



## Kevin McAllister, president and CEO, Boeing Commercial Airplanes

*AFA welcomes Kevin McAllister in his new role as president and CEO of Boeing Commercial Airplanes. Kevin worked closely with Boeing while at GE Aviation Systems, most recently as president and CEO of GE Aviation Services.*

### Tell us about yourself and life before joining Boeing?

I grew up among the steel mills of Bethlehem, PA, where my mom and dad taught mathematics at local universities. I graduated from the University of Pittsburgh with a bachelor's degree in materials engineering and started my career at the Howmet Corporation. I then joined GE in 1989. During the course of my time at GE I held several leadership roles in operations, sales, services, and production support, in addition to working materials engineering in support of product design.

### How does it feel to lead one of Puget Sound's most iconic companies with a 100 year history?

I can't tell you how humbled and honored I am to join this incredible Boeing team. My wife told me she has not seen me light up like I do when I talk about Boeing. From my heart, this is a great opportunity for me and I look forward to working with everybody.

### What's your experience working with Boeing?

I've had the opportunity to work with many folks from Boeing, so in a sense I am not new to Boeing. Over the past 15 years I've helped support Boeing products out in the field, working with customers and in the trenches of campaigns to win in the market around the globe.

### How are you getting up-to-speed on everything going on at Boeing?

Ray Conner has not only been a great friend to me, he's also been a great mentor. It's not lost on me how incredibly important it is to follow in the footsteps of great leaders like him. He is a giant of commercial aerospace. In the year ahead I am going to lean hard on Ray, and I also plan to learn from people on our factory floors who do the hard work each day building the world's best commercial airplanes.

### How will you approach your new role?

I bring a few things with me that ground how I think about the world. First is an incredible commitment to our customers and to deliver on our commitments because fundamentally they are why we come to work every day. Second, I believe customers are also a great opportunity to be a learning channel about what they value and how we can continue to lead with the best technology and best products in the marketplace. Third, a commitment to winning. It's core to me. It's also a part of the culture at Boeing that brings commercial excellence to want to get customers around the globe to fly our airplanes. And finally, always deliver on results both operationally and financially. Because if we build the best product at the lowest cost we will be better able to fund our future. I want to attack those things that slow us down and hold us back. If we do that then we will be in a good position to fund and build the next great Boeing products for our customers.

### What should the Puget Sound community know about you?

I bring a strong commitment to our people. They are the life blood of this company. We are great when we are great together. They can count on me to be a part of their team. I will bring the same work ethic they bring every day; the same spirit, camaraderie and competitiveness going forward that they have enjoyed for the last 100 years.

I have fallen in love with the Puget Sound region and look forward to settling in and being an active member of the community. I believe that leaders need to be good to be great and that means being strong and active members of the community. It is part of who I am.

I am truly excited to be a part of this dynamic region and the many ways Boeing works to improve the lives of people every day. When the community is strong, Boeing is strong. 

# Aerospace

## continues to fuel Washington state economy

### BY THE NUMBERS

The Washington aerospace industry as a whole continues to grow and remains a driving force in the Washington state economy according to a study released in October 2016 by the Washington Aerospace Partnership. The report was prepared by the Seattle-based economic development consulting firm, Community Attributes, Inc., and found that:

- In 2015, the industry had a total economic impact on the Washington state economy of 252,800 jobs and \$94.7 billion in business revenues. This represents a 9.4% increase in business revenues from 2014 (\$86.6 billion) and 19.7% since 2012 (\$79.1 billion).
- From 2012 to 2015, direct aerospace industry employment held relatively steady. Employment in aerospace and related industries increased to 136,100 jobs in 2015 from 132,500 in 2012. Considering indirect and induced impacts, Boeing Commercial Airplanes supported 192,200 jobs across the state and \$81.6 billion in total business revenues.
- Boeing and many other aerospace companies pay significantly higher wages on average compared to the state overall. In 2015, aerospace employees earned an average wage of \$107,000 (not including associated benefits, e.g. healthcare), compared to the state average wage of \$54,000.



## Boeing Highlights

- Boeing's rich history in Washington state is evident through Bill Boeing's first flight in 1906 to the Centennial celebrations held all last year. The company punctuated this milestone with an end-of-the-year announcement that its stalwart commercial airplanes division President and CEO, Ray Conner, was stepping down, to be replaced by Kevin McAllister. Conner will remain at the company as vice chairman until the end of 2017.
- Boeing recently held a groundbreaking for a new facility at Boeing Auburn for improving the skills of existing employees and training new ones. This is the first construction project for Boeing Auburn in nearly 25 years. It is a multi-use facility dedicated to enhancing the skills of more than 5,000 employees. The Workforce Readiness Center represents a critical piece supporting Boeing Auburn's central role in fabricating parts for Boeing Commercial Airplanes production now and into the future.
- In 2016, Boeing made good on terms agreed to in 2013 that extended aerospace tax incentives by investing more than \$1 billion in the construction of the 777X Composite Wing Center in Everett. Once production is in full swing, there will be tens of thousands of employees working at the site in a variety of traditional maintenance positions alongside those working in jobs that move Washington to the next level of technology and production, such as mechatronics.
- Many in Washington's multi-tiered supply chain of approximately 1450 aerospace and related companies will supply materials, tooling, parts, components, and expertise in design and engineering, among other products and services for production of the 777X.
- Companies in the Washington aerospace supply chain are responsive and innovative partners, understanding the exacting requirements of Boeing work. The Washington supply chain is one of the most extensive

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in the world, producing an incredible range of parts, components, and services, and undertaking just-in-time deliveries 24x7 for all Boeing airplanes built in Washington. This is possible due to the large number of suppliers in the state that are in close proximity to one or more Boeing facilities.

- Boeing has forged strong relationships with academia. Boeing collaborates with the University of Washington exploring additive manufacturing to increase production and reduce material waste. And last month they announced the results of a study in conjunction with Washington State University, Alaska Airlines and the Port of Seattle on aviation biofuels that could potentially be used by all airlines to dramatically cut carbon emissions by up to 80 percent. They also support programs such as STEM, FIRST Robotics, and CORE Plus in elementary, middle school and high school.
- Boeing's employees are able to attend supplemental training outside of work hours through an agreement with the WATR Center (Washington Aerospace Training and Research Center), which has short-term certificated online and onsite programs for new and incumbent workers. Boeing machinists, for example, can go to a 12-week course at WATR outside of work to qualify for a higher level position at Boeing. WATR customizes training to fit Boeing's workforce needs, meaning workers are training on their jobs of the future. WATR and AMTEC (Advanced Manufacturing Training and Education Center) both offer industry-driven training programs that help propel new workers and incumbent workers toward the good-paying jobs the aerospace industry provides. 

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