

“Being Entrepreneurial in a large corporation”

Ian Cannon

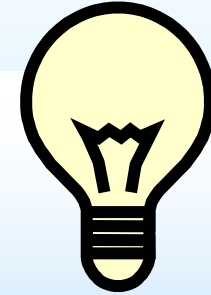
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Engineering at Boeing



- The Vision
 - Build a new business
 - Exploit our strengths
 - No significant capital outlay
- Existing Assets
 - Our employees' knowledge & skills
 - Engineering tools

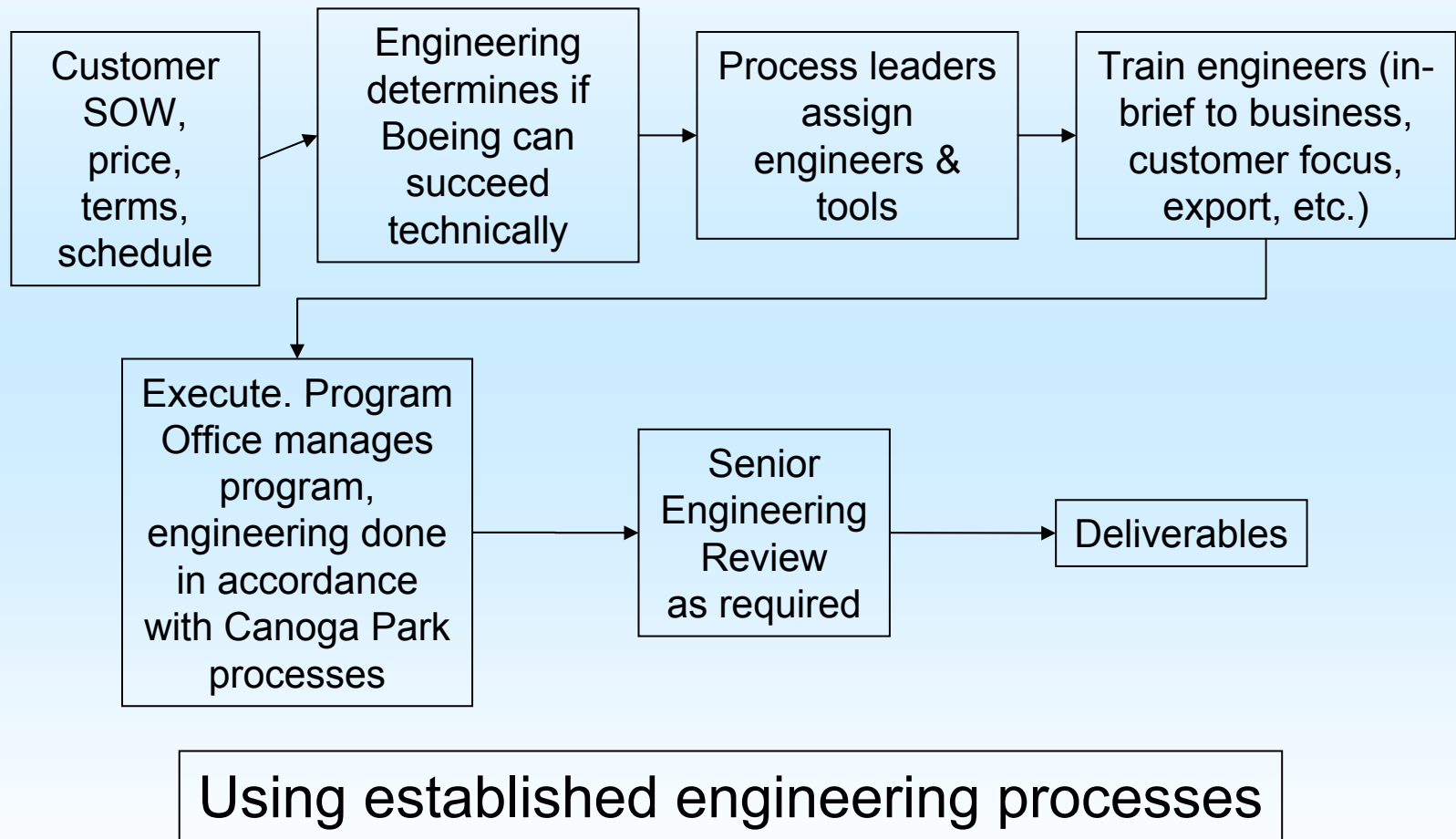
Our Strategies

- Leverage our Intellectual Capital
 - Employees' Knowledge
 - Established Engineering tools
 - Our property, or by our customers' permission
- Extend our Employees
 - Apply knowledge to new situations
 - Encourage Innovation
- Operate a highly profitable, High-end consulting business with our best and brightest. No impact to existing programs due to nature of these short-term consulting jobs

Integrity

- First and Foremost Protect the Boeing name
- Demonstrate Objectivity
- Apply established practices & methods
- We will NOT “say what customers pay us to say”
- These principles are stated up front to every (potential) customer, and to our participants
- 50 year history of Engineering Excellence in Military, Commercial Aircraft, Space Flight

Engineering Integrity Process



Engineering Integrity Process

- Based on established Boeing Canoga Park system of procedures
- Export specialist on team to assure compliance
- Proprietary information not disclosed
- Leveraging engineering process councils as needed for staff, technical assistance
- Adhering to ethics, honoring commitments, taking personal responsibility

Liability

- New commercial contract
- Developed by Corporate Counsel, Company Offices Insurance
 - With advice from outside counsel
- Addresses all key issues
 - Indemnification, warranty, insurance, disclaimers and limitations, export

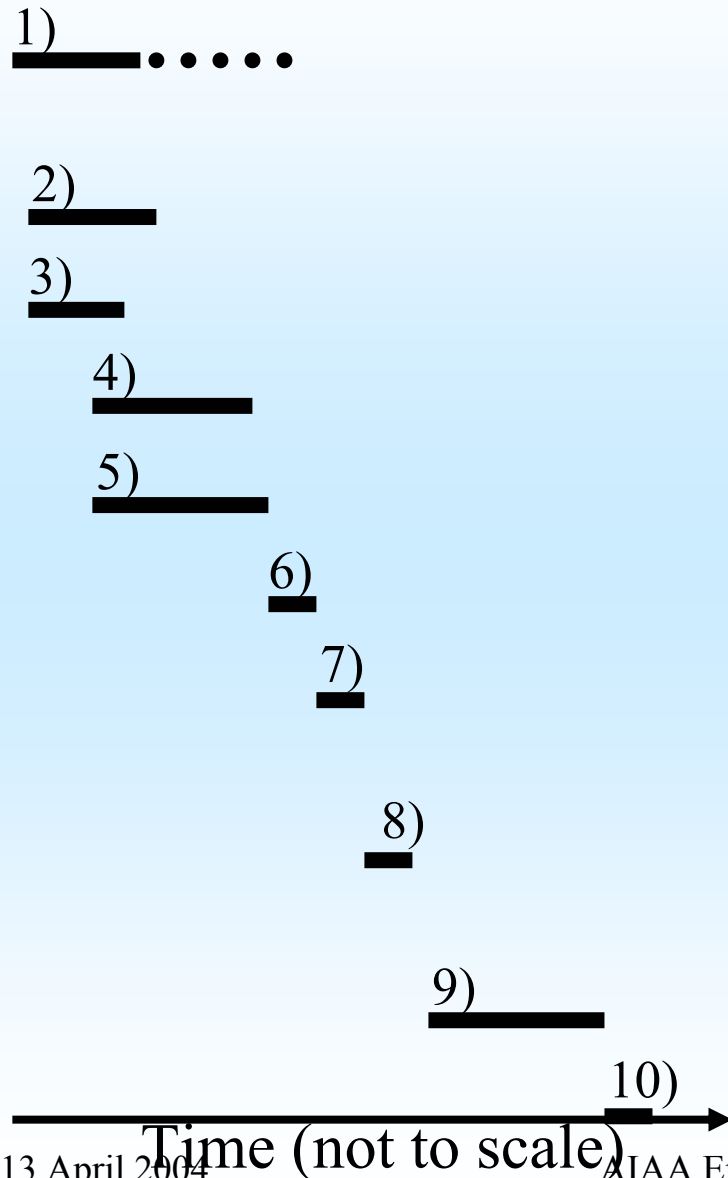
Boeing is protected

The “new” back office

- Responsive
- Simple steps
 - For customers
 - For Boeing participants
- “Defendable”
 - Meets established procedural requirements

Engineering at Boeing Contracting Process Sequence

Reference EBcontractprocessinfo.doc



1) Client viability assessed, as needed

2) Buyer signs Standard Contract

3) PIEA Issued - Client option

4) Initial Discussions

5) Statement of Work defined

6) Eng Boeing Estimating

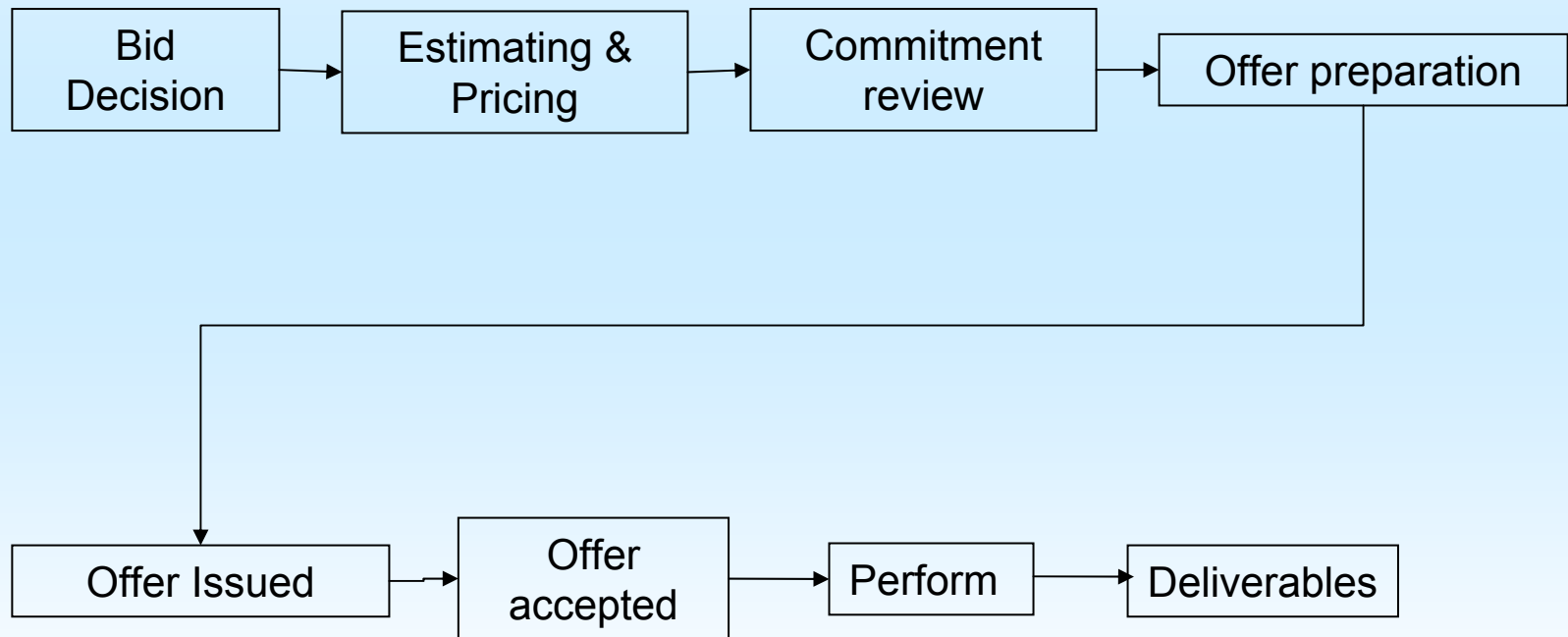
7) Eng Boeing Offer Presented, must be preceded by step 2

8) Buyer signs offer acceptance, transmits to Boeing Contracts

9) Work conducted

10) Buyer is invoiced

Conventional Process but...



No ad budget for promotion

- Exposure by Website
- Site designed for search engine success
 - Traffic 50% Google, 48% Yahoo
 - 150,000 hits per month
 - 11 million and counting
- Free offerings bring visitors
 - Engineering tools
 - Goodwill for students & teachers
- Work with publications, associations
 - Articles, white papers, speeches

Selecting & Securing Clients

- Scope match
- Ability to pay
- Develop the relationship
 - Do background checks
 - Dun & Bradstreet, or equivalent
 - Google, other searches- Principal and Associates
- Key steps
 - Standard Terms & Conditions signed
 - Prepare and convey offer
 - Offer acceptance
 - Includes specific payment terms

Securing Staffing

- Match technical scope
- Engage candidate – identify alternate staff
- Candidate's Management Concurrence
 - Process, Program
- Schedule demand
- Work delegation plan
 - Tech expert is customer focal

Variety of Work

Past

Present

Future

Offshore Exploration	Ship Nav & Power	#2	Structural modeling	#2	Product testing
Offshore Exploration	Software Audit	Oil field service	Vortex Shedding	#3	Braze process
Hydro Utility	Dam CATscan	AVT-Train.com	Tech. Eval.	#3	Injector design
Electrolysis Equipment	Combustion calcs			#4	Weld & inspection
Aircraft Positioning	Flight Algorithm			#5	Tank leak testing
#2	Mfg Assess. 1			#5	ATE / STE
#2	Mfg Assess. 2			#6	Dental Equipmt.

Offshore Example



- **High value asset, \$330M per rig**
- **Lost revenue, \$600K / day**
- **Problem common to 3 rigs**

- **Independent, expert help sought**
- **Understanding gained**
- **Theories tested**
- **Recommendations followed**
- **Staff recognized**

Building follow-on business

- During consulting process
 - Listen
 - Provide “look ahead” thoughts
- Results, report
 - Include recommendations
 - Reflect customer wishes
 - Estimates of \$\$ and duration
- Option proposals

Mining for New Business

- Serving new customers helps Boeing grow
 - Provides window into market needs
 - Services, technology, partnerships, IP licensing
 - E.g. offshore technology as a result of working with *Transocean Sedco Forex* on offshore rig
 - Augments (profitably) current growth efforts
 - Customers easily find Boeing via the web
 - Boeing brand is a significant differentiator
 - Customer self selection increases Pgo/Pwin

Leverages Core Strengths into New Products & Services

Risk Management

- Diligence selecting customers
- Singular focal point- Program Manager
 - Track activities
 - SOW Compliance
- Comply with Statement of Work
 - Focus daily on what's in scope
 - Note out-of-scope work requests
 - Caution: In-process discovery
 - Asking for additional customer data
 - Expectation is new data will be analyzed

We're Ready

- Rapid contracting
- Trained engineers
- Locally available
- Toll free number
 - 866-Boeing-7 (866-263-4647)
- Email via website
 - www.Boeingengineering.com
 - Email address
 - EngBoeing@Boeing.com

