

# Promoting Women’s Economic Empowerment: The Learning Journey of The Boeing Company

## MAIN LESSONS

- Executive leadership support and communication are essential for the success of a supplier diversity effort.
- Decision makers throughout the organization need to understand their role and accountability for achieving these company goals to ensure initiative take-up and success.
- Supplier development and mentoring provides an opportunity for growth and long term success for both the company and its suppliers.



“We have found that working with diverse companies is good business. By using the skills, ideas, and innovations of a diverse supply chain we strengthen local economies, enhance our ability to provide creative business solutions, and maintain The Boeing Company’s position as the world’s premier aerospace company.”

— *Henryka Bochniarz*  
*President*



Boeing is the world’s leading aerospace company and one of the largest manufacturers of commercial jetliners and military aircraft combined, with customers in more than 90 countries. Headquartered in Chicago, Illinois, Boeing employs more than 157,000 people across the United States and in 70 countries. This represents a highly diverse, talented and innovative workforce. More than 90,000 Boeing employees hold college degrees, including nearly 29,000 advanced degrees, in virtually every business and technical field from approximately 2,700 colleges and universities worldwide. This global enterprise also leverages the talents of hundreds of thousands more skilled diverse people working for Boeing suppliers worldwide.

## CONTENTS

The Business Case: The Boeing Company - A Pioneer in Supplier Diversity	2
Global Impact	3
Lessons Learned	4
Sources	4

## WIN-WIN SITUATION FOR BUSINESS AND FOR WOMEN

- Supplier diversity is both a business imperative and a corporate responsibility for Boeing, ensuring strong communities and a viable, sustainable supply base.
- In 2008 Boeing placed between \$3 and 5 billion with small companies and about \$2 billion with businesses owned by women and minorities. Its supply base includes over 1,000 women-owned businesses.
- These small and diverse suppliers have been a competitive discriminator because the pool of prospective ideas and innovations is expanded by having a diverse supply base. Boeing partners with the best of industry, and regardless of a prospective supplier’s size.

# The Business Case: The Boeing Company - A Pioneer in Supplier Diversity

Even though the aerospace industry has been traditionally male-dominated, Boeing has had a longstanding companywide diversity strategy, mission and goals to guide a variety of internal business initiatives and programs to integrate diversity and inclusion in employment practices, the extended supply chain and global community relations. The empowerment of women is an important aspect of this approach. The company's commitment to diversity and inclusion is directly related to its business interests and the need for diverse, talented staff to guide its operations. Boeing's first challenge on gender diversity has been about recruiting and retaining talented female staff.

Current trends reveal a significant number of engineering staff are baby boomers rapidly approaching retirement while the number of American college students studying engineering is in decline. This is why attracting, retaining and developing top talent in engineering, business and technical fields, regardless of gender, has been so critical to Boeing. "Women comprise 50 percent of the population, yet they represent only 11 percent of the engineering population in the industry," says Mike Denton, vice president of Engineering for Boeing Commercial Airplanes and head of the Enterprise Engineering function. "If we can interest more women in engineering as well as more minorities, we would be making a big step forward. We know we can do better, because about 18 percent of today's engineering graduates are women. Similarly, the graduation rate of minorities is also higher than our industry's current representation rate."

Affinity groups, including Boeing Women In Leadership (BWIL), are one way people can come together to further their personal and professional development, promote diversity, network and work on company programs to further an inclusive work environment.

BWIL supports its members in the corporate arena by providing avenues for personal and professional development, mentoring and leadership development. Such activities may include formal and informal mentoring, special projects, classes or guest speakers. Such groups are part of the company's Integrated Global Diversity and EEO Compliance Strategy to create a continuous pipeline of talent to assume leadership positions over time. Boeing's hope is that with focused professional development and mentoring opportunities, women across the company will find well worn tracks for career advancement.

In addition to supporting its female staff, the company also focuses on women's empowerment through charitable giving. For example, in 2008 Boeing provided financial support to Hagar International for improving the lives of abused and trafficked women and children. Boeing's support has allowed Hagar to reach out to communities beyond Cambodia, where women face the same issues of abuse.



*Through its program, Hagar International is helping formally abused or trafficked women and their families achieve economic self-sustainability. Pictured are women participating in a job readiness program. Deborah Groves Photo*

Apart from employee development and charitable giving, supplier diversity has been a major area of focus for Boeing.

The company recognizes that diversity brings strength, innovation and flexibility to its supply base, and considers tapping the skills and technologies available within the community of small and diverse businesses as vital to maintaining its position as a premier aerospace company. As Boeing increasingly focuses on its core competencies in high-end design, engineering and systems integration, it has sought suppliers that are focused on their own core competencies and strive to create additional value for the company. Established in 1951, the program integrates supplier diversity activity throughout the company. To support its suppliers, Boeing develops and maintains various initiatives, including supplier development and mentoring, outreach and internal advocacy.

The commitment to women as part of this effort has been longstanding. "We realize that across the globe there are many diverse companies that can offer us innovative solutions for a variety of needs," says Janice R. Greene, Senior Manager, BCA Supplier Diversity.

"As we expand globally it is a business imperative that we take advantage of the full spectrum of the talent available to us, by utilizing the different perspectives and expertise of these existing and emerging businesses. These are exciting times as we increase our supplier diversity participation in the global arena. We're looking forward to continuing to be a leader in global diversity in the aerospace sector," says Janice.

As part of this effort, Boeing has actively participated in leading women's business associations. The company is a corporate member of the Women's Business Enterprise National Council (WBENC) and supports their regional affiliates.

In 2007, Boeing joined the Billion Dollar Roundtable – a group of major corporations that each purchases more than \$1 billion a year from women- and minority owned businesses. The Billion Dollar Roundtable encourages corporate entities to continue growing their supplier diversity programs by increasing commitment and spending levels each year. Boeing also strongly encourages its large suppliers to utilize diverse businesses in their supply base. On a case-by-case basis, contracts may require its suppliers to transact business with women- and minority-owned business enterprises. Boeing has begun to determine other opportunities to be provided to women, minorities and small, second tier suppliers, concluding that for a Second Tier Program to be successful, it must be instituted upfront during contacting. Boeing develops its diverse supplier base through professional affiliations and networks, through Supplier Gateway, a web-based supplier introduction tool, by showcasing potential suppliers internally, and through

participation in major tradeshows such as the National Minority Supplier Development Council (NMSDC), WBENC and other local and national supplier-oriented events.



*BDR founders Sharon Patterson (left) and Don McKneely (right) welcome Joan Robinson-Berry, Boeing's director of Strategic Work Placement for Boeing Defense, Space & Security, to the organization's board of directors.*

The company supports a variety of programs for minority- and women-owned businesses to foster their expansion and participation in the supply chain. In addition to WBENC,

Boeing has also partnered with WEConnect International, which was created to increase opportunities for women-owned businesses to compete in global value chains.

Educating diverse suppliers is also important to Boeing, and several have attended programs offered at the Boeing Leadership Center to take advantage of special leadership training and related Supplier Management courses. In addition to the traditional government mentoring programs, Boeing has created a development program for suppliers of non-government contracted work.

To expand the working knowledge of procurement and other decision makers, Boeing developed a Supplier Diversity Module in conjunction with the Boeing Supplier Management University. This monthly training module helps to educate and develop supplier diversity advocates and teaches staff how to meet requirements.

## Global Impact

For more than 50 years, Boeing has maintained a successful supplier diversity program and is constantly developing it to meet global demands. Boeing believes this approach has given it a competitive

advantage in the global market and helped differentiate it as a premier employer and a preferred business partner. In 2008 Boeing placed between \$3 billion and \$5 billion with small companies and approximately \$2 billion with businesses owned by women and minorities.

Through its education programs, it has trained and mentored hundreds of women-owned businesses, helping increase their capacity and enabling them to better compete for contracts. Its supply base today includes more than 1,000 woman-owned businesses.

## BENEFITING FROM BOEING'S SUPPLIER DIVERSITY PROGRAMS - SOFTWARE HOUSE INTERNATIONAL

The story of the hundred million dollar contract to Software House International (SHI) illustrates Boeing's ongoing commitment to support women-owned businesses. The company's President and CEO Thai Lee, the first Korean-American woman to graduate from Harvard Business School, bought the firm in 1989, and it has steadily grown since then.

In June 2000, Boeing announced an award of a \$100 million companywide contract for software order fulfillment and distribution to this New Jersey-based global reseller of software, hardware and personalized support services.

Under that first three-year contract, SHI became the Boeing preferred distributor

for thousands of commercial off-the-shelf software products, including all Microsoft software. Since then, SHI has steadily grown to meet the needs of their customers, including Boeing, transforming itself from a \$1 million "software-only" regional reseller into a \$3 billion+ global provider of information technology products and services.

Today, SHI continues to be a valued Boeing supplier. Their growth has changed the role they play in Boeing's supplier diversity strategy. As a large business, SHI is encouraged to support Boeing's overall supplier diversity program by subcontracting with diverse small businesses and mentoring

smaller companies on ways to enhance their performance. SHI has its own minority and women's businesses development program, and it tracks its spending on these businesses. SHI is currently mentoring an Alaska Native Corporation on work they used to perform directly for Boeing. The

relationship with SHI has benefited both companies while extending those benefits to other small minority- and women-owned businesses. Thai Lee's commitment to diversity is paying off – her firm has been named as one of top 500 diversity-owned businesses in the USA.

## Lessons Learned

Boeing has long collaborated with diverse suppliers to better meet its global demands and to further its business needs and interests. In the process, the company has learned some valuable lessons.

The first is that executive leadership support and communication are essential for success. During its many years of implementation, Boeing's robust Supplier Diversity Program has been a great corporate asset thanks to the strong support of the company's senior leaders. "At The Boeing Company, we know that diversity brings strength, innovation and flexibility to our supply base. Tapping the skills and technologies available within the community of small and diverse businesses is vital to maintaining our position as the premier aerospace company in the world," says James F. Albaugh, President & CEO, Boeing Commercial Airplanes. The most active advocates and champions across the company are recognized for their efforts to help build a better understanding of what small and minority-owned suppliers offer in terms of competitive advantage.

This high level championship has been necessary to establish a mature diverse supplier base that is integrated into the corporate mission and strategy. Communication efforts aim to secure internal and external stakeholders' understanding and support for the program. It is also essential to help suppliers understand the

business and core competencies of Boeing so there is a clear connection between suppliers' capabilities and company expectations.

The second lesson is about ensuring that decision-makers throughout the organization understand company goals and their role and accountability in achieving them to make supplier diversity a success. Boeing has learned that its commitment to achieving its Supplier Diversity Program vision and mission had to be demonstrated at all levels and functions within the company in order for the initiatives to take root. The positive message today flows down from the CEO to the bottom line to secure internal support. Supplier diversity plans are developed and executed at the business unit level, tailored to specific internal and external customer requirements and aligned with the company's strategy. Committed employees are recognized and rewarded for their engagement with diverse suppliers.

Boeing has learned that supplier development and mentoring are not to be considered as short term initiatives. Instead, they provide an opportunity for growth and long-term success. Supplier diversity programs at Boeing have been an opportunity to learn, grow and develop - for both the company and its suppliers. The suppliers have gained new areas of expertise and knowledge, becoming more competitive. And Boeing has benefited from increased quality, productivity and dedication from supplier participation in development programs. For the company,

diversity has been both a journey and destination with respect to its employees, business partners and communities. Women's empowerment is embedded in all three of those dimensions and an expectation of the company's leadership.

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### ABOUT THE GLOBAL PRIVATE SECTOR LEADERS FORUM

The Forum is an initiative of the World Bank Group Gender Action Plan to engage private sector leaders in promoting women's economic empowerment. It is one of World Bank President Robert B. Zoellick's six commitments on gender equality. Its members are committed to creating opportunities for women in core business, corporate social responsibility or diversity and inclusion initiatives.

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