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Boeing's Strategic Initiative: Raw Material Supply Chain Risk Mitigation

Andrew Burgess emerged from a meeting with his boss reflecting on raw materials risks.

Burgess, senior manager of supplier performance for aircraft materials and structures at The Boeing Company, had been discussing strategy with William Schaffer, Boeing's director of raw materials. Raw material production was a critical part of the Boeing supply chain. Losing just one aluminum or titanium mill could greatly impact the entire supply chain, including airline customers.

If a shortage of aluminum and titanium occurred, Boeing's suppliers could not obtain the material they needed to produce parts, and Boeing could not build airplanes. For example, if the U.S. government were to ramp up trade sanctions on Russia, Boeing would risk losing supply from one of its largest titanium mills, and production could be impacted for years.

Burgess and Schaffer agreed the risks were clear, and they urgently wanted to mitigate them. They decided to enlist a Tauber Institute for Global Operations[i] intern team, consisting of students William Chen, Tamara Craven and Shannon Watt, to perform a risk analysis of Boeing's entire raw material strategy. Following its analysis, the team would make recommendations to Boeing's top executives about how to mitigate supply chain risks.

The Boeing Company

Boeing was a global leader in the design, manufacture and sale of commercial and military aerospace equipment. At the time the Tauber team was enlisted to help assess its supply chain risks, the company was the top U.S. manufacturing exporter, supporting airlines and government customers in 150 countries.[1]

[i] The Tauber Institute at the University of Michigan is a multidisciplinary operations program that works closely with the university's business and engineering schools.

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