

# Total Ownership Costs

## Affordability from an Industry Perspective

**Jim O'Neill**  
VP/GM Integrated Logistics  
Global Services & Support



# Spectrum of Support

*Traditional Organic Support*

*Performance Based Support*

**Customer Holds All Risk**

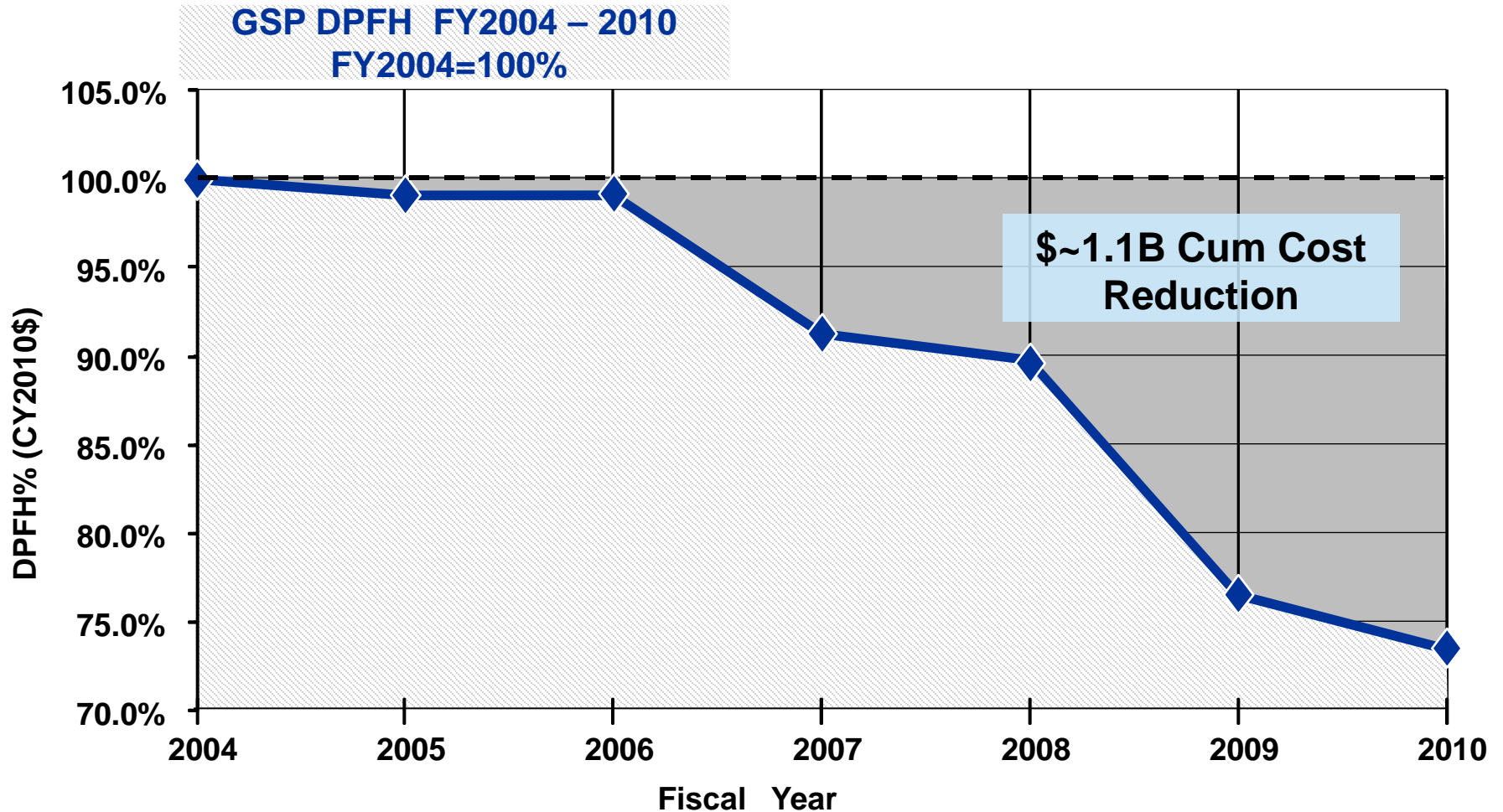
**Customer / Industry Share Risk**

Traditional Support	Contractor Supply Role	Supply Chain & Engineering PBL	PBL at System-Level
<ul style="list-style-type: none"> <li>Japan Tanker</li> <li>F/A-18 Hornet</li> <li>USAF F-15</li> </ul>	<ul style="list-style-type: none"> <li>Acco</li> <li>Cha</li> <li>Sup</li> <li>Lim</li> </ul>   	<ul style="list-style-type: none"> <li>Acco</li> <li>Perfo</li> <li>Supp</li> <li>Long</li> <li>Profi</li> <li>Conf</li> <li>for as</li> <li>Supp</li> <li>Supp</li> <li>main</li> <li>Train</li> <li>Poss</li> <li>partn</li> </ul>    	<ul style="list-style-type: none"> <li>S</li> <li>f</li> <li>P</li> <li>v</li> <li>L</li> <li>C</li> <li>P</li> <li>p</li> <li>C</li> <li>S</li> <li>tr</li> <li>S</li> <li>le</li> <li>P</li> </ul>   

**Support concept can be tailored to specific needs of the customer**

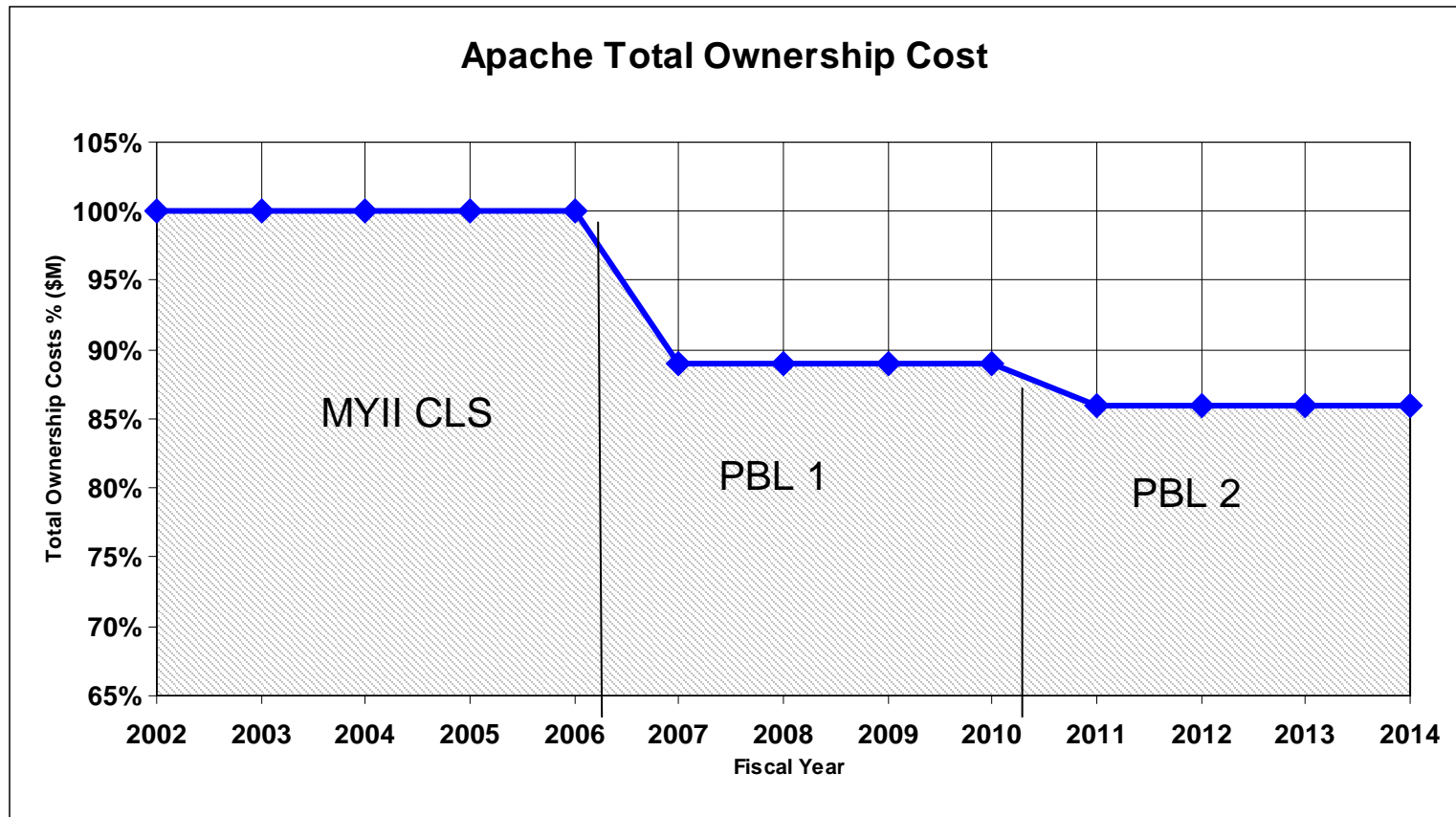
# C-17 GSP: Dollar Per Flight Hour Cost Reduction

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# Apache Program Cost Reduction

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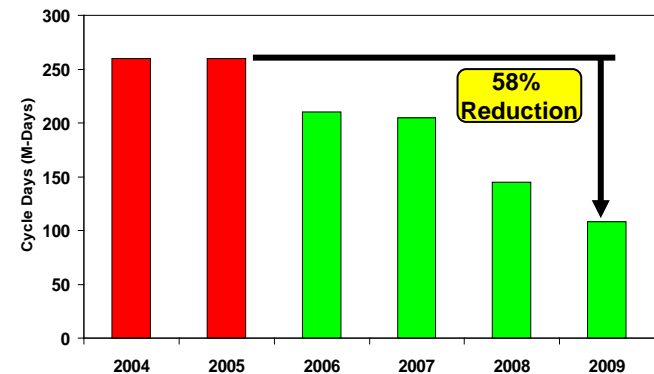
***DoD 2010 PBL Award recognized Boeing for Apache Cost Savings***

# UK Chinook Through Life Customer Support

Boeing Defense, Space & Security | Global Services & Support

## Reduced cost and exceeded Key Performance Indicators for Availability & Mission Capability

- Decreased cost by greater than 10% since 2006
- Increased aircraft availability by over 12%
- 50% increase in flying hours from historic norm
  
- Maintenance cycle time significantly reduced
  - 58% reduction in major overhaul cycle time
  - 28% reduction in minor overhaul cycle time

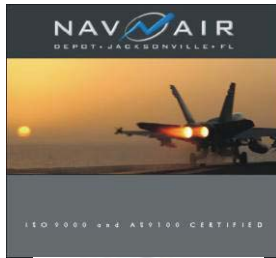


*Boeing PBLs deliver affordable readiness to the customer*

# Current Partnerships

Boeing Defense, Space & Security | Global Services & Support

## F/A-18E/F FIRST



## DLA & NAVICP

### FRC

Jacksonville

North Island

Cherry Point



## C-17 GSP



## UK TLCS



## CCAD



*Boeing is partnered with Depots to create affordable solutions*

# PBL Value Proposition - What Makes it Work

Boeing Defense, Space & Security | Global Services & Support

- Long Term Partnerships
- Concurrent Procurements
- Refined Modeling and Forecasting Tools
- Access to Customer and Industry Demand Data
- Reliability Improvements
- Obsolescence Risk Mitigation
- Proven efficiency & Readiness Improvements

*Through PBLs, Customer and Contractor have a Shared Destiny*



# Summary

Boeing Defense, Space & Security | Global Services & Support

- PBL sustainment strategies support DoD Efficiency Targets
- PBLs motivate the right behavior throughout the sustainment value stream
- Contract structure & metrics are key for win-win results
- Long term partnership is critical

***Boeing Delivers Affordable Readiness***