



## **MEMORANDUM**

To: Boeing Pike, CEO

From: The Boeing Media Team

Date: February 14, 2024

Subject: Being the CCO: Boeing Briefing Report and Media Reaction #1

## **SUMMARY OF PRIOR RECOMMENDATION**

We recommended issuing a statement assuring the public of our commitment to environmental principles in addition to media appearances answering questions about issues and complaints.

## **REACTIONS TO OUR OUTREACH**

On January 16, 2024, [Boeing announced the hiring of Admiral Kirkland Donald, U.S. Navy \(Ret.\) as Independent Advisor to Lead Comprehensive Quality Review](#).<sup>1</sup>

When [posting the hiring on LinkedIn](#), reaction from followers, many of whom self-identified as current or former Boeing employees, was mixed at best and negative at worst. Several commenters questioned the reasoning behind hiring a retired Admiral for a quality control position. One questioned why the company would admit quality control issues in the first place. Other commenters were more optimistic, offering praise for the move while admitting that the company still has work to do. It should be noted that [reaction to the hiring by x.com users](#) was similar to those on LinkedIn, with the addition of memes.

We believe that admitting fault in the issues faced by Boeing was the only way for the company to move forward without facing further legal and commercial issues. This was exemplified weeks later by the company's [CEO speaking to employees about how "increased scrutiny will make us better."](#) In addition, hiring a well-known public figure to lead a "comprehensive quality review" can serve several functions for Boeing. In this case, Boeing hopes to quell concern among stockholders and politicians, improving their face while hoping for internal improvements to continue that process.

On February 6, 2024, [Boeing CEO Dave Calhoun responded to a preliminary report issued by the NTSB](#).<sup>2</sup> Like its post announcing the hiring of Ret. Adm. Donald, Boeing received a mixed response on [LinkedIn](#) to this statement. Several users pointed to the company's "empty words" and greed in response to it, shifting the tone of the comments section in a negative direction. Others discussed outsourcing at the expense of quality as a major issue that needs to be fixed.

---

<sup>1</sup> [Boeing Names Independent Advisor to Lead Comprehensive Quality Review](#). (2024, January 16). *Boeing MediaRoom*.

<sup>2</sup> [Boeing statement on preliminary NTSB report](#). (2024, February 6). *Boeing MediaRoom*.

We believe Boeing's response to the NTSB preliminary report is a step in the right direction. Taking responsibility for one's actions is the first step in regaining consumer trust. While it's certainly not the last step, Mr. Calhoun's continued efforts to bring attention to the company's cooperation in the investigative process is important.

## **MEDIA REACTION**

- The Hiring of Ret. Adm. Kirkland H. Donald as Independent Advisor to Lead Comprehensive Quality Review<sup>3</sup>
- Boeing CEO to employees: 'increased scrutiny will make us better'<sup>4</sup>
- Boeing statement on preliminary NTSB report.<sup>5</sup>

## **ANALYSIS OF COVERAGE**

- The Hiring of Ret. Adm. Kirkland H. Donald as Independent Advisor to Lead Comprehensive Quality Review
  - General coverage of the appointment of Ret. Adm. Donald has been mixed to positive. In cases like the KIRO article, the headline skewed sentiment in a negative direction while the content of the article stayed neutral.
  - [KIRO \(Seattle News Radio Station\) \(January 17, 2024\)](#) - KIRO reported that Ret. Adm. Donald will lead efforts to independently assess Boeing's QC programs and issue recommendations for improvements, using [Boeing's own press release](#) (linked in the story) as its main source. The station included additional information from the NTSB and FAA about issues facing the company regarding tightened scrutiny after the Alaska Airlines door blowout. While the text of the report is fact-based, the headline "[Retired Navy admiral to lead probe of Boeing after blowout fiasco](#)" tilts the coverage in an unfavorable light.
    - Additional coverage from [Economic Times](#), [CNBC](#), [Aerotime Hub](#).
  - [CSIMarket.com \(Industry news organization\) \(January 16, 2024\)](#) - CSIMarket.com notes that the appointment of Ret. Adm. Donald is "part of a concerted effort by Boeing to address quality-related concerns and enhance its overall performance." The publication touts Adm. Donald's career in the U.S. Navy, stating that the company's decision reflects a "dedication to a rigorous and unbiased evaluation of its operations." Finally, the article gives a brief discussion of Boeing's recent financial struggles for prospective investors. The tilt of this coverage is certainly positive, touting the upside of bringing in an advisor like Donald. The article ends with a paragraph discussing Boeing's commitment to

---

<sup>3</sup> Bosch, H. (2024, January 18). [Boeing investigation: Ex-Navy Admiral to lead probe after blowout](#). MyNorthwest.com.

<sup>4</sup> Beilstein, N. (2024, February 2). [Boeing CEO announces new measures as part of "increased scrutiny."](#) Yahoo! Finance.

<sup>5</sup> Chasan, A. (2024, February 6). [Preliminary NTSB report on Boeing 737 MAX 9 Alaska Airlines flight finds missing bolts led to mid-air door blowout](#). CBS News.

regaining trust and rebuilding customer confidence, with a blatant endorsement of the head-on strategy being implemented to face these challenges.

- Boeing CEO to employees: ‘increased scrutiny will make us better’<sup>6</sup>
  - [Yahoo Finance \(Financial News\) \(February 2, 2024\)](#) - Yahoo Finance reported on recent activities by Boeing and Mr. Calhoun, including his message to the employees. The article notes immediate actions that the company will take to improve program and supply chain quality, as well as Mr. Calhoun's call on workers on the factory floor to provide feedback as they “know what we must do to improve better than anyone.”
  - [CNN Business \(Financial News\) \(January 31, 2024\)](#) - CNN Business took a look at Mr. Calhoun’s statement to employees the day it was released. The article points out positives surrounding Boeing’s stance towards safety and the chair of the NTSB giving the 737 Max 9 a vote of confidence. While it does mention some negatives like the company’s stock falling 20%, coverage is tilted in a positive direction for Boeing.<sup>7</sup>
  
- Boeing statement on preliminary NTSB report.
  - CBS News published an article on February 6, 2024, exploring the results of the NTSB’s preliminary report into what caused a door to blow out on a Boeing jet in January. While the article does note Mr. Calhoun’s response to the report, it focuses more on the legal and quality issues facing Boeing and its partners like Spirit AeroSystems. The information is delivered in a mostly unbiased manner, which is probably the best outcome for Boeing in this case. The negative details included are part of the story and need to be there for context.<sup>8</sup>

## SOCIAL MEDIA AUDIT

Facebook:

Boeing's content strategy leans heavily towards informational posts rather than engaging storytelling. While success stories and operational updates are highlighted, there's a lack of diversity in content that could better resonate with the audience. Recommendations include increasing post frequency to maintain audience engagement and adopting a more engaging approach to content creation. This could involve showcasing behind-the-scenes stories, employee spotlights, or customer testimonials to humanize the brand and connect with followers

---

<sup>6</sup> [Boeing CEO to employees: ‘increased scrutiny will make us better.’](#) (2024, January 31). *Boeing MediaRoom*.

<sup>7</sup> Isidore, C., Muntean, P., & Wallace, G. (2024, January 31). [Boeing CEO on 737 Blowout: ‘we caused the problem’](#). CNN business.

<sup>8</sup> Chasan, A. (2024, February 6). [Preliminary NTSB report on Boeing 737 MAX 9 Alaska Airlines flight finds missing bolts led to mid-air door blowout](#). CBS News.

on a more emotional level. By leveraging Facebook's storytelling capabilities, Boeing can enhance its brand perception and foster stronger connections with its audience.

Twitter:

Boeing's Twitter handle serves primarily to inform stakeholders about internal operations, providing updates on organizational changes and speaker events. While the content strategy effectively communicates key information, there's an opportunity to incorporate updates on aircraft progress to cater to a broader audience. By diversifying content to include insights into ongoing projects, technological advancements, and industry trends, Boeing can solidify itself as a thought leader in the aviation sector and attract a wider range of followers. Additionally, increasing post frequency to multiple times a day can help maximize reach and engagement.

YouTube:

Boeing's YouTube channel focuses on highlighting the impact the company has had on the aircraft industry through various video series. While the content effectively communicates Boeing's achievements and innovations, they can improve video length. By extending the length their shorter videos, Boeing can offer viewers a more comprehensive understanding of its offerings and expertise. Additionally, posting new series more frequently and releasing videos within a shorter timeframe can help maintain viewer interest and encourage repeated engagement with the channel.

Instagram:

Boeing's Instagram presence lacks a clear strategy, with infrequent posts and a reliance on cross-posted content from airlines. To improve engagement and establish a stronger brand presence on the platform, Boeing should develop a comprehensive Instagram strategy in the same way that they've modeled Twitter and YouTube. This could involve creating original content tailored to Instagram's visual nature.. By diversifying content and adopting a more consistent posting schedule, Boeing can effectively showcase its brand story and connect with followers on a more personal level.

## **IMPACT**

We have a serious image problem that could lead us into significant financial trouble if we don't take action. The Boeing 737 Max is our cash cow, so our stakeholders are particularly attentive to news about this aircraft type. In 2023, we delivered 387 aircraft of this type, but due to the surplus of orders, we have not been able to fulfill 4783 orders yet. Just imagine if we were to lose many of these orders because people no longer want to board a Boeing 737 Max.

Why? In recent years, they have heard in the media about the two crashes involving this aircraft type. Then last year, there was the engine fire incident on a Boeing 737 Max, and in early January of this year, the Alaska Airlines incident occurred. To make matters worse, just a few days ago, news spread that the delivery of 50 Boeing 737 Max aircraft would be delayed because

holes in the fuselage were not drilled accurately (deliveries shrank by 29% since the Alaska Airlines incident in January).

Yes, our stock price is currently at +0.70/0.34% (a week ago: +1.95/0.94%), but that could change very soon. It's unthinkable what this would mean for our company if our clients of the Boeing 737 Max were to withdraw their orders due to safety concerns and the poor reputation of this aircraft.

Furthermore, this image problem with the Boeing 737 Max could extend to the Boeing brand as a whole, with the perception being "Boeing doesn't prioritize safety in their production as much anymore." Then, even our other aircraft models would not be safe from order cancellations.

Our biggest competitor Airbus is outpacing us in terms of order intake and reputation. The bitter truth for us is that there have been more crashes of just Boeing 737 Max aircraft than all Airbus aircraft combined.

Even our own employees are voicing their own safety concerns regarding the Boeing 737 Max aircraft more frequently. This obviously already started a few years ago. A quote that represents them all: "This is a joke. This airplane is ridiculous." (Gelles, 2020)

## **RECOMMENDED PUBLIC ACTIONS**

The Hiring of Ret. Adm. Kirkland H. Donald as Independent Advisor to Lead Comprehensive Quality Review was the right decision mainly because we made a clear statement to the public, the media and to our own employees: We are not only aware of the problem, we are fixing it right away. Hiring the former Director of Naval Nuclear Propulsion and former Deputy Administrator of the National Nuclear Security Administration definitely has made a good impact in the heads of our stakeholders: Adm. Donald was responsible for national nuclear security, definitely knows how to solve the safety and quality problems we currently have with our Boeing 737 Max production.

We would strongly recommend taking proactive action and hiring more staff for our quality assurance departments - especially for the production line of Boeing 737 Max. That would have multiple benefits: One the one hand, we would make more statements like with Ret. Adm. Kirkland H. Donald in the public, that we are willing to invest a lot of our financial resources in safety and quality assurance. On the other hand, it is simple math: Four eyes see more than two, and 650 more than 550.

## **RECOMMENDED MANAGEMENT ACTIONS**

We would recommend assigning our public relations and social media departments to create content about the production of our Boeing 737 Max. This way, our stakeholders can gain a transparent insight into the production processes and numerous safety procedures we have in place, in order to ultimately rebuild trust in our brand and trust in the Boeing 737 Max.

Besides, we have further recommendations to take action but these are the two most impactful and effective measures in our opinion.

## References

- Beilstein, N. (2024, February 2). *Boeing CEO announces new measures as part of "increased scrutiny."* Yahoo! Finance.  
[https://finance.yahoo.com/news/boeing-ceo-announces-measures-part-153107624.html?guccounter=1&guce\\_referrer=aHR0cHM6Ly93d3cuZ29vZ2xILmNvbS8&guce\\_referrer\\_sig=AQAAAEFX\\_1a5Hxx54p8h5J8a4C7xZTyqPDjcEBbCkI7xXYx5iZ4V\\_v2SB0gEeqa9\\_H8nSO8NXm-w81yRpUuAQuDRARKEDvG9z2SukyKC443v\\_v100omoQT8sAYGh1LHC2TnMramydwMmf7RG2uPDkiUo6N9z0V7cKgo\\_zcTHSpjIJBgi](https://finance.yahoo.com/news/boeing-ceo-announces-measures-part-153107624.html?guccounter=1&guce_referrer=aHR0cHM6Ly93d3cuZ29vZ2xILmNvbS8&guce_referrer_sig=AQAAAEFX_1a5Hxx54p8h5J8a4C7xZTyqPDjcEBbCkI7xXYx5iZ4V_v2SB0gEeqa9_H8nSO8NXm-w81yRpUuAQuDRARKEDvG9z2SukyKC443v_v100omoQT8sAYGh1LHC2TnMramydwMmf7RG2uPDkiUo6N9z0V7cKgo_zcTHSpjIJBgi)
- Boeing CEO to employees: 'increased scrutiny will make us better.' (2024, January 31). *Boeing MediaRoom*. Retrieved February 11, 2024, from <https://boeing.mediaroom.com/2024-01-31-Boeing-CEO-to-employees-increased-scrutiny-will-make-us-better>.
- Boeing Names Independent Advisor to Lead Comprehensive Quality Review. (2024, January 16). *Boeing MediaRoom*. Retrieved February 11, 2024, from <https://boeing.mediaroom.com/2024-01-16-Boeing-Names-Independent-Advisor-to-Lead-Comprehensive-Quality-Review>.
- Boeing statement on preliminary NTSB report. (2024, February 6). *Boeing MediaRoom*. Retrieved February 11, 2024, from <https://www.boeing.com/737-9-updates#accordion-78d5956490-item-d69ed08370>.
- Bosch, H. (2024, January 18). *Boeing investigation: Ex-Navy Admiral to lead probe after blowout*. MyNorthwest.com.  
<https://mynorthwest.com/3946935/retired-navy-admiral-lead-investigation-boeing-recent-door-blowout-fiasco/>
- Chasan, A. (2024, February 6). *Preliminary NTSB report on Boeing 737 MAX 9 Alaska Airlines flight finds missing bolts led to mid-air door blowout*. CBS News.  
<https://www.cbsnews.com/news/alaska-airlines-boeing-737-max-9-bolts-missing-ntsb-report/>
- Gelles, D. (2020, January 10). *"I honestly don't trust many people at Boeing": A broken culture exposed*. The New York Times.  
<https://www.nytimes.com/2020/01/10/business/boeing-737-employees-messages.html>
- Isidore, C., Muntean, P., & Wallace, G. (2024, January 31). *Boeing CEO on 737 Blowout: 'we caused the problem.'* CNN Business.  
<https://www.cnn.com/2024/01/31/business/boeing-results-outlook-dave-calhoun/index.html>