

Buoyed by past success, new CEO Kelly Ortberg will try to turn Boeing around

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A 777-9, the last generation of the 777 family, is seen in Everett, Washington in June 2024.

Aviation experts and analysts have been full of praise for Kelly Ortberg, who returns from early retirement Thursday to take up the challenge of

turning Boeing around after a series of quality and financial issues.

The appointment of 64-year-old Ortberg to succeed outgoing Boeing chief executive Dave Calhoun was announced on July 31, the same day the US aerospace giant posted a second-quarter loss of more than \$1.4 billion.

"I'm extremely honored and humbled to join this iconic company," Ortberg said in a statement. He has not spoken publicly since his appointment.

Calhoun will meanwhile remain a special adviser to Boeing's board of directors until March 2025.

The aircraft manufacturer's finances are struggling to recover from the consequences of two fatal crashes of 2018 and 2019, and the COVID-19 pandemic.

But Dave Calhoun's downfall—announced at the end of March—is the result of the accumulation of quality and compliance issues in Boeing's commercial aviation division.

"We see Kelly Ortberg as a win for Boeing," aviation experts at Melius Research wrote in an analyst note, adding that his experience as CEO of Rockwell Collins—now an RTX subsidiary called Collins Aerospace—"checks a lot of boxes."

"He has an engineering background, experience running a public company, a multi-decade tenure in the [aerospace industry](#), and is a Boeing outsider, which should allow for a fresh approach to solving Boeing's issues," they said.

Ortberg is "a positive hire" given his prior industry experience and his

role managing a large supplier," CFRA Research senior equity analyst Angelo Zino wrote in a note to clients.



Kelly Ortberg starts his new job at Boeing as a company outsider.

Moving on

The most urgent issue on Ortberg's plate is undoubtedly restoring Boeing's production quality, which has been criticized in several audits. The firm has already drawn up a roadmap to achieve this, as it was required to do by the US Federal Aviation Administration (FAA).

To accomplish the necessary quality standards, Boeing will also be

taking back control of Spirit AeroSystems, a company it spun off back in 2005.

The \$4.7 billion purchase, announced in early July, is due to be completed by mid-2025.

The appointment of Ortberg, who began his career in 1983 as an engineer at Texas Instruments, comes after two long days of hearings organized by the National Transportation Safety Board (NTSB) as part of its investigation into an in-flight incident in January involving a 737 MAX 9.

The consequences of the incident was a reshuffling of executives, a freeze of 737 production by the FAA, the launch of investigations, and the reactivation of the criminal case against the company.

These are just some of the issues that Ortberg will have to tackle.

Another factor working in the new CEO's favor is that he plans to work from Seattle, the birthplace of Boeing, where the assembly lines for the 737—its flagship aircraft—and the 777 are located.



Alaska Airlines Flight 1282, which was a Boeing 737-9 MAX, is seen in a handout picture provided by the NTSB in January 2024.

The new generation 777X also finally seems to be within reach of certification after years of delay. On the other hand, the 737 MAX 7 and MAX 10 are still languishing.

The IAM-District 751 workers' union, which represents more than 30,000 Boeing employees around Seattle, called Ortberg's decision to base himself in the city "a step in the right direction."

The union's approval is important at a time when Boeing is negotiating its next collective agreement, which is due to come into force in September.

The union has already approved strike action if no deal is reached by this deadline.

Another major issue for Boeing is its [guilty plea](#), announced July 24, in the criminal case relating to the crashes; the company is still waiting for the judge's decision, and civil proceedings.

Robert Clifford, a lawyer representing the families of the victims, also reacted positively to Ortberg's appointment, noting his "well-regarded reputation" and the fact he came from outside the company.

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