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### ***Analysis: Boeing Board Selects W. James McNerney, Jr., as Chairman/CEO; Former Acting CEO James A. Bell Remains as CFO (6.30.05)***



W. James McNerney, Jr. *Image: Boeing*



James A. Bell *Image: Boeing*

***In a recent analysis (3.9.05) concerning the forced departure of former CEO Harry Stonecipher, we noted "It is virtually incontestable that every Boeing misstep and charge lain against it moves AIRBUS ever closer to its goal of capturing the lucrative, and hotly contested, AF tanker deal. Moreover, It tends to create an atmosphere of mistrust and loss of confidence on the part of military and commercial customers in terms of the company's ability to perform.***

***"It is not known at this point to whom the nod will be given among the very short list of executives to assume the mantle of CEO. However, it is crucial that the board not bow to pressure to assign the duties of running Boeing to an industry outsider with financial experience, but no knowledge of building airplanes. General Motors learned an awful lesson that car companies must be run by car guys who know the product and its creative process; intimately. Boeing is poised to do well – very well, we believe – with the roll out of the farthest ranging (9,420 nautical miles) aircraft in the***

***world, the 777-200LR Worldliner, along with a hangar-mate already on its way to reshaping how aircraft are produced, the 787 Dreamliner.***

***“The right guidance at the helm, no doubt, will help ensure success.”***

**It appears that the Boeing board has done precisely that in the selection of W. James McNerney as the company's new CEO. Acting CEO James A. Bell, who stepped into the vacuum left by Stonecipher, remains as a very capable CFO.**

**While riding a wave of success following the broad acceptance of the new 787 Dreamliner as the choice of major airlines globally -- the profoundly disappointing, and perhaps instigated, Canadian cancellation of multiple Boeing aircraft notwithstanding -- Boeing's bringing aboard a person like McNerney couldn't have been more perfect.**



**Setting new standards for aircraft manufacturability: 787 Dreamliner** *Image: Boeing*

**Politely side-stepping strong suggestions from Wall Street that Stonecipher's replacement should be an outsider not necessarily associated with the industry, but possessed of significant financial savvy, the aerospace giant (yes, that still applies) instead chose a candidate who brings wholistic, systemic knowledge and experience of the commercial aircraft business and its supplier base.**

**The 55 year-old McNerney's pedigree includes CEO of 3M and core positions at GE Aircraft Engines, GE Asia-Pacific and GE Capital. In other words, he not only knows how to build airplanes, but finance them, too. It appears that McNerney is as much of a "plane guy" as GM's Bob Lutz is a "car guy".**

Indeed, there is room here to congratulate both companies for their recent sales successes. And although some may say that the battle for the hearts and minds, and check books, of customers has not been totally won in the face of determined opposition (read, AIRBUS and Toyota) the ancient battle of *Thermopylae* comes to mind: Small engagement, but one that irrevocably altered the course of civilization...

*The Analytical Team of eMOTION! REPORTS.com*

***Publisher's note:*** *And as long as we're on the congratulatory train, we'd like to acknowledge the long and determined efforts of economic development officials in the State of Alabama, the City of Mobile, the Mobile Area Chamber of Commerce and the Mobile Airport Authority which have resulted in their being designated as the intended locale of an up to \$600 million facility to convert AIRBUS A330 aircraft to a USAF tanker configuration. The building of this plant, however, requires that the AF approves the A330 (KC330) over Boeing's 767 – something the latter will do everything in its power to prevent.*

***Even if the current desired outcome for Alabama is not achievable, the State still wins: They've assembled a team of people who have demonstrated a level of expertise and determination in the aerospace industrial sector that any state – or country – would be fortunate to have.***

***Carpe diem,***  
***Myron D. Stokes***



Brookley Air Facility, Mobile, Alabama *Image: MACOC*

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