

ICAS-VON-KARMAN-LECTURE

The 767 Program:
A "First" in International Cooperation

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INTERNATIONAL COOPERATION

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Abstract

The 767 Program, which has been planned and developed in one of the most uncertain scenarios in the history of commercial air transport, practically because of the oil shock, has also been a very important example of how a small group of people, capable to look well behind the difficulties of the present day, can settle the path for a new way to operate in the international markets. For the first time the cooperation has not been considered as a way to add up resources that would not be individually sufficient for the task assigned neither as a pure way to enlarge the market access. The cooperation for this program has been intentionally seen, at least by a few dedicated people, as a new way to explore how a large, highly sophisticated enterprise could be managed in a fast growing world where new nations and new companies were entering the commercial aircraft manufacturing business. The approach was twofold: on one side the target was to avoid any waste of financial and technical resources by coordinating the efforts of all the would be competitors in one single program, on the other side the technical supremacy accrued by the Boeing engineers in many years of US leadership had to be used for the best results as the pulling force of the new formed alliances. How these targets have been reached, and how much of the original plan has been lost because of the harsh reality of the facts is the real story of the 767 Joint Venture. Even if not all the targets have been reached a very comforting reality is now in place: industries from the three sides of the western world, or as some call it the "Triad Power", are now working together, in full sincrony, to produce one of the best airplanes today flying.

Text

The presence in the 767 Airplane of

parts manufactured by US, Italian and Japanese Industries is not just happening by chance, but it is the result of a plan that took shape in the mind of few Boeing managers more than 15 years ago.

Today we are living in an internationally minded business environment, and nobody anymore challenges the wisdom of looking beyond national borders to search for partners, suppliers and customers, but 15 years ago the mood was quite different, at least in the conservative and engineers-dominated world of aerospace. The technical challenge inherent in any new aircraft project has been nurturing for years extreme competition among aircraft design teams and as a result national or company pride was relentlessly planned in keeping each individual project as much individual as possible. Only few months before two major US manufacturers had clashed head to head in what will be always remembered as one of the most toll taking competition of the US air transport industries: the wide body trijets race between DC10 and L101 that turned a potential milk cow business (see the jumbo program ...) in a big money loser enterprise. Only in Europe everybody was talking cooperation, even is often in each one peculiar terms: however cooperation was mainly considered as a "poor man" tool to balance the overwhelming strenght that the US competitors were reaping out of the large size of the market. Up to this point cooperation has always been seen as the way to pile up enough resources, from financial, industrial and market point of view, to balance the major competitors that normally were the Americans. Such approach was deriving straightly from the military aviation field, where the European governments were sharing costs among them to cope with the growing expenses required by modern warfare technology. The 767 initial approach has been quite

different as was deriving more from the attempt to adopt for the high technology world the thinking which had generated the multinational enterprise. Such companies were based on the need, or perhaps the opportunity to get a larger return to the Company investments for new products, by exploiting not only the national market (and the ones easily on reach from the home basis) but also the other markets where they could produce with a competitive edge because of their superior technology or simply because they had an already developed and perhaps also fashionable product.

Such an approach was easy for all the areas where the activities related to the development phase for a new products were not considered of strategic importance by the host countries. In the case of aerospace products many countries have been always considering the development skill a strategic asset and the number of such countries is always growing even today. Therefore, for the aerospace industries the old and well proven approach of the multinational company, with one head office in the home country where all, or at least the major part of, the developmental activities are conducted, and many manufacturing subsidiaries around the world couldn't properly work. The approach pursued with the 767 program was instead based on the concept of a cooperation, under the technical guide of the more experienced partner, that could become the first step toward creating a long range net-work of "even dignity" partners dedicated to the joint development, promotion, sale and manufacturing of a family of international airliners.

The design, as I had personally the chance to see it developing in the thinking of his father was indeed open and courageous, even if the way it has been applied has not been easy nor simple. There are been two kinds of obstacles on the way to implement such design: internal and external. Inside the participating industries this design, drafted to cope with the needs of the future, was always finding as a stumbling block the narrow minded approach of "laudatores temporis acti" i.e. of the many executives that were not prepared to a change in the way they were used to do business.

The natural horror of the human beings for changes was fostered in this

particular case on one side by the pride of the Engineers that were fearing to have to give space to something "not invented here", and on the other to the arrogance of the manufacturers obsessed by the problem of how "to control the schedule". These feelings of course were taking different shape when expressed by the indiscussed leaders (Boeing) or by the would be followers (Italians and Japanesees).

The other obstacle has been generated by the misunderstandings about real meaning technical leadership that caused, by mutual mefiance, the failure of the Stockholm conference, in 1973, where the possibility to marry the new programs that few years later became the B767 and the A310, has been almost succesfully considered. Unfortunately the Boeing proposal was considered by the Europeans, probably hurt by previous experiences on other programs, only a trick to kill the newly born European independence and therefore the basis for a large waste of resources on both sides of the Atlantic was posed.

Of course the internal and external difficulties were also interacting among themselves and very few people will detect in the final product of all these efforts, which by the way materialized only 7 years later, the original, very courageous and very innovative design.