

# Into the Second Century - How Boeing is Evolving Partnerships in Supplier Relationships

## **Problem:**

An early leader in the foundation of computer-aided design capabilities, Boeing quickly proliferated engineering and manufacturing systems leveraging numerous technologies. Mergers and acquisitions further complicated the global footprint of systems combined with the large-scale implementation of advanced manufacturing solutions. Boeing identified the need to digitally transform its design and manufacturing systems to standardize the tool suite, drive tighter integration across the enterprise, enhance business flexibility, and generate significant productivity improvements to produce products with speed and agility.

## **Approach:**

The team proposed a transformational partnership to provide early visibility into the cost impact of system integration decisions, create an opportunity to incorporate the supplier's innovation into the product development, and ultimately transformed the business. Through a competitive RFP that included rigorous analysis of technical and functional capabilities as well as costs/business benefits across the value chain, Boeing signed a multi-year contract with an innovative software supplier to deepen its end-to-end digital collaboration in design and manufacturing, and implemented robust supplier governance to safeguard results.

## **Solution:**

A Governance Steering Committee, comprised of both Boeing and supplier, was formed to drive and create innovative solutions which address challenges and foster partnership. A comprehensive governance structure was created to assure that Boeing received all of the innovation & value from the supplier that was anticipated on day one throughout the life of the contract with no value leakage. The board created governance project charters, documented processes, communication strategies and metrics governing the health of this historic partnership.

## **Results:**

By implementing tools that assist with monitoring the health of our governance structure and supplier performance, we can quickly make adjustments to drive more value out of the contract and ensure the long term success of our strategic partnership. Having a robust governance strategy with strict rules of engagement drives innovation as a prime activity, not just as a side benefit. In this fashion, we are able to measure managed service deliverables, address emerging business needs, and avoid value leakage. By encouraging a collaborative environment with our supplier, we are transforming into a proactive culture allowing us to operate under a shared purpose with personal accountability. The new strategy allows us to align on mutually beneficial objectives and to work collaboratively instead of competitively. Our strategic partnership with our supplier has contributed to transformational changes across the enterprise and contributes to Boeing's goal to operate as One Boeing.