Being Boeing (B)[1]

Boeing had been losing market share to its lower cost European competitor Airbus for four years between 2000 and 2004, and the company had to make some changes to regain

Sales Force

Stonecipher tapped Scott Carson, who was named Boeing's top salesperson in 2004, to act as the company's answer to the dynamic sales chief at Airbus, John Leahy. Leahy seemed to be present for every deal Airbus made until the sale was finalized.

“Scrambling from second place has been a powerful motivator,” Carson said. “We were pitting the 787, which had already benefited from three years of conversations with these customers, against whichever version of the A350 that Airbus was bringing to the table that day.”

Though Leahy would claim Boeing was doing unprofitable deals to gain market share, Carson denied the allegation.

Finance

Boeing’s conversations with airlines also revealed the intense financial pressure they faced in

[illegible]

Customer Response

After four years in Airbus’ jet wash, Boeing regained its position atop the airline manufacturing market in 2005.

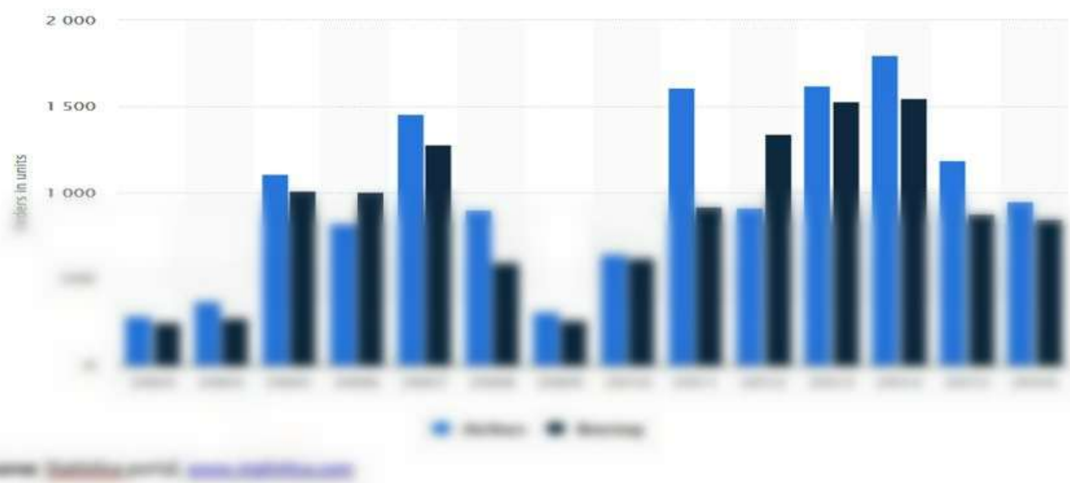
Leading the return to dominance was Boeing’s redesigned 787 Dreamliner. Where the U.S.-manufactured airplane had drawn 266 orders and commitments from 21 airlines by the end of 2004, Airbus had only 30 orders from two airlines on its comparable A350. The first 787s began hitting airports in mid-2008; the A350 lagged two years behind.

Meanwhile, Airbus saw mounting troubles. Airbus' sales chief John Leahy, who was involved in almost all of the company's deals, had a health problem in mid-2005. Meanwhile, Boeing relied on six regional sales directors to act much like Leahy around the world.

market in 2005.

Leading the return to dominance was Boeing's redesigned 787 Dreamliner. Where the U.S.-manufactured airplane had drawn 266 orders and commitments from 21 airlines by the end of 2004, Airbus had only 30 orders from two airlines on its comparable A350. The first 787s began hitting airports in mid 2008, the A350 lagged two years behind.

Figure 1: Number of aircraft ordered from Airbus & Boeing from 2003-16



Source: Statistica portal, www.statistica.com

Figure 2: Stock Market Performance Boeing, EADS, Embraer (Relative to Dow Jones index)

Source: www.finance.google.com

Table 1: Boeing Versus EADS (Airbus): Key Financial Figures

A: Boeing

	2000	2001	2002	2003	2004	2005	2006	2007	2008
Sales and other operating revenues (million $)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Cost of products and services (million $)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Net earnings (million $)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
EPS (million $)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Total assets (million $)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Total commercial jet aircraft deliveries (unit)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
ROA (net earnings/total asset)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

B: EADS (Airbus)

	2000	2001	2002	2003	2004	2005	2006	2007	2008
Revenues (million €)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Cost of sales (million €)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Net income (Profit after 2005: million €)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
EPS (Pre goodwill amortization and exceptionals, million €)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Total asset (million €)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Deliveries (unit)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
ROA (net income/total asset)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

Note: EADS's Cost of sales, net income, EPS, number of shares, total assets, and ROA for 2005–2008 are based on the International Financial Reporting Standards (IFRS).