

A universal understanding



Phillip Damron and Jennifer Butler, P-8A Poseidon program engineers in Renton, Wash., discuss cockpit and flight-deck layouts of the airplane. The program has been among the leaders in the use of common processes and systems throughout Boeing. BOB FERGUSON PHOTO

Why developing common systems, processes is key to Boeing's future

A key to enabling a more nimble, global and efficient Boeing is the implementation of common processes and systems across the enterprise.

John Tracy, senior vice president of Engineering, Operations & Technology (EO&T), said his organization is focused on helping improve Boeing's growth and productivity by establishing technical and functional excellence across the enterprise, which includes the establishment of common processes and systems.

"A fundamental principle of our Boeing strategy is to maximize the efficiency and effectiveness of all of its functions, programs, organizations and people," Tracy said. "This means using best practices to establish as many common processes and systems as possible so that our team members can design and build our products any time, anywhere in the world—and so we can operate as one global enterprise."

Yet this is a bigger challenge than one thinks. After the mergers of Boeing and McDonnell Douglas and the acquisitions of North American Aviation and Hughes Space and Communications in the late 1990s, it was estimated that the company had more than 10,000 different systems and several different information technology infrastructures being used across the enterprise.

But progress has been made. Today, Boeing estimates that there

are about 6,000 systems in the company. In addition, a common IT infrastructure has been established.

Further, a 2006 audit of Boeing processes showed more than 25,000 documented processes were being used across the enterprise. In just under a year, the number of processes has been reduced to about 20,000, thanks to the efforts of the enterprise Processes & Command Media team, whose goal is to cut this number significantly.

Just as with this team, much of the progress in streamlining Boeing's processes and systems in other areas has been made by enterprise teams working together to find a common ground to replicate best practices.

For instance, a cross-enterprise Finance Transformation team has been working to establish common and lean finance management processes, supported by a minimum number of systems and integrated to common standards. Last year, the team implemented a common enterprise Finance consolidation process that allowed them to "close" the quarterly books in five days instead of up to a month. They also introduced a common chart of accounts—the master list for all Boeing financial accounts—that reduced the number of major accounts from 5,600 to just over 1,000, and are now implementing a common accounting system for all Boeing business units.

At the enterprise level, business-unit supplier management leaders have been working with leaders of EO&T and the company's four enterprisewide growth and productivity initiatives. Their

goal: develop a common strategy for supplier management objectives, including alignment of work and streamlining of processes and systems. Since 2005, the supplier management function has reduced the number of systems from 219 to 152. The functional team also has been aligning enterprise commodity and strategic supplier teams. Their objectives include facilitating one Boeing face to the supply base—and retaining and rewarding the company’s top-performing suppliers.

And in Boeing Operations, process action teams that share best practices and Lean principles have played a major role in standardizing the Boeing quality management system across the business units and with suppliers. Thanks to these teams, which include representatives from Commercial Airplanes and Integrated Defense Systems, the international quality standard AS9100 (which applies to the aerospace industry) has been adopted across Boeing. The result is a common understanding of processes and a more streamlined set of procedures to follow.

More recently, a cross-enterprise team was formed in the Development Process Excellence initiative led by John Pricco to help define a plan for what processes and systems could be used in common among the engineering, operations, program management, and supplier management functions.

As this DPE team develops the enterprise plan, IDS and BCA—which will be instrumental in shaping this strategy—are pursuing ways they can reduce the number of processes and systems they

are using. This will help them be better prepared to implement the enterprise plan.

With Pricco and all the enterprise functional leaders reporting to EO&T, the common processes and systems efforts among the business units and enterprise initiative will be well coordinated and mutually reinforcing, Tracy said.

“The goal is to reduce the number of processes and systems significantly over the next few years,” Tracy said. “While we are focusing in the near term on streamlining processes and systems at the business unit site and program levels, our ultimate goal is to optimize our performance at the enterprise level.

“This is no small challenge, and it will take a lot more of working together across business units and geographic boundaries. But we need to do it to remain a global aerospace leader and ensure a bright future for us all,” he added. ■

It’s our future

Actions cited in this story show how employees are applying concepts of the Boeing Management Model to support the company’s business strategies. Here’s how.

• **Growth and productivity: Lean+ and Internal Services Productivity, through adopting common processes and systems.**

To learn more about the Management Model, visit <http://bmm.web.boeing.com> on the Boeing intranet.

United we stand

Here are some tips on bringing groups together



Rich Smoski, vice president of Finance Transformation, leads a team meeting. Among the lessons he’s learned from his experience integrating teams from around the enterprise: Don’t be afraid to ask for help.
CAL ROMANESCHI PHOTO

Rich Smoski knows that bringing people and organizations together isn’t always easy. Yet it’s a task that he’s extremely familiar with.

Smoski is currently the vice president of Finance Transformation, a companywide Finance streamlining effort. Its mission: Develop and deploy an integrated set of lean common systems and processes that are cost-effective, user-friendly and sustainable—and that provide decision-quality data for Finance functions.

This isn’t the first time he’s tackled an enterprisewide melding. Before this role, he worked on a similar transformation with the entities that handle

Boeing’s payroll and HR functions. Smoski shared with Boeing Frontiers some tips on successfully bringing together teams from across an enterprise.

- Don’t be afraid to seek help. “People are willing to help; don’t be afraid to ask for it,” Smoski said. Indeed, Smoski said he’s sent e-mails with the subject matter “Help”—and people have responded. “A lot of people think this means you’re inferior; it doesn’t,” he said. “Don’t overuse it, but [asking for help] is part of program-management best practices.”
- Celebrate small successes, not just big ones. By recognizing milestones that have been met, you acknowledge the value of your team’s work and inspire them to continue toward their ultimate goal. Smoski recalled that after completing the first payroll conversion, “we knew we could get [other conversions] done.”
- Walk the talk. It’s one thing for a leader to communicate certain ideas to teammates, but that leader has to live up to those values. One example: Smoski’s a firm believer in forgoing excuses. “Don’t look for an excuse,” Smoski said. “Instead, look for options that will get you to where you need to be.” Indeed, you’ll find the phrase “No excuses!” written on a sticky note on his computer monitor.
- Be accountable. This is a corollary to “no excuses.” Accountability “gets back to ‘no excuses’ and taking it into the Boeing management model,” Smoski said. The model includes six leadership attributes, such as charting the course, finding a way and living the Boeing values. “It’s difficult to balance all six. But if you can operate within them, you’re going to be successful,” he said.
- Listen to your gut. “Sometimes you hear something and you’re just not sure about it,” Smoski said. “Explore it a bit and listen to your gut.”

—Junu Kim