

**A LOOK BACK**

It is over 2 years since the first 777 entered revenue service. Since that time, 95 airplanes have been delivered to 14 airlines and have accumulated in excess of 250,000 flight hours; three new Boeing derivative programs (737 Next Generation, 757-300, 767-400) have had the option of implementing the 777 processes or rejecting them. So, with all this time and experience behind us, is the Boeing 777 and its development process a success? I believe the answer is a resounding "YES!"

Industry certainly agrees, having recognized the 777 program with three awards:

1. The 1995 Collier Award for top aeronautical achievement.
2. The 1995 Smithsonian Computerworld Award for digital definition and preassembly in manufacturing.
3. The 1996 Smithsonian National Air and Space Museum Award for designing and building the most advanced and service-ready twin-engine jet in commercial aviation history.

Our customers, the airlines, clearly think so, having made it the preferred airplane. The 777 has achieved a 69% market share to date and is the single best testament to the perfect blending of functionality, reliability, and affordability. Pilots, flight attendants,

and mechanics alike are enthusiastic about this airplane, as they should be, since it reflects so many of the features they requested through the working together process. I think Mr. Gordon McKinzie of United Airlines summarized it best: "Is this a great airplane, or what?"

Total program costs have been reduced when compared to a "business as usual" approach. These savings are primarily due to lower recurring costs from reduced change, error and rework by Engineering and Manufacturing. Comparisons with the 767 show approximately a 60% to 90% reduction in all change categories and fitup problems (figure 17). This results in less reengineering, less replanning, less retooling, less out-of-sequence work, less fleet retrofit, less warranty costs, lower inventory costs, less scrapage, less manufacturing flow, or, simply put, LESS COST! On the negative side, nonrecurring costs were increased due to the development and implementation of new tools and processes. Overall, however, a 15% to 20% savings in program cost is projected for the 777 (figure 18).

The airplane has demonstrated its service readiness, with a fleet average schedule reliability in excess of 98.6%, the best of any jet transport in its class at an equivalent time period (figure 19).

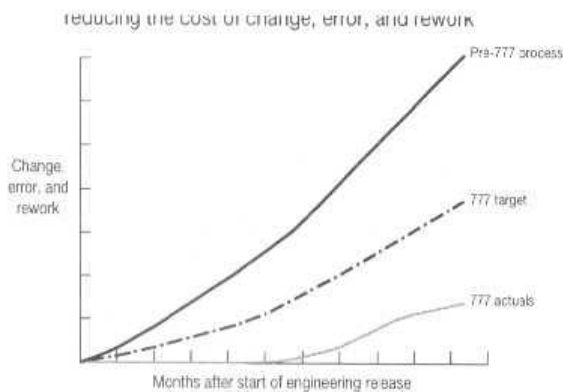


Figure 17. 777 Program Success

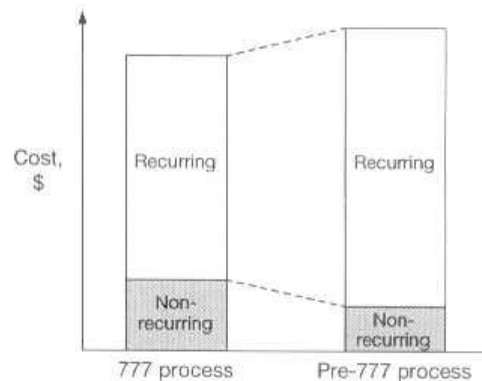


Figure 18. Program Cost Comparison—777 Process Versus Pre-777 Process

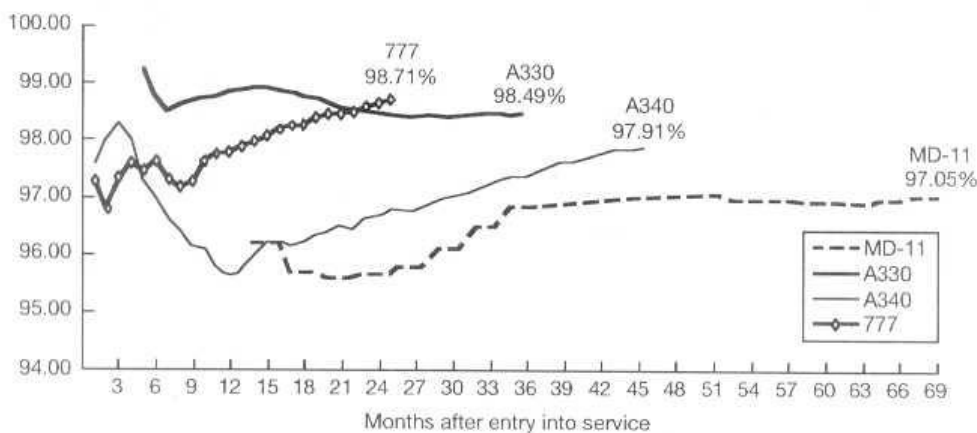


Figure 19. Entry Into Service Schedule Reliability—777, A330, A340, and MD-11 12-Month Moving Average