

Big Business This Week: Turbulence for Boeing, Elon, Visa, Shipping

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By Peter S. Green

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A plane shakes during turbulence.

Boeing's Big Bad Month

It isn't getting any better for America's planemaker. Last week, 30,000 machinists walked off the job, angling for something better than a 25% wage hike. On Thursday Boeing confirmed its 737 production line was shut down, and the company has been losing money on several of its fixed-cost development contracts with the Defense Department. Oh, and did we mention that those two astronauts Suni Williams and Butch Wilmore are still stuck on the International Space Station? It's just like *Lost*, but, you know, in space. If only there were a TV show that sufficiently conveyed that idea...

New CEO Kelly Ortberg has a lot of work to do: He needs to end the strike and, analysts say, rebuild Boeing's culture of innovation. That means moving headquarters back to the factory floor in Seattle from Washington, and working with airlines, regulators and staff to rebuild

America's faith in Boeing after two fatal crashes of the 737 Max (in 2018 and 2019) and a January 2024 incident where an unsecured fuselage panel blew off in mid-flight.

Boeing's problems are really an issue of corporate culture, says Usha Haley, a business professor at Wichita State University. (Boeing's fuselage builder, Spirit Aerospace, is also in Wichita.) A series of CEOs at Boeing in the past couple decades shifted the emphasis from building great planes to posting quarterly profits.

"The cultural issue was a shift from quality and innovation to cost cutting, and it began about 20 years ago with spinning off Spirit," said Haley. "When you outsource manufacturing, you lose control over quality."

Quality was Boeing's hallmark for over a century, and until the beginning of the 21st century, it built all its airplanes in Seattle and manufactured many of its own parts. Rebuilding the culture of quality, and the safety assurance that comes with it, will be the key to increasing production. (The FAA now limits Boeing to 34 planes a month, when it could turn out 84.) "It's very difficult to change your culture: You can hire people. You can fix problems in the supply chain, but to change a culture, the problem is the soft stuff is the hard stuff."

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About [Peter S. Green](#)

Peter S. Green is a veteran reporter and editor who has spent more than two decades covering business and finance from Eastern Europe to New York City, and has worked for Bloomberg News, The New York Post, The New York Times and The Messenger. He lives in New York City and is always looking for the next big story.

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