

16.812 Journal Entry

Introduction

The seminar today had a very different, but well appreciated feel. We had two wonderful Morgan Stanley representatives who work with aerospace company stocks talk to us about their views of the industry. It was very good to get their perspective from the management/business side of the industry, versus the purely technical/engineering side. I thought these presenters provided a good link to the discussion of lean enterprise.

Lean Enterprise

The focus of the lean enterprise section of today's discussion was cargo planes and predicted growth for their use. To be honest, I have never given that much thought to cargo planes. I was very surprised in fact when Prof. Murman commented that each Boeing aircraft program begins with a design for both a passenger and freight variation. The numbers of percent growth for cargo plane demand were also staggering. It seems that Asia will be dominating the skies especially with its current demand and future demand for cargo aircraft. It also makes sense to me now why Airbus and Boeing are both developing a new wide-body aircraft. This craft will be highly valued by these future markets and will provide a good source of revenue for both companies.

Article Description

On a different note, the discussion revolving around Aviation Week topics for my group was whether or not R&D for zero point energy would be a better financial investment than scramjet technology. My group was responsible for developing the cons to this argument, thus creating reasons why scramjet technology would be more valuable. I think there was a good argument for both. I personally would love to see zero point energy developed into a useful form since the physics behind it is so intriguing. Scramjet technology would also be a great innovation, especially since it could be applied to single stage rocket engines.

New Insights

My major insight today was a general glimpse at how the financial side of the aerospace industry works. I think our Morgan Stanley guest, Heather, did a good job at making us see the industry through her eyes. Particularly the Boeing vs. Airbus comparison that Heather talked about allowed me to see how stock market data can be interpreted very differently by different people. I was glad to hear though, that Boeing is currently in good shape and not overly concerned about competition from their foreign competitor Airbus.