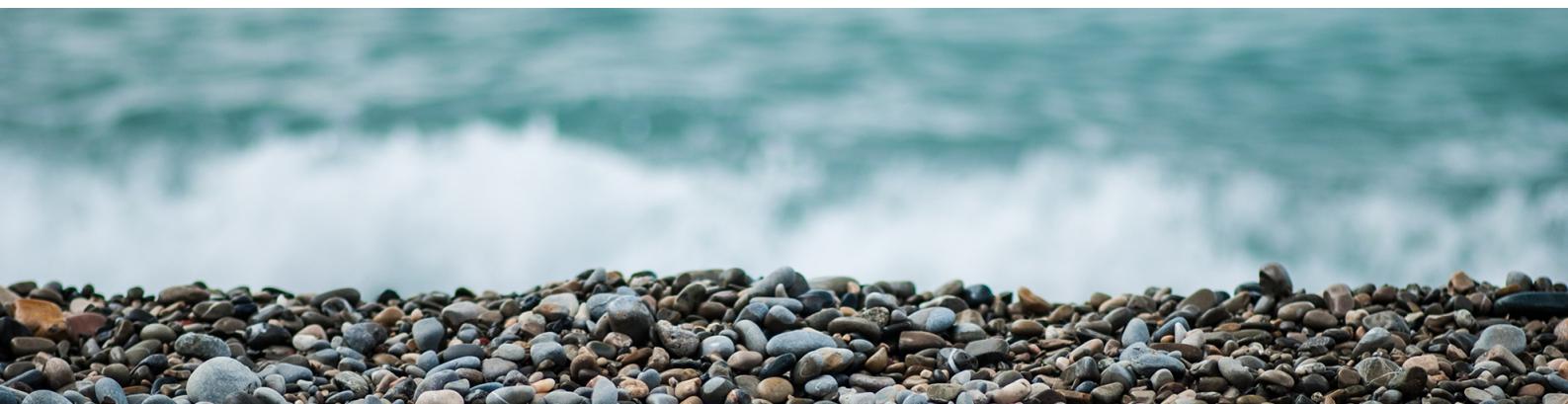
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FRONT SHEET

Individual Coursework

CANDIDATE NUMBER (C-NUMBER)

C2109911

MODULE NAME

Global Business Strategy

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DECLARATION

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I have read the Student Discipline Regulations ([Student Discipline Regulations](#)) and understand any Assessment Related Offence/ Academic Misconduct may result penalties being applied.

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Yes

No

The word count stated by me is correct

Yes

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Introduction



Introduction

This section should focus on introducing tasks (LOs) that will be addressed in this portfolio. (guided word length: 50-100)

This portfolio focuses on analyzing key aspects of strategic management, including identifying organizational challenges, conducting environmental analyses using frameworks like PESTEL and Porter's Five Forces, and exploring sustainable strategies and market entry approaches. Additionally, it evaluates leadership styles, governance, and strategic change to address systemic issues. The portfolio integrates theoretical models with practical insights to provide actionable recommendations for fostering innovation, ensuring ethical compliance, and enhancing competitive positioning in a dynamic global market. Through these tasks, the portfolio aims to develop a comprehensive understanding of effective strategic planning and leadership in addressing complex organizational challenges.

Word count: 96

Boeing

Boeing: Vision, Mission and Values

Boeing's values emphasize the highest standards in engineering, safety, and accountability. Employees are united by these principles to foster a just culture and deliver quality products and services. Engineering excellence, lean principles, and predictable operations are prioritized. Sustainability efforts, inclusion, and transparency also guide the company's operations (Boeing, 2024).

Boeing share price, \$

— Boeing Co



Source: LSEG via markets.ft.com

Source: (Indap, 2024)

More information can be found at: <https://www.ft.com/content/ac9da16b-b5b9-4bab-8182-293696eff810>

Challenges Faced by Boeing: PESTEL Analysis

The above artifact, depicting Boeing's share price from 2018 to 2024, is a crucial visual for PESTEL analysis as it reflects the broader external factors impacting the company. The sharp decline in share price during 2019 and early 2020 aligns with political (FAA regulatory scrutiny) and legal (737 Max safety lawsuits) challenges. Additionally, the uneven post-COVID-19 recovery, an economic factor, is evident in the fluctuation of share prices over the years. Social and environmental pressures, such as the demand for sustainable aviation and safety concerns, have influenced Boeing's reputation, further contributing to volatility. By connecting these factors to market performance, the artifact underscores how macro-environmental elements affect strategic decisions and financial stability (Bushey & Pfeifer, 2024; Whitaker, 2024).

Boeing shares have lagged behind those of European rival Airbus

Share prices rebased in \$ terms

— Boeing Co — Airbus SE



Source: LSEG via markets.ft.com

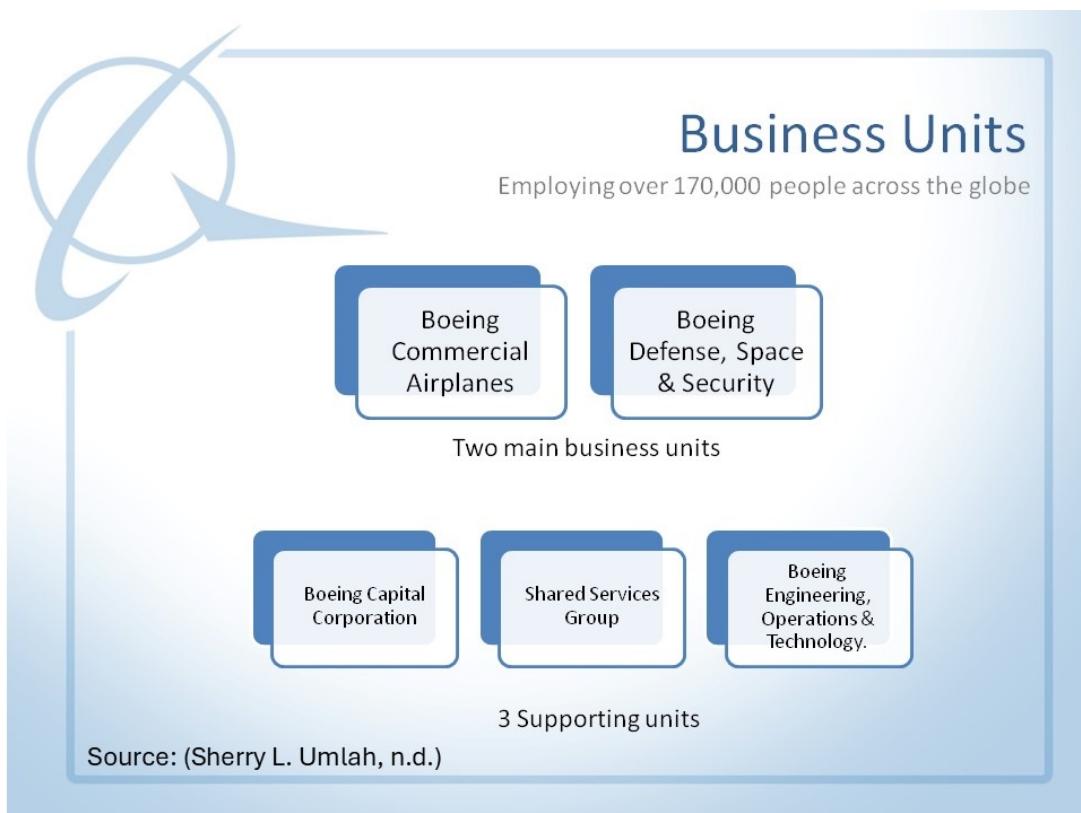
Source: (Bushey & Georgiadis, 2024)

More information can be found at: <https://www.ft.com/content/5a5ea48d-81db-4224-bae6-ab9d0a132012>

Micro-economic analysis: Porter's Five Forces

The second image compares the share price trends of Boeing and Airbus, effectively illustrating the intense rivalry within the aerospace industry—a central theme in Porter's Five Forces analysis. Airbus's consistently better performance highlights the impact of competition on market dynamics, customer loyalty, and pricing strategies. Furthermore, the graph reflects challenges such as the bargaining power of buyers and industry rivalry, particularly in a duopolistic market. This artifact vividly demonstrates how internal and external pressures from the competitive landscape influence Boeing's positioning, aligning with the analysis of industry rivalry and buyer power in shaping its strategic responses.

Boeing's diversification strategy



This image illustrates Boeing's organizational structure, which is vital for understanding its strategic priorities and operational framework. The division into two main business units—Boeing Commercial Airplanes and Boeing Defense, Space & Security—highlights its focus on commercial and defense markets. The inclusion of three supporting units—Boeing Capital Corporation, Shared Services Group, and Boeing Engineering, Operations & Technology—emphasizes the company's efforts to ensure financial stability, streamline operations, and drive innovation (Boeing , 2024). This visual representation effectively complements strategic analysis by showcasing how Boeing allocates resources to maintain competitive advantage in distinct market segments while aligning with technological and operational goals.



Source: (AskYourCourse, 2024)

This image of the BCG Matrix serves as a crucial artifact for analyzing Boeing's diverse business portfolio. It visually conveys how Boeing's strategic units—categorized as Stars, Cash Cows, Question Marks, or Dogs—align with market share and growth dynamics. For example, it highlights how established units like Commercial Airplanes (Cash Cows) provide steady revenue, while programs like the 737 Max (Question Marks) require strategic investments to unlock potential. By illustrating resource allocation priorities and challenges, the matrix enables comprehensive portfolio analysis. Its relevance to Boeing's market complexities and business strategies makes it an ideal inclusion in a strategic planning portfolio.

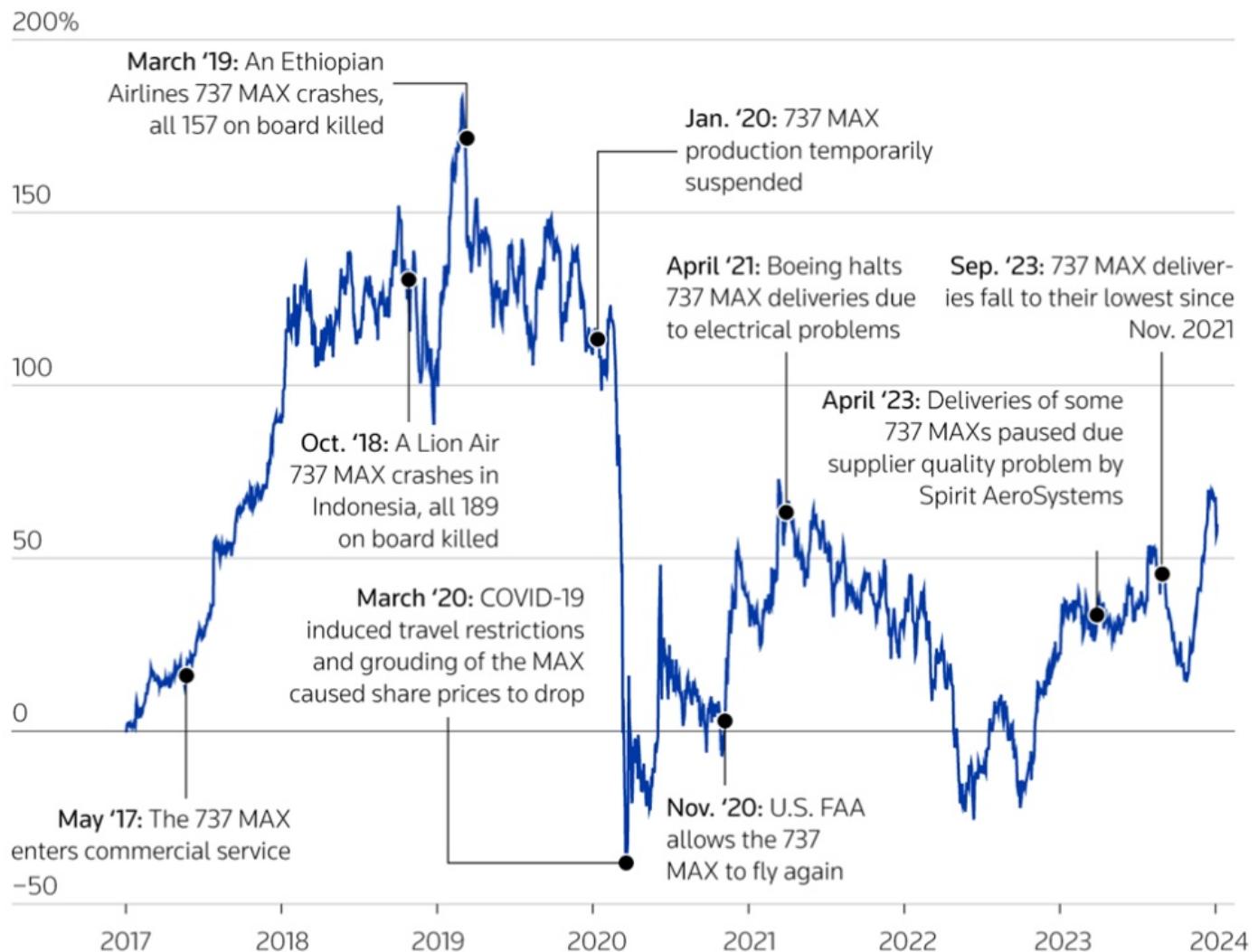


Strategic Change, Leadership, and Governance

Boeing's troubles with the 737 MAX

The Alaska Airlines cabin panel blowout incident once again highlighted the crises faced by the 737 MAX, Boeing's fastest-selling passenger airplane.

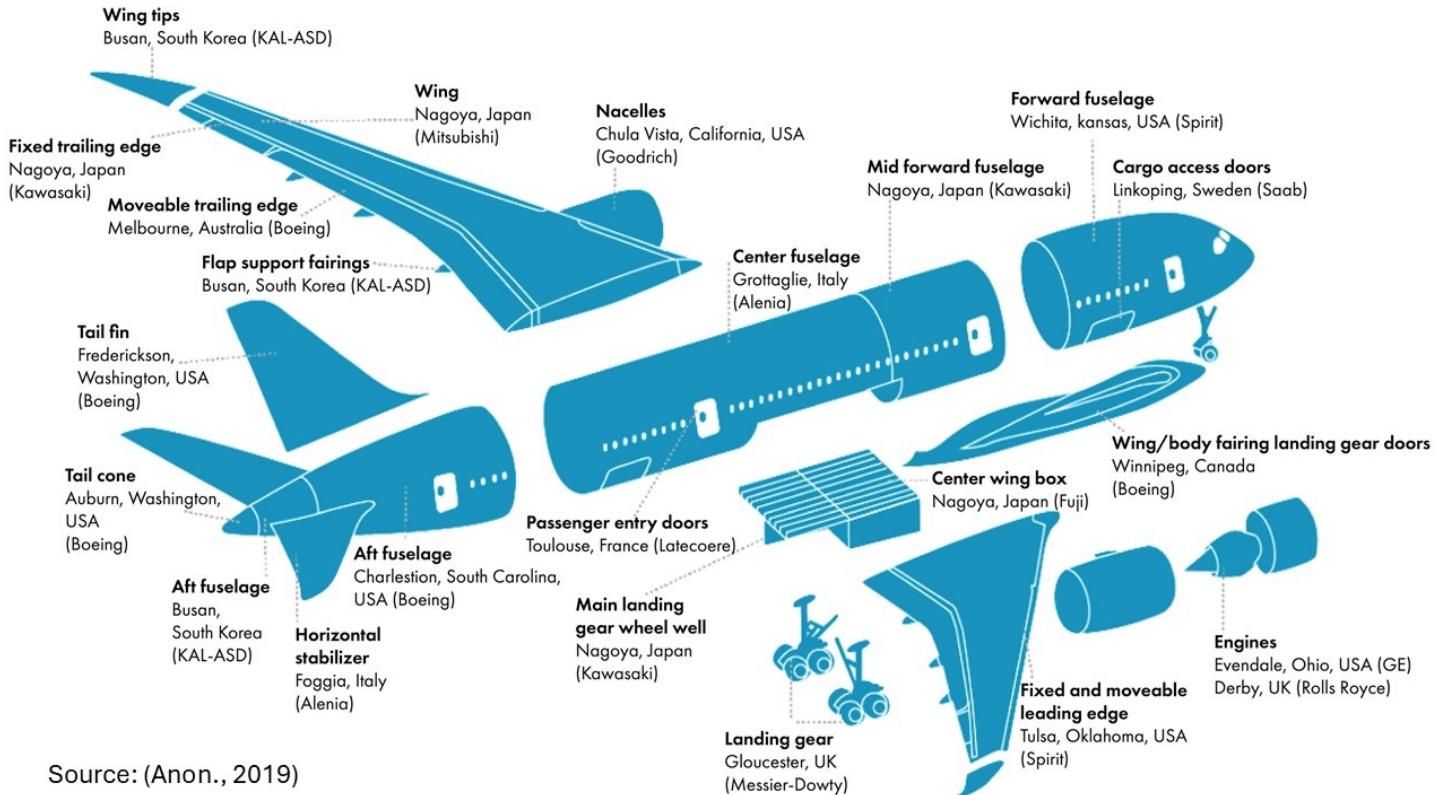
CHANGE IN BOEING'S SHARE PRICE SINCE JAN. 2017



Sources: LSEG Datastream; Reuters reporting

Sumanta Sen • Jan. 8, 2024 | REUTERS

This timeline visualizing Boeing's share price fluctuations and key events surrounding the 737 MAX crisis is a vital artifact for understanding the ethical and leadership failures that led to the company's challenges. It highlights the catastrophic consequences of prioritizing financial goals over safety, including two fatal crashes (Fast, 2019) and subsequent production halts. The chart also reflects the long-term impacts on Boeing's reputation and market performance, emphasizing the need for leadership reforms. By incorporating this artifact, the portfolio underscores the ethical and operational lessons Boeing must address to align its business practices with stakeholder trust and safety priorities (Pontefract, 2019; Boeing, 2024).



Source: (Anon., 2019)

This artifact visualizes Boeing's global supply chain, illustrating the fragmented production processes that contributed to safety and quality control challenges. It highlights the outsourcing of critical components to international suppliers, a cost-cutting strategy that undermined oversight and led to ethical lapses in production. The image underscores the role of unethical business practices, such as pressuring suppliers to reduce costs and employing low-paid temporary workers, in the 737 MAX's safety issues and broader operational failures (Fast, 2019; Pontefract, 2019). Including this artifact demonstrates the global consequences of Boeing's leadership approach and reinforces the importance of ethical supply chain management (Pasztor, 2024; Shonk, 2024).



Good Strategy Execution and Evaluation: Recommendations & Conclusion

Boeing has long been a global leader in aviation manufacturing, with Airbus as its main competitor. Known for innovation, the company has also faced significant controversies due to mismanagement and unethical practices. Cutting corners in the safety and quality control of its 737 MAX program tragically cost hundreds of lives, resulting in lawsuits, fines, and a damaged reputation (Pasztor, 2024).

Resources and competencies:

Boeing's global supply chain and in-house logistics network could be optimized to address delivery delays and fulfill existing orders efficiently. Unlike Airbus, which relies heavily on commercial aircraft, Boeing's well-diversified operations, spanning defense, space, and global services, provide financial stability and resilience. Its long-standing commitment to R&D supports technological progress and innovation, while its risk-taking culture continues to be one of its most significant strengths (Woo et al., 2021).

Recommendations:

- Strengthen governance and safety compliance to rebuild trust with customers and regulators.
- Improve oversight of innovation to avoid over-outsourcing critical tasks.
- Leverage R&D investments to prioritize sustainable aviation technologies.
- Utilize its defense and global services divisions to fund enhancements in its commercial aircraft sector (Woo et al., 2021).

Reflection



You need to Reflect on your 'OWN LEARNING JOURNEY' while completing this portfolio assessment. Remember, the reflection section has to be written in informal language, e.g., I found that...../I felt that...../I learned that.....etc.

While working on this portfolio, I learned the importance of adhering to core business principles. Boeing became a global leader by prioritizing innovation and investing heavily in R&D, even at great risk. However, problems arose after its 1997 merger with McDonnell Douglas, as short-term profits became the focus. Aggressive outsourcing and cutting corners in safety and quality led to significant setbacks. Success requires long-term vision and a balance between product quality and strategy, which Boeing has struggled to maintain. While outsourcing to enter international markets is sound, outsourcing innovation was poorly executed, and alternative strategies should be explored.

Summary Report



Once you have completed addressing individual tasks, you should write a summary report (guided word length 1,000-1,500 – keep in mind you have already addressed each task with academic referencing).

This summary report serves as a platform for you to articulate and describe the key learnings derived from each task. It is an opportunity to synthesise insights, providing an overview of the knowledge and understanding acquired throughout the completion of the assigned tasks.

Summary Report: Strategic Analysis of Boeing

The completion of this portfolio assessment has provided a thorough exploration of Boeing's strategic landscape, encompassing its challenges, leadership, and global market strategies. This report synthesizes the insights gained from various tasks, integrating theoretical frameworks with empirical findings to evaluate Boeing's strategic position and future opportunities.

Phase 1: Selecting a Global Company, Problem Identification, and Environmental Analysis

Boeing, a global leader in aerospace manufacturing, has faced significant challenges over the past decade, impacting its operations, market position, and reputation. The company's vision emphasizes safety, innovation, and accountability, guiding its commitment to deliver high-quality products and services (Boeing, 2024).

Challenges Faced by Boeing

- **Political Challenges:** Regulatory scrutiny from the Federal Aviation Administration (FAA) due to systemic quality issues has resulted in stringent regulations, such as capping 737 Max production to 38 aircraft per month. These measures have delayed deliveries, impacting Boeing's global supply chain and customer satisfaction (Whitaker, 2024).
- **Economic Challenges:** The U.S.-China trade war has significantly affected Boeing's sales. Sanctions imposed by China on U.S. companies prevented the delivery of 85 ready-built aircraft. Additionally, post-pandemic recovery in the aerospace sector has been slow, with revenues declining from \$15,544 million in the first half of 2023 to \$10,656 million in the same period of 2024 (Shepardson & Lampert, 2024).

- **Social and Technological Factors:** Public perception of safety remains a critical concern following the 737 Max incidents, with 65% of surveyed travellers expressing apprehensions about Boeing aircraft (dcf, 2024). Concurrently, the growing demand for sustainable aviation solutions has prompted airlines to invest in Sustainable Aviation Fuel (SAF), increasing pressure on Boeing to innovate in this area.

Environmental Analysis: PESTEL and Porter's Five Forces

A comprehensive analysis of Boeing's macro and industry environments reveals critical insights into the factors shaping its strategic decisions. This is achieved through the application of PESTEL and Porter's Five Forces frameworks.

PESTEL Analysis

PESTEL analysis evaluates the external macro-environmental factors influencing Boeing's operations:

- **Political Factors:** Stricter regulatory oversight by the Federal Aviation Administration (FAA) reflects the impact of political decisions on Boeing's manufacturing processes and delivery timelines. These regulatory measures were implemented due to systemic production quality issues, resulting in capped production of 737 Max aircraft and delayed deliveries (Whitaker, 2024).
- **Economic Factors:** The U.S.-China trade war disrupted Boeing's sales by halting deliveries to Chinese airlines. Additionally, post-COVID-19 economic recovery has been uneven, impacting global demand for commercial airplanes (Shepardson & Lampert, 2024).
- **Social Factors:** Public perception of safety has been tarnished by incidents involving the 737 Max, leading to diminished consumer confidence. The increasing demand for sustainable aviation solutions further pressures Boeing to adopt eco-friendly technologies to meet customer and regulatory expectations (dcf, 2024).
- **Technological Factors:** Boeing faces heightened cybersecurity threats, prompting significant investments in IT systems to safeguard its operations. Additionally, the push for innovation in sustainable aviation technologies represents both a challenge and an opportunity (dcf, 2024).
- **Environmental Factors:** The aviation sector's shift toward sustainability, driven by regulatory and consumer demands, requires Boeing to develop sustainable aviation fuels and reduce its carbon footprint. Airlines are investing heavily in SAF to align with these goals.
- **Legal Factors:** Legal and compliance issues, including lawsuits stemming from safety incidents, have had a profound financial and reputational impact on Boeing. Ensuring adherence to international regulations remains a priority.

By identifying and addressing these factors, Boeing can better navigate its macro-environment and align its strategies with global trends.

Porter's Five Forces Analysis

Porter's Five Forces framework analyzes the competitive dynamics within Boeing's industry:

- **Threat of New Entrants:** The aerospace industry's high barriers to entry, including significant capital requirements, regulatory compliance, and economies of scale, deter new competitors. Boeing's established brand and technological expertise further strengthen its position (Gataulin, 2024).
- **Bargaining Power of Suppliers:** Boeing relies on a limited pool of specialized suppliers for critical components, increasing supplier bargaining power. The cost of switching suppliers is also high due to

the technical complexity of aerospace manufacturing (Banker, 2024).

- **Bargaining Power of Buyers:** Airlines, governments, and leasing companies constitute Boeing's primary customers. Their large-volume orders and price sensitivity grant them moderate to high bargaining power. However, Boeing's reputation as a market leader offsets some of this power.
- **Threat of Substitutes:** The lack of viable substitutes for long-haul air travel limits the threat of alternatives. While innovations like electric or hydrogen-powered aircraft are emerging, they remain in developmental stages and are not yet commercially competitive.
- **Industry Rivalry:** Boeing faces intense competition from Airbus in a duopolistic market. This rivalry is exacerbated by market saturation, price competition, and challenges such as the 737 Max crisis, which have affected customer loyalty.

By leveraging Porter's framework, Boeing can identify strategic opportunities to enhance its competitive position. For instance, investing in supplier partnerships can mitigate risks, while differentiation through innovation can help maintain its market leadership.

Phase 2: Sustainable Strategies, Strategic Leadership, and Market Entry

Boeing's approach to sustainability and diversification underscores its resilience in a competitive industry. The company's strategic use of diversification has allowed it to expand beyond commercial airplanes into defense, space, and global services, leveraging its core competencies in aviation technology (Boeing, 2024).

Business Growth and Competitive Position

The BCG Matrix provides a strategic framework to analyze Boeing's diverse business portfolio and allocate resources effectively. The matrix categorizes business units based on market share and growth potential:

- **Cash Cows:** Boeing's Commercial Airplanes and Defense, Space & Security divisions generate steady cash flow due to their established market dominance but face limited growth opportunities. For instance, the Commercial Airplanes unit benefits from high demand for passenger aircraft, but supply chain constraints limit its expansion potential.
- **Question Marks:** The 737 Max program holds significant potential due to its innovative design, but its success hinges on resolving safety and quality issues that have eroded customer trust.
- **Stars:** The Global Services division capitalizes on Boeing's expertise in after-market services, offering maintenance and operational solutions that complement its core manufacturing business.
- **Dogs:** The 777X program has struggled with production delays and technical challenges, requiring evaluation to determine whether further investment is viable.

Porter's Generic Strategies highlight Boeing's reliance on differentiation and focus strategies, which cater to niche markets with innovative, high-quality products. This strategic alignment supports its market leadership and ability to meet customer needs effectively.

Market Entry Strategy

To expand into untapped markets, Boeing employs joint ventures and strategic alliances, which mitigate risks while leveraging local expertise. Partnerships in emerging markets like India facilitate technology transfer and localized production. Boeing's focus on sustainable aviation technologies aligns with regulatory incentives and customer demand for environmentally friendly solutions.

Phase 3: Leadership, Strategic Change, and Governance

Boeing's leadership approach has been a focal point of its strategic evaluation, particularly in addressing systemic challenges and ethical considerations.

Leadership Style and Ethical Implications

Boeing's authoritarian leadership style previously prioritized short-term financial gains over safety, contributing to the 737 Max crisis (Fast, 2019). Recent efforts to foster a Just Culture emphasize transparency, fairness, and accountability, aiming to rebuild trust with stakeholders (Boeing, 2024).

Governance and Sustainability

Boeing's increased investment in R&D and sustainable aviation technologies reflects its shift toward long-term value creation. Governance improvements, including enhanced oversight and automation, could streamline operations and decision-making, aligning with sustainability goals (Pasztor, 2024).

Recommendations and Conclusion

To address its strategic challenges, Boeing should implement robust oversight mechanisms to strengthen governance and safety compliance, thereby rebuilding trust with regulators and customers. The company can also leverage its diversification strategy by utilizing the Defense, Space & Security division to generate revenue for investments in sustainable aviation technologies. Enhancing R&D efforts to focus on SAF and eco-friendly solutions is vital to meet rising demand and regulatory requirements. Furthermore, optimizing supply chain management will address delivery delays, while effective market entry strategies, such as joint ventures and strategic alliances, can enable Boeing to expand into emerging markets. Finally, adopting advanced technologies like AI and automation will enhance production efficiency and reduce risks, securing Boeing's competitive edge in the global aerospace market.

Reflection on Learning Journey

This assessment emphasized aligning strategies with ethics and safety, deepening my understanding of integrating theoretical frameworks with practical applications to address organizational challenges.

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Appendix

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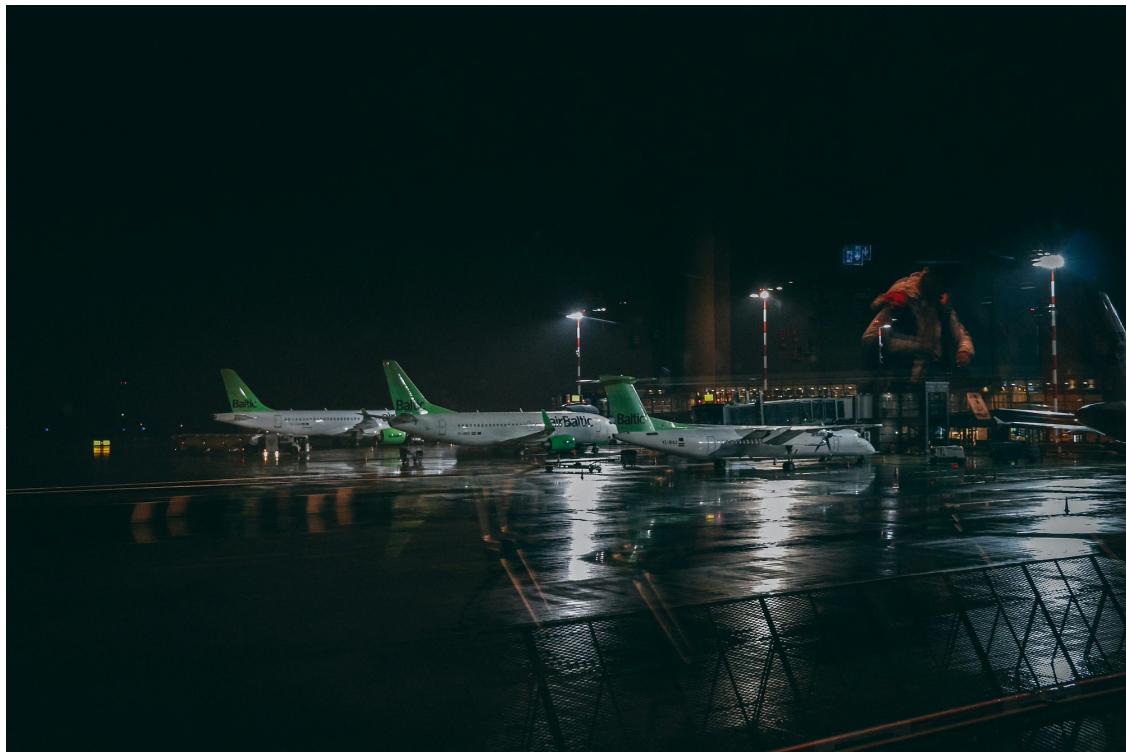
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