

# New Boeing CEO is corporate veteran who will be tested

December 23 2019, by John Biers

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Incoming Boeing Chief Executive David Calhoun (left) is replacing Dennis Muilenburg at the helm of the troubled aviation giant

Throughout a storied career in corporate America, David Calhoun has risen through the ranks at General Electric, taken Nielsen Holdings public and helped manage private equity giant Blackstone.

Calhoun, 62, who is set to become [chief executive](#) of Boeing in January following a shakeup announced Monday, will need all of his wiles as he takes the helm at the troubled aerospace giant mired in crisis after two deadly crashes on its best-selling jet.

Boeing announced that Calhoun would shift from chairman to CEO after it ousted Dennis Muilenburg, who stumbled over the company's response to the disasters, alienating regulators, customers and victims' families.

The crisis led to last week's decision to suspend production of the 737 MAX, which provoked uncertainty in employees and suppliers, as well as hitting US growth forecasts, with no clear indication of when the aircraft will be clear to fly again.

In Calhoun, Boeing has found a man who once led GE Infrastructure and who has experience with corporate turnarounds at both Nielsen and Blackstone.

"I strongly believe in the future of Boeing and the 737 MAX," Calhoun said in a press release. "I am honored to lead this great company and the 150,000 dedicated employees who are working hard to create the future of aviation."

But his background is in [financial management](#) and corporate strategy rather than engineering and the nitty-gritty of safety policy, leading some analysts to question whether he will turn out to be an interim leader to get Boeing through a bad period while it attempts to restore its reputation and win approval to return the MAX to the skies.

The incoming CEO spent much of Monday communicating with [government officials](#), members of Congress, major airline CEOs, suppliers and investors, a spokesman said.

Calhoun is "reaching out to many of our stakeholders to pledge his partnership and open line of communication," a Boeing spokesman said in an email.

Lawrence Kellner, a former Continental Airlines CEO who was tapped Monday as Boeing's new board chairman, said Calhoun "has deep industry experience and a proven track record of strong leadership, and he recognizes the challenges we must confront."



New Boeing CEO David Calhoun has a background in finance, which prompted analysts to question whether he will be an interim caretaker

### **Long-term pick?**

After studying accounting at Virginia Tech, Calhoun joined GE's

corporate audit staff in 1981, the start of a nearly four-decade career where he ultimately lead GE Infrastructure, a division that oversaw aircraft engines, rail, among other units.

Calhoun outlined his philosophy of leadership at a 2005 commencement address at Virginia Tech, saying, "No one needs me for the normal course of business. The role of leaders is to inspire change."

The executive left GE in 2006 to lead VNU Group, which later became Nielsen Company, going public in 2011.

At Blackstone Group, where Calhoun has worked since January 2014, he has focused on boosting the value of company holdings, telling Bloomberg in 2017 interview that he prefers when a leadership team "plays offense instead of defense."

Jim Hall, the former head of the National Transportation Safety Board, said the shakeup at Boeing was a positive development, calling Muilenburg's departure "long overdue."

"Boeing clearly needs to reset the table and put someone in who puts safety first," Hall said.

But Hall said it was not clear whether Calhoun was a long-term choice, adding "If he's going to do it long-term, I would think that someone who has more knowledge of aeronautical the industry—hands-on experience—might be a good choice."

Richard Aboulafia of the Teal Group, a research consultancy focused on aviation and defense, said Calhoun "seems good for short-term stabilization."

But for the long-term, "I'm not sure this is the right move. Calhoun's

background is in private equity, and in Jack Welch-era GE. That background brings skills that Boeing already has in abundance."

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