

Boeing corporation

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Boeing controls a significant portion of the Aircraft market, being the world's largest aerospace company with two major segments: Commercial Airplanes and Integrated Defense Systems. They are the number two maker of large commercial jets, falling just behind Airbus, and the number two defense contractor, falling behind Lockheed Martin. In the Business jet category, Boeing has only a .62% market share. However, when you move to the wide body Aircraft market Worldwide by Platform they control 65% of the market share. The Boeing-747 has 21%, B-767 has 19%, the B-777 has 25%, and they will move farther up in the category once the 787 Dreamliner gets kinks worked out into major production. On the defense side of things, Boeing is the top firm in the Asia-Pacific region with 13.2% of the market share.

At the moment, Air cargo traffic is on the slower side of things, but this is only a short-term slowdown. The Aviation market will pick up in the near future and will stay strong for upwards of twenty years as fleets want to renew their almost antiquated vessels. After the market begins to turn around and gain strength, so will the market for Air cargo. Air cargo is a driver for economic growth and is crucial to globalization. With China being at the forefront of the growing aviation market, Boeing has its work cut out. Boeing's forecast looks at today's market with a long-term view for the next twenty years, and it indicates a need for new airplanes because of world trade and economic growth. Worldwide, Boeing projects 29,400 commercial airplanes to be delivered worldwide with investments of \$3.2 trillion.

Airbus is Boeing's archrival in the commercial jet category, with no other threatening competition on their heels. Airbus, which is based out of France, produces about half of the world's commercial jets having almost equal

share with Boeing. Together the two powerhouses control around 90% of the market. However, Airbus is gaining ground on Boeing with their mammoth jet the A-380 double-decker that can seat eight hundred and fifty three passengers. Also in production is Airbus's A-350 mid-size plane that will compete directly with the B-787 Dreamliner. With these two airplanes in production, they pose a threat to Boeing Corporation in the head-to-head battle for the number one spot in the commercial jet category.

Lockheed Martin is based out of Bethesda, Maryland is the number one defense contractor whose include: Aeronautics; Electronic Systems; Space Systems; and Information Systems & Global Services. The U. S. government is its number one customer, accounting for 85% of sales. Its aeronautics and electronics systems account for 60% of sales. Lockheed Martin's main products consist of the F-22 Raptor and the F-35 Lightning II, which have been used heavily in the war on terror in Afghanistan and Iraq. Recently Lockheed Martin and Northrop Grumman (#3 defense contractor) have teamed up to develop weapons systems for the F-22 Raptor and the F-35 Lightning II.

Northrop Grumman is based out of Los Angeles, California, and they are the number three defense contractor, but the world's number one shipbuilder. They are the supplier of the B-2 stealth bomber and the amphibious assault ships for the military. They were awarded a \$35 million dollar contract in conjunction with EADS (the number one defense contractor in Europe and parent company of Airbus) to build refueling tankers for the U. S. Navy. Boeing contested the contract saying the bidding was problematic. The case

was examined; the government found flaws in the system which will make the contract go through the bidding process for the third time in seven years.

Boeing has an extensive product line in commercial airplane's which accounted for fifty percent of their sales in 2007 at over sixty-six million dollars. The product line includes six models: 737, 747, 767, 777, and 787. The 747 is the world's most recognizable aircraft nicknamed the " jumbo-jet". It was the first wide-bodied airplane; it was first flown in 1970 and held the passenger capacity record for thirty-seven years until it was surpassed by the Airbus 380.

The 787 Dreamliner is Boeings newest product for which they have put countless hours of research and development into. It is a completely innovative aircraft; it is the first major airliner to be made primarily out of composite materials. The windows of the dreamliner are larger than most, and have electronic dimming or smart glass which reduces glare while increasing transparency. The cabin uses LED lighting which can produce 128 different color combinations, and the lighting can help recreate natural light changes going from brighter to darker or vice-versa to help ease jet-lag. The cabin also contains an advanced air conditioning system with HEPA filter technology to remove viruses, bacteria, and fungi which conventional airplanes do not accommodate. In addition to, there is an advanced cabin control system to minimize turbulence and increase passenger comfort.

There is a wide range of products under the Defense category. The Integrated Defense Systems or IDS combines weapons and aircraft capabilities which produce a number of Military Aircraft and missiles. Boeing

is also a manufacturer of satellites, defense systems, and space exploration; they are the prime contractor for the International Space Station. The overall product line extends further, and in much more detail that would be far more intensive for the primary purpose of this paper.

Boeing has a strong competitive advantage compared to most firms in their category as an employer and a leader in Aerospace. As an employer they have incredible benefits for their employees, they have educational reimbursement programs, and encourage their employees to further their education. So on, Boeing is very accommodating in this area, providing flexible hours, as well as, paying for relocation. In the aerospace industry, Boeing has an influential part in the government; a large number of projects are contracted with Boeing, along with a large number of military aircrafts being produced by Boeing.

Boeing Corporation has a heavy corporate culture that is based not only on their ethics, but their strong corporate culture. In the past, Boeing has relied solely on intensive research and development to have a competitive advantage. Now its advantages are increasingly tied to its unique skills in which the firm orchestrates and manages its network of global partners. Further relying on the collaboration between Boeing and its partners in the production of the 787, Boeing positioned itself as not just a manufacturer but also as a technology company.

This intensive globalization has not only helped them with savings helping them build the planes faster and cheaper. It has also spread the costs of design and development through its partner network. This collaboration is at

the forefront of their competitive advantage in making them a leader in innovation. The types of customers that Boeing deals with are Commercial airlines, the U. S. government and NASA. Commercial airlines that Boeing sells are the major and minor airlines throughout the World, including many companies who rely on airplanes for shipping as well.