

Turning the Corner in Space Acquisition

SMC Industry Days

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Industry is Turning the Corner

▶ Partner with Customer

- Understand customer requirements
- Frequent, Open Communications
- Best-value solutions
- Back to Basics

▶ Products that Perform

- Cost, Schedule, Requirements
- Quality, reliability
- Continuous process improvements
- Deliver on commitments

▶ Leadership

- Accountability for program success
 - Functional Support
 - Supplier Management
 - Engineering
 - Mission Assurance



Organizationally Aligned for Success

- ▶ Use of the Malcolm Baldrige Criteria as a framework for overall improvement and customer focus
- ▶ Used multiple internal and external assessment feedback to focus efforts on areas that need improvement
 - Process Discipline (Back to Basics)– AS9100, Industry Standards, MIL-STDS, SQIC, Boeing Best Practices, Systems Engineering
 - Customer Focus – CPAR, Award fee, improved customer communication
 - Supplier Integration – Supplier conferences, program management, requirements flowdown, sub tier supplier QA
- ▶ Results:
 - Multi-year improvement in overall Quality, Employee satisfaction, Supplier Integration, Program Management
- ▶ Validation:
 - S&IS received Gold Level for California Award for Performance Excellence – United States Senate Productivity Award for Large Manufacturing



Supplier Management & Procurement – Increased Integration, Improved Performance

▶ Improved Build To / Buy To Packages

- Common Standard, Process and Templates, Supports design anywhere, build anywhere

▶ Management Requirements Document (MRD)

- Aligns Program Management Best Practices driving common processes between and within companies

▶ Pre- and Post-Award Subcontract Requirements Validation

- Boeing and our suppliers ensure a common understanding of subcontract requirements, resolving differences and TBD's



▶ Development Supplier Assessment Model (DSAM)

- Boeing assesses performance and capability in five critical areas (Consistent with Program Management Standard Deck)

- Driving awareness
- Verifying implementation
- Validating effectiveness

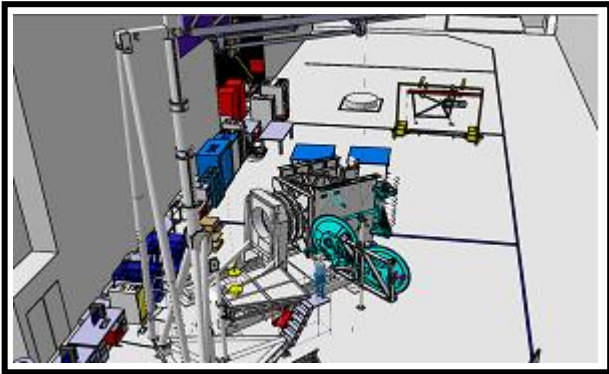
DSAM Assessment – Critical Areas and Attributes

- ▶ Technical – 11 Attributes
- ▶ Management – 10 Attributes
- ▶ Schedule – 7 Attributes
- ▶ Finance – 8 Attributes
- ▶ Quality – 10 Attributes

Engineering Excellence Produces Quality Products

▶ Productivity through Engaged People

- Skilled Workforce: Developing skill needs for future
- Employee Involvement Teams
- Creating a Great Place to Work Culture

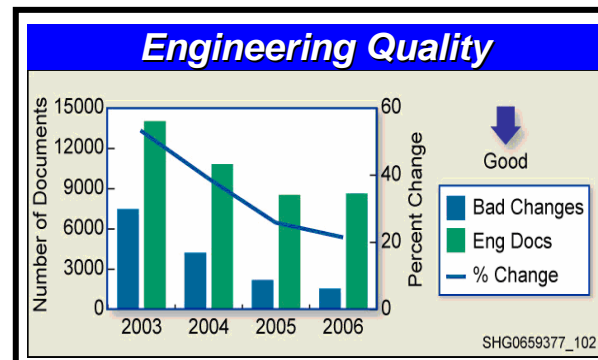


▶ Rigorous Processes and Discipline

- Requirements Management process improvement
- Mechanical Design/Virtual Manufacturing Capabilities
- Rigorous Qualification & technical maturity process
- Technical Review process and gated practice enforcement
- Test As You Fly Discipline

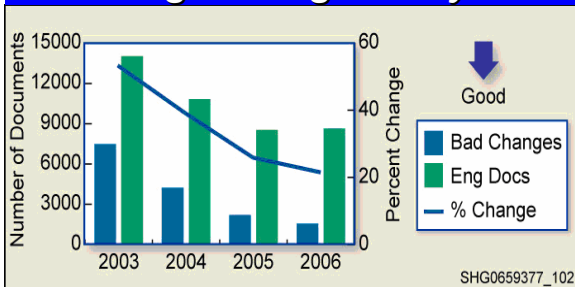
▶ Engineering Quality

- Independent and Non-Advocate Reviews
- Root Cause Corrective Action Focus
- Mission Assurance across all disciplines

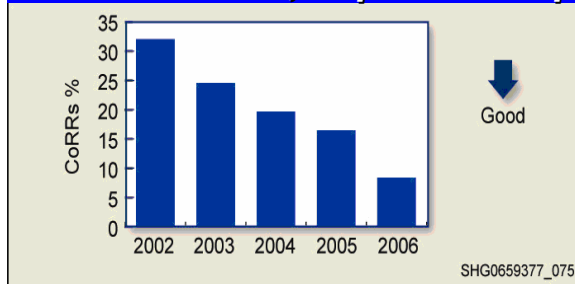


Industry's Success Leads to New Acquisitions

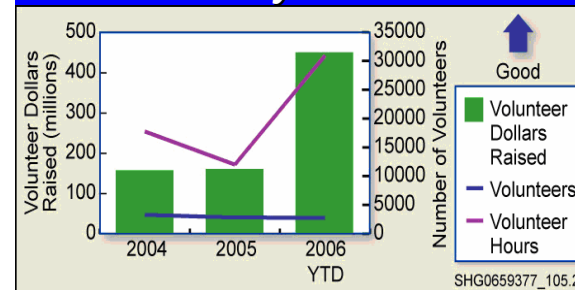
Engineering Quality



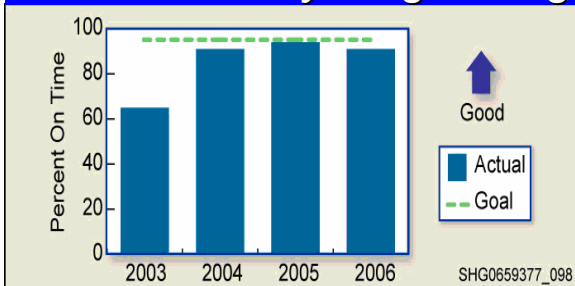
Cost of Rework, Repair & Scrap



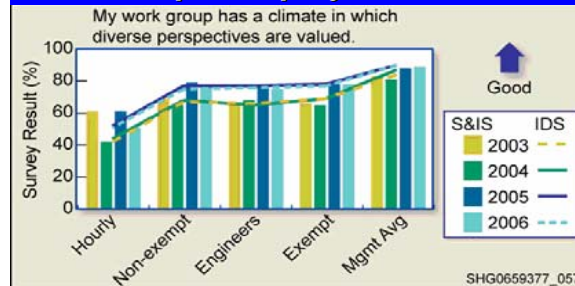
Community Involvement



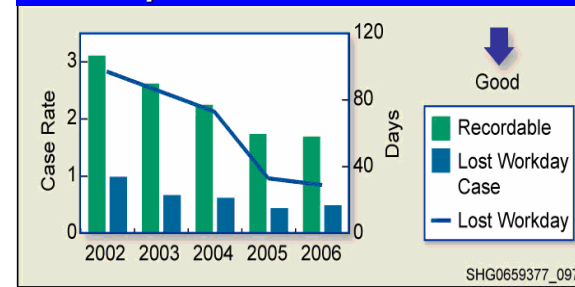
On Time Delivery - Engineering



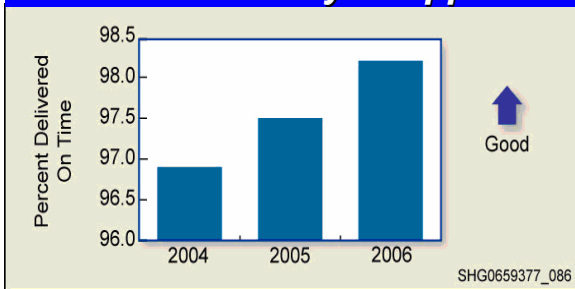
Leadership - Employee Satisfaction



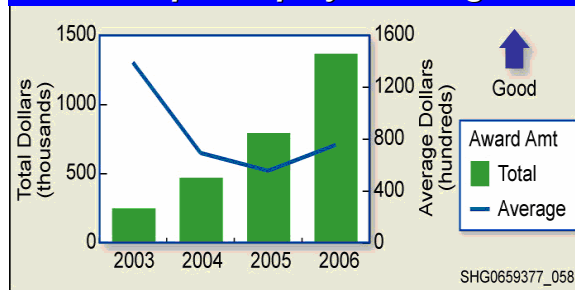
People - OSHA Recordables



On Time Delivery - Suppliers



Leadership - Employee Recognition



Business Impacts

- **USAF Awards additional WGS Satellites**
- **Mobile Satellite Ventures award largest commercial award**
- **USAF opts for 12 GPS II Spacecraft**