

Boeing innovation article

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Managing Boeing Innovation Affiliation Managing Boeing Innovations Briefly, how is the Boeing Innovation Strategy Different Now? Boeing has adopted a new strategy that aims at focusing incremental improvements that can result in quicker airline delivery with high reliability. The new strategy is also seeking to reduce the prices of their carriers significantly. The fresh approach entails engineers coming up with innovative ideas that do not make their planes more complex rather simplifying their models. The Dreamliner project reflects the goals of the new strategy. The model is not only a modern design, but also has a new built style. The previously used mechanical and pneumatic functions have been replaced with advanced an electrical system and carbon-fiber structure (Ostrower 2015).

Briefly, what happened to cause the change in Boeings strategy?

The Boeings decision to seek an alternative strategy was significantly based on the changes that the industry is undergoing. The current airline market is not willing to pay more for new and more advanced technologies. Because of this, the company's strategy of saving up a number of advanced technologies for one project became disruptive and too expensive. Boeing previously adopted an incremental strategy. The approach proved costly as the company lost its market share to rival company Airbus Group NV (Ostrower 2015). A new approach was needed.

Is this change affecting just R&D or is it changing more?

The changes made on its approach extend to all Boeing's operations.

Suppliers' contracts that represent approximately sixty-five percent of the total cost of its planes are being renegotiated. In the process of aiming for better, faster and cheaper production, the company hired Walter Odisho as

head of manufacturing. Mr. Odisha was previously the head of Toyota Corp.'s. Boeing also looked for inspiration from the Toyota Company on how to automate its production. The company says these efforts have helped it save up to one billion last year (Ostrower 2015).

References

Ostrower, J. (2015). At Boeing, Innovation Means Small Steps, Not Giant Leaps. Retrieved from:

<http://www.wsj.com/articles/at-boeing-innovation-means-small-steps-not-giant-leaps-1428016900>