

Ready
for
what's
next.

Ready... **to Help Clients**

Our Strategic Strengths

With a management and technology consulting heritage dating back to its founding in 1914, Booz Allen Hamilton has built its reputation by being a trusted partner to clients and helping them address their challenges in ways that will endure for years to come. To achieve the firm's vision and mission, and to help prepare its clients for what's next, Booz Allen continually builds on the strategic strengths that distinguish it:

- **A Culture of Collaboration**

We harness the collective power of diverse people and points of view, and of our unparalleled breadth and depth of domain knowledge and functional expertise, to provide the right skills, at the right time, in the right combination.

- **Top-Notch People**

We offer clients the capabilities and dedication of high-caliber consultants—individuals who hold client service as their highest calling, who are experts and leaders in their fields, and who pursue lifelong personal and professional development.

- **A Consulting Approach**

We address our clients' challenges with a multidimensional, objective understanding of issues, set in the context of emerging dynamics and technology, to help clients succeed.

- **A Passion for Making a Difference**

We are committed to creating a legacy of positive impact—delivering practical, effective, and enduring benefits of significant value—for our clients, for the communities where we live and work, and for our nation.

- **Core Values**

We conduct business with uncompromising integrity, adhering to the highest ethical standards as individuals and as an institution, guided by our 10 core values: client service, diversity, excellence, entrepreneurship, teamwork, professionalism, fairness, integrity, respect, and trust.

Succeed

Our Vision

Booz Allen Hamilton is committed to being the absolute best management and technology consulting firm, as measured by our clients' success, the excellence of our people, and our spirit of partnership.

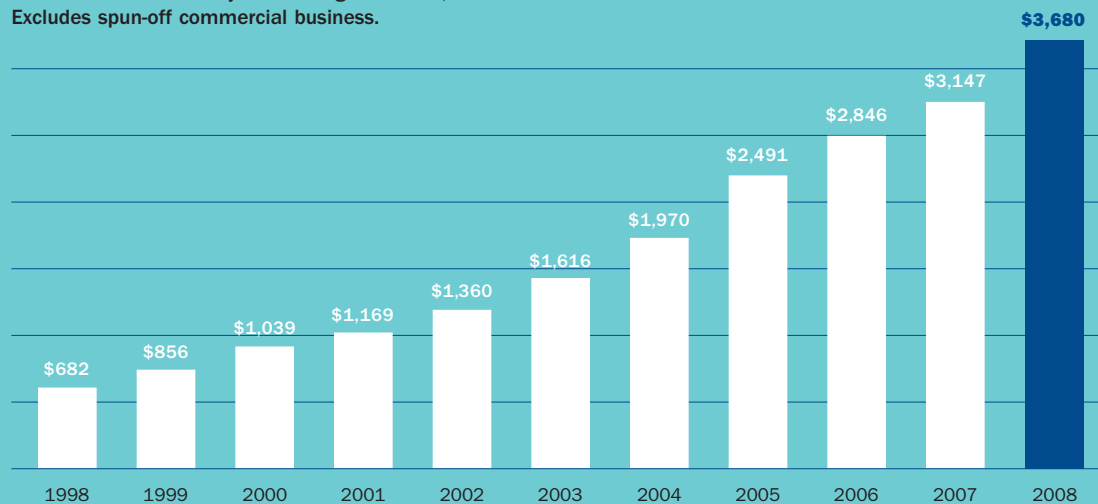
Our Mission

Booz Allen Hamilton partners with clients to solve their most important and complex problems, making their mission our mission, and delivering results that endure.

Our Growing Institution

Over the past decade, Booz Allen Hamilton has achieved a compound annual growth rate of 18%.

Total revenue for fiscal years ending March 31; \$ in millions.
Excludes spun-off commercial business.



Ready for What's Next

A Letter from Ralph W. Shrader

Chairman & Chief Executive Officer



Booz Allen Hamilton is in the business of change. We've helped thousands of clients seize opportunities and navigate turbulent times. And in 2008, our own firm undertook some of the most exciting and dramatic changes we have been through in my 34 years here.

On July 31, 2008, we separated our 94-year-old firm into two independent companies. Booz Allen Hamilton has sharpened its focus on full-service consulting to US government and institutional clients, while

also providing expert technical services in areas such as cybersecurity, information technology, and resilience for the commercial and nonprofit sectors. Our legacy partner, Booz & Company, focuses on global commercial management consulting.

This change comes from a position of strength. For more than a decade, Booz Allen's government business (also known as the Worldwide Technology Business) has enjoyed double-digit growth. In 2008 alone, our revenue is up 18 percent, profitability is strong, and we have a backlog of sold work in excess of \$2 billion. The Carlyle Group, the leading global private equity firm, made a \$2.54 billion investment that provides added strength to our firm and underscores their belief in the long-term prospects of Booz Allen and its management team.

Booz Allen is front and center in helping clients solve the most pressing problems of the 21st century—securing our

homeland, combating global terrorism, providing vital citizen services, and protecting the environment. Our ideas on topics such as cloud computing, cybersecurity, unmanned warfare, and health-care reform are having broad reach in the press and at major conferences, and two recent books by Booz Allen authors, *Megacommunities* and *Wargaming for Leaders*, have received critical acclaim. In recognition of its impact and stature, Booz Allen was named Contractor of the Year in the government services sector by the Professional Services Council, the Fairfax County Chamber of Commerce, and *Washington Technology* magazine.

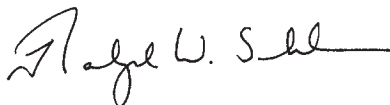
At a time when the global economy is under great strain, Booz Allen delivers results that are practical and effective, and that bring significant value to our clients. We enhance our clients' capabilities, giving them access to recognized experts and a deep bench of talented professionals. Booz Allen invests significant time and resources to develop a highly educated and qualified workforce that stays abreast of the latest thinking in technical and management disciplines.

Booz Allen's people are its brains and heart. They bring to their work the passion and integrity that has been the firm's signature for more than 90 years. Again in 2008, we were named a best company to work for by *Fortune*, *Working Mother*, *BusinessWeek*, and many others.

The firm's values are evident in its commitment to the community. We support numerous charitable causes, from global healthcare initiatives to local

performing arts groups. This year we established a major sponsorship with the USO and launched a program in 12 cities called FIRST Robotics, which supports science and technology education. In 27 locations across the country, we fixed homes for the poor and elderly through Rebuilding Together, and we sponsored 48 Relay for Life teams, raising more than \$100,000 for the American Cancer Society. We also sponsored the second Nonprofit Conference on Fundraising Development in Fairfax, Virginia. The event drew 300 attendees from 180 nonprofit organizations; it is an example of how Booz Allen gives back by sharing expertise as well as funds.

After a year of dynamic change, we're responding boldly to the needs and opportunities ahead—in financial reform, health-care reform, cybersecurity, alternative energy, design for affordability of major weapons programs, and the rebuilding of the nation's transportation infrastructure. As we enter our 95th year, we bring clients the wisdom and experience of age combined with the creativity and energy of youth—ensuring that we, and those we serve, will always be ready for what's next.



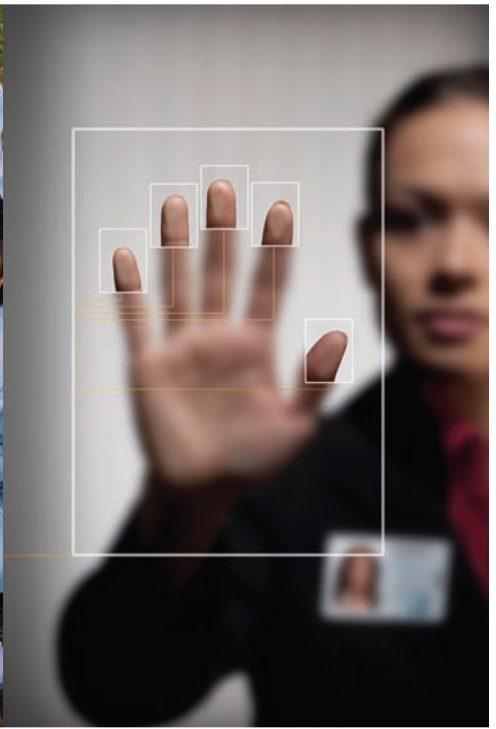
Ralph W. Shrader, Ph.D.
Chairman & Chief Executive Officer

Contents

- 4 Helping Clients Meet Their Mission**
A review of some of the most interesting, high-impact assignments from the past year.
- 22 Thought Leadership**
The powerful concepts and methodologies that enrich the value we provide clients.
- 28 People of Booz Allen Hamilton**
Stories of a few of our colleagues who make a difference in their workplace and in the world.
- 46 Principal Offices**
- 48 Leadership**
 - Board of Directors
 - Leadership Team
 - Senior Vice Presidents
 - Vice Presidents

Booz | Allen | Hamilton

delivering results that endure



“ To all of its clients—in defense, civil, security, or other markets—Booz Allen brings multidisciplinary teams with the right skills to address existing and emerging challenges and deliver lasting results. ”

Helping Clients

Meet Their Mission

Booz Allen Hamilton serves clients at all levels as a trusted, impartial, and long-term partner, helping them enhance the security, health, and well-being of all citizens. In 2008, the advice and assistance of 20,000 talented Booz Allen employees in more than 80 locations resulted in forward-thinking programs and solutions for the firm's clients and revenue in excess of \$4 billion.

The year 2008 also marked an important milestone in the history of Booz Allen Hamilton, with the firm's global commercial consulting business becoming a separate firm named Booz & Company on July 31. Although the two firms will continue to collaborate on projects to best serve clients, Booz Allen's primary focus on its core US government clients means the firm can more effectively do what it does best: help clients solve their problems, meet their mission, prepare for the future, and achieve success.

The ability to help clients succeed requires not only an in-depth understanding of client issues and expert functional capabilities, but also something that distinguishes Booz Allen—the dedication of exceptional people. “Booz Allen consultants hold client service as their highest calling,” says Dennis Doughty, a senior vice president at the firm's corporate headquarters in McLean, Virginia. “We make the client's mission our mission, and we work *with* clients rather than *for* them. We become invested in *their* success.”

Our clients today face unprecedented challenges, which can be compounded by the changes in policies, budgets, and priori-

ties that accompany a new presidential administration. With nearly a century of management and technology consulting experience, Booz Allen has the depth and technical expertise to develop innovative, effective solutions to the complex problems that confront clients today. Our past work with many different government institutions, nongovernmental organizations, and commercial enterprises gives us insights that cannot be provided by typical implementation firms or systems integrators.

“We assess problems holistically and broadly,” says Lloyd Howell, a vice president in McLean. “While we're certainly able to quickly get into specific areas with great depth and expertise, one of our key strengths is working on the big, tough problems that require the broadest perspective. We help clients get beyond the immediate challenge to see the big picture and identify their real needs.”

Providing services in strategy, operations, organization and change, information technology, systems engineering, and program management, Booz Allen builds multidisciplinary teams with the right skills to serve its clients without regard to the firm's organizational structure. “We've worked hard to build collaboration into our culture,” says David Aldrich, a senior vice president in McLean. “I think that's the single most important reason we do our job better than others.”

Booz Allen begins its 95th year in business from a position of great strength—a strength built on the talent of its people and their dedication to client service. We

have built our reputation on helping our clients address their challenges in ways that will endure for years to come. On the following pages are examples of the ways we assisted clients over the past year, providing practical, effective benefits to help them succeed in the present and be ready for what's next.

Civil Government

Over the past year, Booz Allen has worked with myriad civil government agencies, including those involving affordable health-care, benefits and entitlements, climate change, sustainable energy, national competitiveness, and international development. And although the variety of government clients we serve is large and their missions differ, these clients face some common challenges, such as improving the quality of services they deliver and building new systems to support their mission. Furthermore, as the nation confronts challenges that increasingly transcend traditional organizational boundaries, government agencies are having to cope with a conver-

Booz Allen provides ongoing support to the **GOVBENEFITS.GOV** Web site, which features more than **1,000 BENEFIT PROGRAMS.**

gence of purpose that requires an unparalleled level of collaboration.

"The issues facing our civil government clients require the best thinking and the best skills from the best people," says Jimmy Henry, a McLean-based vice president. "Booz Allen is standing shoulder to shoulder with our clients to help them solve their problems and better perform their mission."

A prime example of Booz Allen's ability to bring together a variety of stakeholders in order to improve service delivery is the firm's ongoing work on the GovBenefits.gov Web site, which serves as a single source of information for more than 1,000 federal, state, and local government benefit programs. Booz Allen worked with the US Department of Labor, which managed the initiative, and nine other federal agencies on the original business case and creation

of the site, which launched in April 2002. Today, 17 federal agencies, along with numerous state and local stakeholders, provide information about benefit and assistance programs via the site. GovBenefits.gov and Booz Allen most recently partnered with the Federal Emergency Management Agency to launch the DisasterAssistance.gov Web site, which enables disaster victims to easily find and apply for disaster-related benefit programs.

Working with the US Department of State, the US Agency for International Development (USAID), the Millennium Challenge Corporation, and other institutions, Booz Allen also assists countries with establishing sustainable economic growth and improving their citizens' well-being. For example, Booz Allen has worked with developing countries, including Azerbaijan, Cape Verde, Ethiopia, Lebanon, Macedonia, and Ukraine, to bring them into compliance with World Trade Organization (WTO) rules so they can become full-fledged WTO members, which Ukraine achieved on May 16, 2008, and Cape Verde achieved on July 23, 2008.

Booz Allen has partnered with USAID on programs that support economic growth and development. One was the development of a revolutionary analytical tool called the Commercial, Law, and Institutional Reform Diagnostic, which has been used in 30 countries to modernize governance systems. And in the Republic of Serbia, Booz Allen implemented an online case docket system for the commercial courts, providing the public previously unavailable access to case documents and events.

In another USAID project, Booz Allen has supported tax reform efforts in eastern Europe, including in the Republic of Armenia, where from 2005 to 2008 the firm redesigned the State Tax Service's core processes and IT systems to create a tax administration that adheres to internationally accepted practices.

Cybersecurity

The ever-increasing prevalence of and dependence on the Internet, computer-managed networks and processes, and devices controlled by software and hardware have created a new operating reality for both public- and private-sector entities.

YouthAIDS

Educating Young People by Speaking Their Language



YouthAIDS founder Kate Roberts, Bono, and YouthAIDS Global Ambassador Ashley Judd at the nonprofit's 2007 gala, "Faces of India"

Although there is still no cure for HIV/AIDS, Kate Roberts has set out to use rock stars and the power of pop culture to save young people around the world from the virus's reach.

A former advertising executive who used to develop hip marketing campaigns to sell cigarettes and soda in eastern Europe, Roberts now uses her command of cool to combat HIV/AIDS. In 2001, she founded YouthAIDS, which has become a multimillion-dollar program of the global nonprofit organization Population Services International (PSI).

"Our mission is to speak to young people age 14 to 24," says Roberts. "We use pop culture, music, sports, and theater. Through the language of youth, we provide them with the tools to make healthy choices and change behaviors. Our measurable results prove that these life-saving messages are having a big impact."

YouthAIDS enlists the support of celebrities to bring awareness to the HIV/AIDS crisis, and raises the funds necessary to support YouthAIDS programs through major fund-raising campaigns in

wealthy countries. A recent campaign with H&M saw rock star Rihanna speak out against the crisis through the Fashion Fights AIDS campaign. Funds raised from this initiative have created a youth center for street children in Port-au-Prince, Haiti.

In 2007, Booz Allen Hamilton worked with Roberts on a pro bono basis to help PSI with strategic planning and to develop stable funding sources to ensure its long-term viability. The firm also supports a program in which Booz Allen interns work on YouthAIDS projects. "Booz Allen has generously supported YouthAIDS from the beginning," says Roberts. "It's a thinking man's organization that uses its heart to develop solid, effective strategies."

Susan Penfield, a Booz Allen vice president based in Rockville, Maryland, says PSI is pioneering creative grassroots strategies to tackle one of the world's most troublesome problems.

By tapping into existing commercial infrastructures, PSI gets much-needed health products and services to the most vulnerable. "Their social marketing technique provides an interesting strategy to develop awareness in countries where reaching those in remote areas with educational messages is difficult," says Penfield.

Roberts says that although good ideas are in place to combat HIV/AIDS, more remains to be done. "I would love to be able to say that eradication is possible, but in the absence of a cure or vaccine, all we have is education and prevention," says Roberts. "There are powerful and concrete solutions available; we just need to expand on them...and I believe that partnerships with other NGOs and corporate support are vital."

Defense Advanced Research Projects Agency

Revolutionizing Prosthetics for Upper-Extremity Amputees



A next-generation prosthetic arm

Nearly every month, Buck Adams, a retired US Air Force general and a principal at Booz Allen Hamilton based in Arlington, Virginia, visits wounded soldiers at the Walter Reed Army Medical Center. On each trip, he is struck by how injuries have changed from earlier wars.

In the past, soldiers had less protection for their torsos, and those who suffered wounds to vital organs frequently bled to death on the battlefield. With improved body armor and forward-deployed medical facilities, critically wounded soldiers have been surviving the “golden hour” following their trauma. “They don’t die, but often they have lost a limb, which changes their way of life forever,” says Adams.

Senior Associate Kent Pankratz, of the firm’s Economic and Business Analysis team, and Booz Allen science and technology staffers support the Revolutionizing Prosthetics program at the Defense Advanced Research Projects Agency (DARPA), which funds more than 300 researchers developing sophisticated replacement limbs. The program is a global effort combining the work of experts in neuroscience, applied physics, medical research, combat surgery, physical rehabilitation, and information technology to create an advanced prosthetic arm with 22 controllable joints.

Already the program has produced life-

like prostheses that can grip and make other natural movements by using signals from electrodes that sense neural transmissions from reinnervated pectoral muscles and by using innovative noninvasive control techniques. The program has made significant advances that will enable sensory feedback, including touch, temperature, and pressure. During the next phase, DARPA aims to create a direct control link from the brain to the prosthetic arm via wireless signals and to advance the noninvasive arm into extensive clinical trials.

Booz Allen provides systems engineering and technical assistance as DARPA works to ensure that each research phase is completed and new technologies are developed to carry the program forward.

Colonel Geoffrey Ling, the DARPA program manager, says, “DARPA has undertaken the huge task of fulfilling our pact to our soldiers by embarking on an effort to provide fully integrated limb replacements that enable victims of upper-body limb loss to perform arm and hand tasks with the strength and dexterity of the natural limb.”

“DARPA is fulfilling our pact to soldiers by embarking on an effort to provide fully integrated limb replacements to victims of upper-body limb loss.”

—Colonel Geoffrey Ling, Revolutionizing Prosthetics Program Manager

Adams says soldiers who have sacrificed in war deserve nothing less than the intellectual and financial resources supporting this collaboration. Beyond the military, the commercial applications of discoveries made through the program are enormous. “DARPA is giving people the rest of their lives back,” says Adams.

This new environment heightens the need to prevent unauthorized access to or attacks on computer systems. Technology is one tool that can be leveraged to defend networks, but Booz Allen views IT primarily as an important starting point—one that needs to be integrated with operations, culture, management, and policy changes.


Booz Allen understands that the complexity and breadth of issues involved in securing cyber assets requires new thinking and innovative approaches. “Unfortunately, the increased complexity of operating environments also comes with increased vulnerability,” says Mark Gerencser, a senior vice president in McLean. “The current situation calls for a novel type of collaboration—one where government, business, and society work together in a new, coordinated manner with a new operating paradigm that adapts and grows as cyber issues evolve.”

Fostering this very type of collaboration was a two-day strategic simulation exercise called the Cyber Strategic Inquiry 2008, conceived by Booz Allen and Business Executives for National Security (BENS), a nonpartisan organization through which senior business executives help enhance the nation’s security. The event brought together 230 government and business leaders to conduct a wargame that simulated a dramatic surge in computer attacks during a time of economic trouble, with multiple teams of participants having to find ways to mitigate the attacks. The event was widely covered in the press, and Gerencser notes that one of the key outcomes was recognition that cybersecurity requires distributed leadership; no one person or entity can really be in charge.

One example of Booz Allen’s work in cybersecurity comes from Hawaii, where a team has been working with the US Pacific Command (USPACOM) on its NetOps Analysis Cell (NAC) since 2006. The mission of the NAC is to provide USPACOM decision makers with situational understanding of events occurring both within USPACOM’s area of responsibility and across the Department of Defense that could adversely affect computer systems and networks’ ability to support USPACOM’s mission. Booz Allen’s work is helping the NAC reach across traditional boundaries and analytical approaches to

correlate information, make it understandable, and provide clear steps for managing risk to the networks and military missions.

“While the client thinks about the overall mission, a key supporting mission is to ensure the networks used in theater are operational and that any potential threat scenarios are well understood,” says Joe Mahaffee, a Booz Allen senior vice president in Annapolis Junction, Maryland. “We’ve been playing an integral role with

 **Helping our government and commercial clients address the complexity and breadth of cybersecurity issues requires new thinking.**

USPACOM, making sure its networks are operational and that threats are appropriately identified, contained, and addressed.”

Defense

The Department of Defense (DoD) is one of Booz Allen’s largest clients, and the firm works with the Air Force, Army, and Navy/Marine Corps; the Office of the Secretary of Defense; and Joint Staff and combatant commands. Supporting defense clients at all levels, Booz Allen provides services that extend from high-level strategic assignments to implementation of next-generation information technology systems.

“Booz Allen brings to its defense clients not only a wide range of capabilities, but also quality professionals who are able to approach clients’ problems comprehensively,” says Joe Garner, a McLean-based senior vice president. “We are helping clients shape the future of their mission so they can execute within budget.”

Throughout its defense portfolio, Booz Allen is developing integrated solutions that revolve around collaboration and information sharing, signaling a shift away from an agency-centric approach.

In one such assignment, Booz Allen has provided program leadership and acquisition support services since 2005 to the Joint Program Executive Office, Joint Tactical Radio System (JPEO JTRS), which is developing and producing a family of interoperable software-defined radios to

provide secure, wireless networking communications capabilities for joint forces. For the JPEO, Booz Allen crafted an innovative joint program governance model designed to honor service-specific requirements while maintaining a centralized management approach to developing the JTRS capability.

Since 2005, Booz Allen has been helping multiple defense clients respond to the recommendations of the Base Realignment and Closure (BRAC) Commission to close more than 20 Army, Navy/Marine Corps, and Air Force installations and move personnel to other existing installations. One such client is the Defense Finance and

Another ongoing assignment is Booz Allen's support of the Navy through the firm's work with the Electric Boat division of General Dynamics, the prime contractor for design and construction of the Virginia-class (SSN-774) submarine program. Planning to procure 30-plus SSN-774 submarines through 2020, the Navy's goal was to increase production from one to two boats per year starting in 2012 while achieving a unit cost of \$2 billion (in 2005 dollars)—a 20 percent reduction beyond previously planned efficiency gains. To achieve this cost reduction mandate, Booz Allen developed an approach to design for affordability using an ISSR framework, which evaluates inherent, structural, systemic, and realized costs. In 10 months, the Booz Allen team helped transform the entire submarine acquisition process from design to sea trials. The improvements enabled a reduction in total program acquisition costs of \$3.8 billion and enabled the Navy to accelerate its plan to double the construction rate to two boats per year.

Booz Allen technical and scientific expertise is at work on Air Force projects that could change the nature of flight. One assignment is to develop an innovative jet engine that would have the thrust and speed of a fighter jet, but that could also throttle back to cruise great ranges with high fuel efficiency and lower maintenance costs like a commercial jet. Working with teams at the Air Force Research Laboratory at Wright-Patterson Air Force Base, Booz Allen is deconstructing the way the two types of aircraft engines evolved to tease



Booz Allen helped reduce the cost to build Virginia-class submarines such as the USS Hawaii, the third to be commissioned

Accounting Service (DFAS), which directs, approves, and performs financial accounting activities for the DoD. DFAS is downsizing from 26 to six sites and reducing its staff from 13,000 to 10,000, while undertaking an agency-wide organizational and human capital transformation.

“We’re providing DFAS with services that include change management, strategic planning, and communications,” says Karen Dahut, a Booz Allen vice president based in

McLean. “We began by focusing on four primary work streams: providing a project management tool kit, building the cost framework, integrating the master schedule for transformation, and developing an executive-level dashboard. Then we helped establish an approach for how DFAS will execute the transformation.”

“Booz Allen is helping multiple clients respond to BRAC recommendations, including the Defense Finance and Accounting Service.”

out elements of each that can be combined in a revolutionary new engine. “We have the ability to literally transform aviation,” says Buck Adams, a Booz Allen principal based in Arlington, Virginia. “My guess is that in the next 20 to 30 years, both military and commercial aircraft engines will have these characteristics.”



Alternative energy: a biomass facility that burns rice chaff to generate electricity

Booz Allen also played an important role in helping defense leaders devise long-term strategies for irregular warfare—complex population-centric, political–military struggles waged beyond the scope of more traditional military operations. Under the sponsorship of the Defense Technical Information Center, Information Analysis Contract, Booz Allen worked closely with the US Special Operations Command (USSOCOM) and the US Marine Corps (USMC) to develop the DoD Irregular Warfare Joint Operating Concept, analyze the DoD’s irregular-warfare capabilities, and help stand up the new USSOCOM Irregular Warfare Directorate and the new USMC Center for Irregular Warfare to guide a shift in focus toward this type of conflict.

One of the deadliest threats to American soldiers and coalition forces in war is that of improvised explosive devices, or IEDs. “Today, the IED remains a priority threat and continues to challenge US and coalition forces,” says Brian Abbe, a Booz Allen principal in Eatontown, New Jersey. “The enemy’s implementation of adaptive and clever means to trigger IEDs demands that we remain agile and preemptive in our pursuit of technology-based solutions.”

Supporting the DoD and Federal Bureau of Investigation, Booz Allen engineers are providing technical and forensic analysis of recovered IEDs to map electronic components and triggering mechanisms. The firm has developed a reliable and rapid integration and insertion process for advanced-technology IED electronic countermeasures to aid Army units in protecting the warfighter. The program, developed in partnership with Army clients, has consistently demonstrated

our ability to model, simulate, characterize, test, and field viable solutions in defeating these ever-adapting threats. As a result, while enemies of the US attempt to overcome these countermeasures, Booz Allen, in partnership with the DoD, has been able to anticipate their next move and has enabled solutions to address the next generation of IED techniques. We are paving the way for the mitigation and defeat of IEDs in the field and saving the lives of those who protect our own.

Environment & Energy

As with so many other of the world’s challenges, environmental preservation and sustainable energy intersect in many ways. Working at the confluence of public policy, advancing technologies, and strategic planning, Booz Allen is making a difference for its clients—and the world—at the front lines of these important issues.

“The breadth of our business and our 35 years of experience working on environmental issues makes us uniquely qualified

Booz Allen showed that **106,034 ACRES OF FOREST** has a carbon sequestration value of **MORE THAN \$1.5 MILLION.**

to help clients achieve their environmental goals and ensure those goals align with their organization’s mission,” says Molly Finn, a Booz Allen vice president in McLean.

Consider the Department of Defense, which manages 30 million acres of land containing significant expanses of forests, lakes, streams, wetlands, coastlines, and other natural assets. A military installation may need these assets for particular training activities, such as a desert landscape for maneuvers; the same assets, however, support diverse ecosystems of plants and wildlife. The challenge is developing conservation efforts that sustain both the environment and the military mission.

Booz Allen has helped the military conduct natural infrastructure assessments at more than 50 locations. These assessments define what is needed for the installation to operate; inventory the location’s natural assets; determine the goods and

Clients

services the assets could offer; and characterize the economic and noneconomic value of the natural resources.

In one example, Booz Allen demonstrated that 106,034 acres of forest at the Avon Park Air Force Range in central Florida has a carbon sequestration value of more than



Booz Allen offers innovative approaches for finance clients

\$1.5 million. The Air Force could leverage this public benefit to obtain carbon credits.

Another example of helping organizations meet their environmental goals is our pro bono work with the Wolf Trap Foundation for the Performing Arts and Wolf Trap National Park for the Performing Arts, located in Vienna, Virginia. In March 2007, Wolf Trap launched an initiative to “go green,” and it turned to Booz Allen for help. The firm helped the foundation develop a strategy to meet three greening goals—become carbon neutral, generate zero waste, and engage the greater Wolf Trap community in innovative sustainability initiatives.

Sustainable energy is an integral aspect of good environmental stewardship and business practices. “Our experience with both government and industry clients has given us deep insight into the technical, policy, economic, and regulatory issues impacting energy,” says Dave Aldrich, a senior vice president in McLean. “We help our clients view energy issues in a broad context so that their clean-energy and energy-reduction programs can adjust as the organization changes.”

Booz Allen is taking that kind of holistic approach in its work with the Biomass Research & Development Board, which

consists of presidential appointees from 11 federal agencies and is cochaired by the US Department of Agriculture (USDA) and US Department of Energy (DOE). The Biomass R&D Board called on the firm to help develop the National Biofuels Action Plan to coordinate federal activities in biofuels development.

“From a strategic standpoint, the action plan is crucial,” says Ken Saenz, a Booz Allen principal in McLean. “Use of advanced biofuels can reduce gas costs through blending. These fuels also avoid the food-versus-fuel debate that occurs in grain-based biofuels development.”

To create the plan, a Booz Allen team analyzed the effects of biofuels production throughout the supply chain and identified key areas for federal action: sustainability; feedstock production and logistics; distribution; environment/health/safety; and others. The Biomass R&D Board agencies published the plan in October 2008, and the board has asked Booz Allen to form interagency working groups to resolve the challenges identified in the plan so that government and industry may work together to solve the nation’s energy challenges.

Our work in alternative energy last year also included an engagement with the State of Hawaii, which, with help from the DOE, aims to decrease energy demand and accelerate use of wind, solar, and other natural resources so that renewable energy sources will be sufficient to meet 70 percent of the state’s energy demand by 2030. Booz Allen is analyzing electric and

Booz Allen is helping **HAWAII** toward its goal of **RENEWABLE ENERGY** sources meeting **70%** of the state’s energy demand by **2030**.

transportation systems to identify policy needs and developing the institutional agreements and infrastructure needed to reach the goal.

Finance

Booz Allen has long been a trusted advisor to federal finance and treasury agencies as they have sought to comply with new regulatory requirements, employ technology

Department of Defense

Partnering with BRAC Communities to Plan for Sustainability



**Fort Bragg 1st
Brigade Barracks**

For several years, Booz Allen Hamilton has been working with the US Department of Defense to help implement base realignment and closure (BRAC) actions at installations around the country. Now, it is using a broad range of

expertise to shape a sustainable future for the communities that surround these military installations.

Working with the military services, federally recognized growth management organizations (GMOs), and local officials in areas undergoing realignment, Booz Allen is building on its role as a strategic advisor and facilitator to help leaders envision entirely new communities.

Booz Allen is helping GMOs and other organizations develop plans for schools, hospitals, roads, and even targeted workforce training to make life better for servicemen and servicewomen—and their families—and provide added support for those organizations' missions.

For example, over the next few years, more than 20,000 military and civilian personnel will be moving to North Carolina in an 11-county area surrounding Fort Bragg. To ensure that such growth has a positive impact on local communities, the BRAC Regional Task Force, the GMO for the Fort Bragg area, is coordinating a regional planning effort with dozens of federal, state, local, and private-sector representatives.

"Booz Allen has been instrumental in helping us pull together an action plan for

the transformation of the Fort Bragg region," says Paul Dordal, brigadier general, USAF (ret.), executive director of the BRAC Regional Task Force. "Their assistance with a tabletop planning exercise helped us focus our efforts and brought together stakeholders from the region as well as state and federal agencies."

Will Rowe, a Booz Allen principal in McLean, says, "The North Carolina BRAC Regional Task Force is becoming a national model for communities around the country. Our experience in North Carolina underscores the importance of collaborative public-private partnerships for successful BRAC planning and implementation."

The Fort Bragg area needs to encourage the growth of defense contractors in the region that can help support new missions coming to these growth installations. Workforce planning is just one piece of the planning puzzle. Other pieces include physical infrastructure, economic development, compatible land-use planning, security, and social and health services expansion.

A key aspect of Booz Allen's support is a focus on short- and long-term planning to promote the sustainability of these major growth regions resulting from BRAC implementation and related defense mission movements. Without such planning, these growth regions could encroach on the military installations themselves, eventually restricting the latter's ability to support vital test and training missions.

"We have to help our clients think about regional sustainability," says Rowe, "and how this region, in the next 20 years, can both thrive economically and grow compatibly with the military so that military installations can perform their missions."

to improve efficiencies, and achieve their mission in the face of accelerating changes in the structure of the financial-services industry. As the current US recession and corollary new initiatives increase pressure on organizations charged with the management and protection of the nation's financial system, Booz Allen offers innovative approaches to challenges as varied as bank receivership, payment channel modernization, and cybersecurity.

"What makes Booz Allen different is the level of passion and commitment staff members show toward their work with our



With a history of working across all government and commercial healthcare segments, we look at health in new ways.

finance clients," says Margo Fitzpatrick, a McLean-based vice president. "We work side by side with our clients to help them achieve their mission."

For agencies including the US Department of the Treasury, Internal Revenue Service (IRS), Office of the Comptroller of the Currency (OCC), Federal Deposit Insurance Corporation (FDIC), Federal Reserve Board and Banks (FRB), Securities Exchange Commission (SEC), and Pension Benefit Guaranty Corporation (PBGC), Booz Allen offers domain and functional capabilities, and the ability to solve business problems in innovative ways, drawing from extensive experience in commercial banking, capital markets, regulatory oversight, treasury payment systems, and more.

Even before bank failures began to increase, Booz Allen was helping the FDIC improve its bank receivership systems. The firm developed a customized, scenario-based program—including workshops, tabletop instructional exercises, and simulations—designed to familiarize FDIC executives, managers, and staff members with the challenges and procedures associated with resolving large, complex bank failures.

Booz Allen is also supporting the OCC in its efforts to improve its bank examination systems. For the OCC's Large Bank Supervision organization, the firm helped

implement a technological solution called the Workflow Information System and Document Manager (WISDM). WISDM standardized and streamlined complicated supervisory business processes, provided for more efficient document and records storage and retrieval, increased the security of bank and supervisory data and documents, and allowed for improved collaboration and sharing of data between the community of supervisors and examiners.

In another OCC effort, Booz Allen is developing the so-called Strategies and Resources (STARS) system, which will improve bank management's ability to accurately and realistically plan and schedule examinations, request and assign the examination staff, and improve leadership's ability to track, manage, and compare the performance of examinations within and across bank teams.

Booz Allen also continues to build on a long-standing relationship with the IRS. In 2008, we supported the IRS as it dealt with the critical task of protecting taxpayers' personal information through an engagement with the agency's Office of Privacy, Information Protection and Data Security.

Health

Today's healthcare infrastructure problems are so complicated and intertwined that approaching them from a single viewpoint won't solve them. With a unique history of working across all government and commercial healthcare segments, Booz Allen offers a differentiated perspective on the industry.

"The healthcare industry is highly fragmented, so you can't effect change in a single-faceted way," says Susan Penfield, a vice president based in Rockville, Maryland. "At Booz Allen, we look at a problem from all dimensions, and we examine how all stakeholders will be impacted by changes down the road. We combine vision with pragmatism."

In 2008, Booz Allen's work in the health arena tackled issues that ran the gamut—food safety, electronic health records systems, medical identity theft, public health issues such as HIV/AIDS and Alzheimer's disease, and more.

To improve the safety of the nation's food supply, Booz Allen partnered with the US Food and Drug Administration (FDA) to

US Green Building Council

Meeting Demand with a New Business Model



Chris Smith, chief operating officer of the US Green Building Council (USGBC), had the kind of problem most executives can only dream of. Green building was growing exponentially, and so

was clients' desire to have buildings "third-party certified" by USGBC, a Washington, DC-based nonprofit whose Leadership in Energy and Environmental Design (LEED) Green Building certification program has become the nationally accepted benchmark for green building performance.

In late 2006, big-box retailers, franchisees, hotel groups, and other Fortune 1000 companies with hundreds of individual locations began to place more emphasis on their environmental footprint and were eager to receive LEED certification for their buildings. Meanwhile, USGBC recognized it was not geared to handle the spike in volume and called in a team of Booz Allen Hamilton consultants with broad environmental and construction expertise. The consultants suggested moving the certification process to organizations whose core competency was assessing and validating products and services for their compliance with standards. The model is similar to that used by the International Standards Organization, which oversees more than 17,000 standards for products and services around the world.

"After the first presentation, I jumped out of my chair with excitement—it was

such a compelling idea," says Smith. "We were already going down the path of creating the Green Building Certification Institute to oversee our accreditation and credentialing so that USGBC could focus on providing the tools and education that support our core mission of transforming the built environment for sustainability. This dovetailed perfectly with our transition and immediately provided much-needed capacity."

Smith says it was Booz Allen's depth and experience in many other industries that allowed the consultants to see the answer. "We would never have conceived of this," says Smith. "They presented a turnkey solution to one of our biggest challenges."

LEED-certified buildings have become highly prized assets in corporate America. Operational savings for green buildings can range from 30 to 50 percent in energy usage, and such buildings can reduce carbon emissions by 35 percent, water use by 40 percent, and solid waste by 70 percent.

"Helping our clients serve their clients better is always satisfying," says Gary Rahl, a Booz Allen vice president in McLean. "But

"After the first presentation, I jumped out of my chair with excitement—it was such a compelling idea."

—Chris Smith, Chief Operating Officer, US Green Building Council

in this case, the stakes are bigger than personal satisfaction. Building owners and operators get faster validation that their buildings are high-performance buildings. And as that performance shows up in the environment, in their employees' and customers' health and comfort, and on the financials, they want to build more of them. It's a powerful win-win for everyone."

create the Electronic Laboratory Exchange Network (eLEXNET). This integrated information system replaces out-of-date telephone chains and allows government agencies—including federal laboratories, state and local health departments, and international safety monitors—to regularly and efficiently comb through hundreds of data points to detect problems such as an E. coli outbreak or a bioterror attack before it can turn into a widespread threat to the public's health.

In another engagement related to food safety and security, Booz Allen helped the



Booz Allen helped the USDA increase registration of farm animals to aid in tracing the source of a disease outbreak

USDA increase registration of farm animals to aid in tracing the source of a disease outbreak. Working with the USDA's Animal and Plant Health Inspection Service, the firm created and rolled out an integrated communications campaign that raised awareness of the USDA's National Animal Identification System (NAIS) and ultimately resulted in achieving the goal of 25 percent voluntary NAIS registration of the nation's livestock and poultry producers.

On a completely different healthcare front, Booz Allen proudly serves the nation's "wounded warriors"—the unprecedented number of service members who have survived combat wounds and illnesses. With the number of injured servicemen and servicewomen growing, the DoD and Department of Veterans Affairs (VA) are facing increased demand for health, benefit, and transition services.

"Each organization is doing the best it can, but no one agency touches the entire continuum of care," says Robin Portman, a Rockville-based vice president with Booz Allen. "Inadequate coordination and infor-

mation sharing across disparate caregivers and organizations—and outdated processes and technology—create problems in providing optimal care and benefits."

Addressing this challenge requires a holistic approach, so Booz Allen experts from across the firm came together to conduct a full diagnostic of the continuum of care, encompassing healthcare, benefits, process improvement, strategic communications, and IT. Client challenges the firm is working on include supporting the Army in the implementation of benefit programs such as call centers for veterans, identifying opportunities for collaboration between the DoD and VA, and implementing programs to bring care to veterans living in rural areas.

Booz Allen is involved in a number of other high-impact assignments that address urgent priorities in healthcare research and delivery. The firm is working with the National Institutes of Health (NIH) to build the infrastructure for the National Children's Study, which aims to improve the health and well-being of children by examining the effects of environmental influences on the health and development of more than 100,000 individuals by studying them from before birth to age 21. We are also working with the NIH to build collaborative research environments for certain diseases. These programs are modeled after the highly successful cancer biomedical information grid (caBIG) the firm helped create for the National Cancer Institute to foster research collaboration and, by extension, potentially accelerate the advancement of cancer research and treatment.

Security

One of government's most critical tasks is to secure the homeland. Ensuring the safety of US citizens presents a complex and ever-changing set of challenges, and Booz Allen partners with security clients as they address current and future threats, whether acts of terror, natural disasters, infrastructure failures, or other crises.

"We bring to all of our security assignments an in-depth understanding of the client's mission and operations as well as functional expertise," says Ken Wiegand, a Booz Allen senior vice president in Herndon, Virginia. "And we bring another ingredient that other firms lack, and that is a consult-

ing culture. Our problem-solving orientation means we proactively look for ways to improve processes and operations to benefit our clients and ultimately US citizens.”

Our strong relationship with the security community is reflected in the key leaders who have chosen to pursue second careers as Booz Allen officers, including Joan Dempsey, former member of the president’s Foreign Intelligence Advisory Board; Keith Hall, former director of the National Reconnaissance Office (NRO); Bob Noonan, former Army Deputy Chief of Staff for Intelligence; Carol Staubach, former director of the NRO’s Imagery Systems Acquisition and Operations Directorate; and Rich Wilhelm, former executive director for Intelligence Community Affairs.

Booz Allen supports the missions of homeland security, intelligence community, and law enforcement clients with expertise that includes all-source analysis, threat analysis, risk assessment, counter-terrorism, bioterrorism preparedness, systems development, systems engineering and technical analysis, information technology, assurance and resilience, mission operational support, and wargaming.

One of the firm’s many security clients is the US Department of Homeland Security (DHS), which Booz Allen has been supporting since its inception six years ago. Recently, the Homeland Security

“Our problem-solving orientation means we proactively look for ways to improve processes and operations.”

Advisory Council’s Essential Technologies Task Force asked Booz Allen to make a presentation on how the DHS should acquire the technology it needs. The firm recommended a new integrated approach for determining how and why technology should be acquired. “There are no silver bullets with respect to technology procurement for the DHS,” says Jack Mayer, a Booz Allen vice president in McLean. “However, there are some key principles that the DHS and its units can consider that would make technology procurement

Contractor of the Year

Booz Allen Hamilton was honored to be named 2008 Contractor of the Year in the large company category, at the sixth annual Greater Washington Government Contractor Awards banquet on October 7, 2008. The awards event is sponsored by the Fairfax County Chamber of Commerce, the Professional Services Council, and *Washington Technology*.



more efficient.” For example, rather than taking a stovepiped approach, the DHS could look across agencies at the mission level first, and then identify the technology that would achieve mission goals.

Space

Booz Allen has decades of experience working with a variety of constituencies involved in the business of space, including the National Aeronautics and Space Administration (NASA), Air Force Space Command, Air Force Space & Missile Systems Center, Defense Information Systems Agency (DISA), NRO, and National Geospatial-Intelligence Agency (NGA). In Booz Allen, these players have a partner with the broad perspectives and functional

depth to help them build long-term, sustainable programs in today’s resource-constrained environment.

Booz Allen is supporting NASA’s Constellation program, which aims to return astronauts to the moon by 2020 and establish a base for travel onward to Mars. The firm is providing systems engineering and integration, program management, and strategic and technical services to all levels of the Constellation program. In another NASA project, Booz Allen is helping the International Space Station program realize greater efficiencies.

One of the firm’s more ambitious space engagements has been serving as lead systems engineering and integration contractor for the Transformational Satellite Communications System. Sponsored by the US Air Force, the program will provide the



This Project Was Recognized with the Firm's Highest Award for Excellence

National Science Foundation

Helping the Nation's Foremost Science and Engineering Foundation Increase Productivity and Transparency



NSF funds research in many areas, including king penguins

In 1950, Congress founded the National Science Foundation (NSF), charging it with funding science and engineering research and education. Considered one of the most important grant-making organizations in the US, NSF has funded much of the research

that transforms our lives and how we interact with the world, supporting researchers who have won more than 170 Nobel Prizes.

The foundation, which oversees a \$19.2 billion grant portfolio, recently faced a confluence of business challenges. In response to national concern that the country was lagging in science and education, Congress had increased NSF's grant-making funding by 70 percent over the past 10 years. Simultaneously, however, budgets for staffing and related resources increased only 10 percent, leaving NSF to solve a tricky equation—how could it manage bigger budgets, review and fund more grants, provide additional oversight, and establish more rigorous processes to ensure accountability—all without an increase in staff support?

In 2000, pressure came to a head—NSF faced external scrutiny of its oversight and performance, as well as demands for clarity regarding the proposal review process. In response, NSF developed a plan to bolster its position as a science and research leader, manage the responsibilities associated with its increasing budget, and create and implement an approach to streamline the grant process. The plan

called for improvement in three critical areas—people, processes, and technology.

NSF engaged Booz Allen Hamilton to implement the plan by driving three work streams: define new business processes, retool the NSF workforce, and plan and implement the IT tools and infrastructure needed to support the new processes. A Booz Allen team leveraged the firm's best thinking concerning business process analysis, human capital planning, and IT architecture development, and helped NSF increase its productivity without eroding its reputation for intellectual excellence. The program recovered nearly \$825,000 in unused contract funds in less than four months, transformed human capital management for more than 33 percent of the staff, and developed NSF's enterprise architecture.

The results of this work have been extensive, fast, and sustainable; the foundation now executes many more grants each year than it did prior to the engagement, and it does so with the same number of staff and notably enhanced scientific rigor, oversight, and impact. Its proposal process is easier to use, which, combined with life-cycle electronic grant proposal and award management, enables applicants to stay up-to-date on where they are in the review process. In the five-year period beginning in 2002, NSF became a complete end-to-end proposal and grant management agency.

NSF is charged with strengthening the nation's reputation as a leader in science and engineering education and research. Now, with its internal processes and policies aligned, NSF is well positioned to focus on maintaining this critical role by engaging the science and research communities at an unprecedented level.

DoD with high-capacity, secure communications through a constellation of satellites.

Drawing on its unrivaled expertise in large-scale transformation, Booz Allen helped change the future of the US space launch industry through its involvement in the creation of the United Launch Alliance (ULA). The main space launch vehicle provider to the US Air Force, NRO, and NASA, the ULA is a joint venture of Boeing's Delta program and Lockheed Martin's Atlas program. Throughout 2007 and into 2008, Booz Allen led ULA through a transformation project that touched nearly all operational areas and a wide range of government and commercial stakeholders.

"Our greatest challenges involved merging two different company cultures, cost accounting structures, and processes, while defining a common view of an affordable space launch for national security," says Mike Jones, a Booz Allen vice president in McLean. "By gathering the right staff and applying the firm's unique consultative approach, we ensured that the transformation was a success."

Indeed, annual cost savings exceeded the client's goals and also surpassed the return on investment requirement mandated by the ULA's government customers. Just as important, the ULA has continued to perform without any interruptions to its operations or launches.

Transportation & Infrastructure

Booz Allen undertook its first transportation assignment—market research for the Illinois State Railroad—in 1914, the year the firm was founded. Since then, the firm has been working with public- and private-sector transportation clients to develop and execute strategies for achieving organizational and business goals related to congestion and capacity, sustainability, finance, safety, security, and technology.

In the aviation industry, Booz Allen has been providing both technology and management consulting expertise to clients since its first aviation assignment, for United Airlines, in 1930. The industry is in the midst of wholesale changes to its infrastructure, workforce, and operating models, and Booz Allen is providing its clients expertise across every stage of transformation, from vision to implementation.

"Booz Allen offers a global perspective on issues relevant to aviation and air traffic management," says Ghassan Salameh, a senior vice president in McLean. "There is an increasing emphasis on systems integration, implementation, and the harmonization of technologies, policies, and procedures. Our diverse perspective offers clients a view into the broader issues and implications."



Booz Allen is supporting the FAA's Air Traffic Organization with the largest organizational transformation in the agency's history

In 2008, Booz Allen continued its work on the US Next Generation Air Transportation System (NextGen), a multiyear transformation effort to develop an air traffic management system capable of handling the projected increase in air traffic operations over the next decade and beyond. Coordinating the efforts of the numerous agencies involved in developing NextGen is the FAA's Joint Planning & Development Office (JPDO). Booz Allen partnered with JPDO to deliver the NextGen concept of operation, enterprise architecture, integrated work plan, and business case for developing and implementing NextGen capabilities.

Booz Allen is also supporting the FAA's Air Traffic Organization with the largest organizational transformation in the agency's history, providing organizational design, business process reengineering, and strategic communications expertise for change management initiatives. In addition, Booz Allen recently began work on the Air Traffic Control Optimum Training Solutions contract as the principal subcontractor to Raytheon. And the firm is supporting the FAA's Flight Standards Service office with improvements in how it conducts safety oversight.

Booz Allen was presented with two



This Project Was Recognized with the Firm's Highest Award for Excellence

Defense Information Systems Agency

Changing How Commercial Satellite Communications Services Are Delivered to the Warfighter



DISA acquires commercial SATCOM services for the DoD

The United States Department of Defense (DoD) is not your typical telecommunications client. The department's global footprint requires a vast network of ground- and space-based systems to meet telecommunications needs, and consider-

able bandwidth is critical to supporting the military services, defense agencies, and combatant commands.

As these needs expanded in recent years, DoD faced a tenfold increase in demand for satellite bandwidth and had to face the fact that its own aging satellite network was not able to satisfy that demand. The Defense Information Systems Agency (DISA) was responsible for acquiring commercial satellite services for DoD to meet that satellite bandwidth need.

Pressure on DISA mounted in 2004, as the use of commercial satellite services became more necessary and scrutiny of the agency's ability to deliver became more intense. The pressure resulted in Congress asking the Government Accountability Office (GAO) to conduct an audit assessing the effectiveness of DISA's commercial satellite communications (SATCOM) program. The GAO concluded that DISA faced price, responsiveness, and customer service challenges.

To address these GAO findings, Booz Allen Hamilton's engagement with DISA

transformed the agency's commercial satellite services function. The work included a detailed review of how DISA acquired its services, an analysis of how competitive these services were compared with those of the commercial marketplace, and an in-depth evaluation of how DISA interacted with customers.

One of the most critical aspects of Booz Allen's work with DISA was a congressionally directed spend analysis, which not only avoided a looming 50 percent congressional withhold on the agency's upcoming fiscal year funding, but found that DISA's costs were low—25 percent lower on average—compared with market averages.

"Booz Allen performed a complete spend analysis of DoD use of commercial SATCOM over six years, and used that analysis to recommend a strategy...all within five months. Subtracting the time to develop the plan, obtain department buy-in,

"Booz Allen performed a complete spend analysis and recommended a strategy. When the job was complete, not a single naysayer was left."

—Rebecca Cowen-Hirsch, former Director, Program Executive Office

get the data, and communicate the results, little more than two months was left to do the actual work. But the Booz Allen team responded," said Rebecca Cowen-Hirsch, who at the time was the director of the Program Executive Office for SATCOM, Teleport, and Services. "When the job was complete, not a single naysayer was left. Booz Allen had proven that the agency was getting exceptional value compared with other DoD commercial SATCOM buyers... and even the commercial marketplace."

industry awards last year for its work in the aviation sector. The firm received the Vision 100 award from the FAA Joint Planning and Development Office for outstanding leadership in achieving NextGen goals, and *Air Traffic Management* magazine named Booz Allen “Best Consulting Firm to the Air Traffic Management Industry.”

The development of new transportation systems that can meet burgeoning demand and improve safety is also a concern on the ground. Booz Allen is working with the US Department of Transportation on an initiative called Vehicle Infrastructure Integration (VII), whose objective is to evaluate the technical and economic viability of deploying a nationwide communications network on the roadways. Using advanced wireless communication among vehicles and between vehicles and roadside devices, VII would save lives through accident prevention and relieve traffic congestion through improved flow. Booz Allen is serving as lead systems integrator and a key technology partner for VII, which in late 2008 underwent proof-of-concept testing.

Environmental concerns are also shaping Booz Allen’s work in transportation. “To me, the most exciting thing we’re doing now is greening the transportation system,” says Gary Schulman, a vice president in McLean. “It has been a hot topic in Europe, and now it’s moved to the US.”

In 2007, Booz Allen drew on its expertise in alternative fuels and transportation systems to show the City of New York how it could manage its fleet of 25,000 vehicles in an environmentally responsible way.

Booz Allen’s **LANDMARK REPORT** showed how a **25,000-VEHICLE FLEET** could be managed in an environmentally responsible way.

The landmark report could help other large public and private fleets go green.

Booz Allen has helped other municipalities examine strategies to reduce traffic congestion through pricing schemes that would introduce tariffs on vehicles entering congested areas at peak times. The tariffs would be a disincentive to drivers and would reduce pollution and save energy.

Another way to address congestion is by improving infrastructure. Although many roads, rail lines, and airports have been built or upgraded, need is growing at a faster pace. The development of new transportation systems to meet demand and the

“Booz Allen is a trusted advisor to clients as they develop new transportation systems to meet demand.”

repair of aging systems are likely to be continuing concerns, and Booz Allen’s insight into the entire transportation industry combined with its systems engineering and integration expertise means the firm will continue to be a trusted advisor to clients.

Helping Clients Be Ready for What’s Next

Booz Allen is honored to be playing a crucial role in helping clients in government, industry, and nonprofit spheres overcome their most complex challenges and meet their mission. We relish this work because it provides us the opportunity to make a difference in the world—to serve society by serving our clients.

“Everyone at Booz Allen has a common goal, which is to help our clients succeed,” says Pat Peck, a senior vice president in Herndon. “We are committed to tapping into the full expertise of the firm to address their problems holistically, which is becoming even more important as missions and mandates increasingly overlap and stakeholder communities grow larger. Our unrivaled, comprehensive approach results in integrated solutions and lasting results for our clients.”

The world remains an uncertain place, but stasis is never an option for an organization that wants to succeed. As our clients prepare for the future, we will continue to serve them as a trusted, impartial advisor on their toughest challenges and greatest opportunities, helping them prepare for what’s next.

Thought Leadership

When an organization delivers value through the excellence of its people and ideas, rather than a manufactured product, then what the firm says, knows, designs, creates, reports upon, and innovates—in all, its intellectual capital—uniquely distinguishes it. At Booz Allen Hamilton, intellectual capital is a distinctive core asset that greatly enhances the firm's value to clients.

In such critical areas as cybersecurity, healthcare systems, defense transformation, and human capital management (to name just a few), Booz Allen has turned knowledge gained from and created during real-world client engagements and innovative ideas developed in its internal research into practical but novel solutions to important, complex problems.



Booz Allen has a decades-long legacy of innovative thinking that greatly enhances the firm's value to clients.

Our thought leadership is a constant source of pride and represents well the DNA of our firm.

Throughout the past year, Booz Allen's experts built on the firm's long history of presenting its best ideas at global conferences and in white papers, reports, and books distributed and referenced on the Web; on television and radio; and in print in such renowned publications as *Harvard Business Review*, *MIT Sloan Management Review*, and *Vital Speeches of the Day*. Some examples of this range of Booz Allen's intellectual capital are featured on the pages that follow.

Unmanned and Robotic Warfare



Booz Allen has a long tradition of taking on a leadership role to help shape and inform the ideas of leaders as they prepare for potential challenges. One issue the US military is facing is an imminent revolution in warfare in which unmanned and robotic systems will assume a prominent, if not dominant, position in military doctrine, strategy, and tactics.

Last June, Booz Allen and Harvard University's John F. Kennedy School of Government convened a group of senior American military leaders (both retired and on active duty, from all service branches), senior civilian staff, Harvard professors, and

Booz Allen experts to explore the extraordinary recent developments in unmanned and robotic warfare. Over a two-day session, the 32 participants reviewed the past 10 years of progress in unmanned warfare, assessed its current state, and identified future issues, including program funding, maintenance of the US's current asymmetric advantage, ways to adapt existing platforms, and issues involving leadership, ethics, and accountability. Afterward, Harvard and Booz Allen jointly published "Unmanned and Robotic Warfare: Issues, Options, and Futures," which offers the considered views, often in remarkable consensus, of some of our nation's most experienced military and civilian leaders.

The Military Meets Generation Y



The established order of the American military is being challenged by the attitudes and tastes of so-called Generation Y,

those born after 1978. The first group to grow up with the majority of its members taking online access for granted, Gen Y has already forced the military to address, for example, attempts to use the networking site Facebook to help organize squadrons.

In the *strategy+business* article "Military of Millennials," Booz Allen Vice Presidents Art Fritzson, Lloyd W. Howell Jr., and Dov S. Zakheim offer policies and management reforms that can invigorate the relationship between established organizations and a generation shaped by iTunes and the desire for a better work-life balance.

The authors point to the posi-

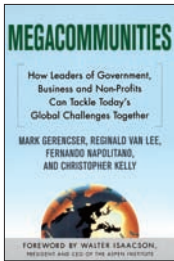
tives: With a greater emphasis on family than the divorce-plagued Generation X that preceded it, Generation Y (or the millennials, as its members are also known) most closely resembles its grandparents' World War II generation. Millennials are committed to community and teamwork; they enjoy volunteering for nonprofit activities. "If the current leadership in the public and private sectors learns to accept, deploy, and manage Generation Y effectively, the millennials could even provide an echo of the grit and selfless heroism that inspired journalist Tom Brokaw to label their grandparents 'the greatest generation,'" the authors contend.

To reach Generation Y, use of the Internet is a must. This fact is well known to the US Navy, which places recruitment videos on YouTube, and the Central Intelligence Agency, which advertises on Facebook. In fact, the qualities of openness and voluminous commu-

nication fostered in a generation in which if you breathe, you blog—or at least text message or IM—suggest strongly that Gen Y reacts well to management styles that foster creativity, initiative, and group work. Moreover, these qualities speak well to the group's ability to make decisions in a decentralized environment.

Although this network-savvy generation could be the perfect antidote to the asymmetric enemy that the world faces in loosely organized terrorist groups, the military must be careful not to weaken its linear command-and-control structure as it morphs around this new generation of leaders. In the best of all worlds, the authors note, Generation Y's inherent strengths will make the military more nimble and flexible and less stratified, while the military will give Generation Y the overlay of structure and direction that it most needs.

The Age of Megacommunities



Efforts to solve large and seemingly intractable problems—those involving, for example, social policy, health-care, geopolitical instability, and globalization—demand resources marshaled from all levels and sectors of society in a dedicated group. Known as megacommunities, these ambitious new joint ventures are made up of flexible and adaptable representatives of interested, influential organizations—public, private, and not-for-profit—working together to orches-

trate solutions to critical problems that would be too difficult for any party to tackle alone.

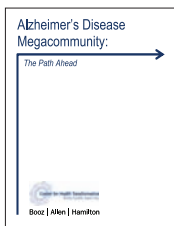
In *Megacommunities: How Leaders of Government, Business and Non-Profits Can Tackle Today's Global Challenges Together* (Palgrave Macmillan, 2008), Booz Allen Senior Vice Presidents Mark Gerencser and Reginald Van Lee and Vice President Christopher Kelly, along with Booz & Company Partner Fernando Napolitano, offer a far-reaching guide to building such networks.

The authors draw on interviews with more than 100 leaders from business, government, and nonprofit organizations, including

Bill Clinton, Henry Kissinger, Hank Paulson, Melanne Verveer, Jody Williams, Kenneth Chenault, and Richard Parsons. The book also demonstrates how megacommunities work in a variety of settings, such as in confronting HIV/AIDS in India, conserving the world's rain forests, and strengthening the community of Harlem.

In a review of *Megacommunities* published in the June 2008 issue of *Harvard Business Review*, Lew McCreary writes that the book is “an optimistic handbook for creating promising frameworks for change that balance ideals with realities, the perfect with the good.”

Alzheimer's Disease: The Path Ahead



Booz Allen and the Center for Health Transformation, founded by Newt Gingrich, convened a megacommunity of nearly 80 leaders in all sectors to participate in a strategic simulation in September 2007. The primary objective was to explore how

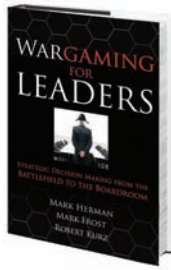
collaboration could enhance the prevention and detection of Alzheimer's disease and improve the treatment and care of those who have it, in order to mitigate the impact of the disease on patients, caregivers, and the broader society. Participants included teams representing health-care providers, pharmaceutical companies, medical equipment makers, academia, government, insurance companies, public advocates, and patients and their families.

“Participants identified and explored key challenges that might best be conquered through collaborative efforts, as well as opportunities for

working together to help find a cure for Alzheimer's disease,” says Booz Allen Vice President Susan Penfield. “In fact, the megacommunity identified four specific areas where collaboration among the members was necessary.” The four areas were efforts to increase awareness of the urgency of the Alzheimer's disease crisis, empower patients and caregivers, accelerate discovery of a cure, and transform the care model.

The insights gleaned from the strategic simulation and recommendations for the future were published in a report titled “Alzheimer's Disease Megacommunity: The Path Ahead.” Booz Allen is now helping the megacommunity move from planning to action by supporting the Alzheimer's Study Group, a task force charged with creating an Alzheimer's “national strategic plan,” and Leaders Engaged on Alzheimer's Disease, the formal name for the Alzheimer's disease megacommunity, which will execute the national strategic plan.

Wargaming for Leaders



In a world characterized by asymmetric conflict, security threats, ruthless competition, and economic uncertainty, large institutions place a

high premium on testing plans and strategies before the point of no return. Government organizations, global corporations, and groups whose members are drawn from the public, private, and civil sectors—known as megacommunities—can use the tool of wargaming to test assumptions, mitigate risk, and reveal the unintended consequences of decisions yet to

be made. *Wargaming for Leaders: Strategic Decision Making from the Battlefield to the Boardroom* (McGraw-Hill, 2008) explains how.

Wargames (also called strategic simulations) are collaborative problem-solving exercises that enable participants to work in a controlled setting to understand—in advance and in a risk-free environment—possible issues and outcomes of complex and fast-moving situations. They can then apply the findings to shape the real situation or decision with which they are grappling.

Written by Booz Allen Vice President Mark Herman and Principals Mark Frost and Robert Kurz, *Wargaming for Leaders*

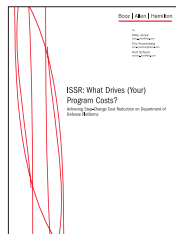
explores valuable lessons-in-advance gleaned from military wargames and wargames for business and megacommunities.

Drawing on their decades of experience in conducting strategic simulations for Booz Allen clients, the authors explain how they used wargaming to help the US military outmaneuver foes and understand the dynamics of future warfare, and to help companies such as Caterpillar and ConAgra counter competitive threats. They also show how wargames can bring together diverse constituents to forge the mutual understanding and collaborative solutions needed to respond to post-9/11 terrorism or an avian flu pandemic.



Wargames enable participants to understand in advance possible issues and outcomes of complex situations.

ISSR: Achieving Step-Change Cost Reduction



Program managers and defense manufacturers are frequently caught between opposing imperatives: delivering increasingly capable and complex systems and simultaneously reducing costs. Yet the traditional approach of squeezing out savings through incremental cost-reduction initiatives focused on such categories as labor and overhead “no longer supports the targets required by Department of Defense pro-

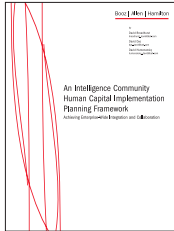
grams,” note Booz Allen Vice President Mike Jones and Senior Associate Kurt Scherer, along with Booz & Company Principal Eric Kronenberg, in their white paper “ISSR: What Drives (Your) Program Costs?” The authors show that opportunities for considerable, lasting savings can be found in how a system is designed and built.

To identify, analyze, and address a program’s cost drivers, Booz Allen applies its integrated ISSR framework. ISSR evaluates cost drivers in four categories: inherent (driven by platform

design), structural (driven by how the product is made), systemic (driven by how production is managed), and realized (driven by the actual work practices).

The rigorous and comprehensive nature of Booz Allen’s ISSR approach is collaborative, drawing together government stakeholders and suppliers, and the approach ensures that all cost-cutting measures have been explored and vetted for maximum benefit. Additionally, the focus on material and manufacturing build costs achieves enduring step-change cost reduction.

An Approach to Human Capital That Translates Policies into Practice



Human capital—the skills, insights, experience, and motivation that people bring to their jobs—is a critical contributor to an organization’s success. But many organizations find it difficult to implement and sustain change programs involving human capital, even if they are well designed.

In the fall of 2008, Booz Allen Hamilton—long recognized as a thought leader in solving organizational problems—published “An Intelligence Community Human Capital Implementation Planning Framework,” written by David Broadhurst, executive advisor to Booz Allen, and Booz Allen Principal David Dye and Vice President David Humenansky.

Tailored to the US intelligence community, which is working toward building a culture of collaboration across its numerous agencies, the framework is part of a capability developed by the firm to help organizations effectively implement

human capital initiatives by providing questions to be addressed, activities to be carried out, and methods for measuring success over time.

The intelligence community-wide framework can translate human capital strategies into implementation plans that feature a common approach for making those strategies operational while preserving the unique characteristics of each agency. It addresses the gap between policymakers and policy implementers by providing repeatable procedures for human capital initiatives. When implemented, the procedures can achieve outcomes such as collaborative planning and execution, sharing of best practices and resources, practicality, and sustained results.

The framework is being put into practice as part of the Intelligence Community Round Table Series, a structured learning forum in which information is developed and shared with agency stakeholders. Series participants use the framework and its elements as discussion items to weigh risks and rewards from different points of view.

Making Transformation Stick



The federal government is facing greater pressure to transform itself than it has ever faced before.

After the lack of disaster prepared-

ness that led to the Hurricane Katrina debacle and the faulty intelligence analysis regarding Iraq, more than 80 percent of the agencies in Washington are preparing major changes in the way they operate. With so much transformation in the air, it is fitting to ask the question, When do change efforts actually result in change,

and when do they merely devolve into more of the same?

David Humenansky, a Booz Allen Hamilton vice president, parses the difference in “The Maze of Change,” an article published in *Government Executive* magazine. Humenansky argues that change initiatives often fail because they are one- or two-dimensional. For instance, if an organization perceives a new information system to be a technology project and nothing more, the outcome will be inadequate. Technology is critical, of course, but so are the people who will oversee the system, the business

processes with which the technology must be integrated, and the workplace that the technology is designed to help manage.

None of these aspects of change can be seen as a stand-alone activity; changes in people, processes, technology, and infrastructure must all be aligned, Humenansky explains. He concludes that “no single set of instructions can produce enduring transformation in all instances.” But with Booz Allen’s holistic, multi-disciplinary Transformation Life Cycle approach to transformation, any organization can put itself in the best position to succeed.

Aspen Ideas Festival



A centerpiece of Booz Allen's commitment to inspire and participate in probing discussions about the world's most pressing chal-

lenges is the annual Aspen Ideas Festival, which the firm has sponsored for the past four years. Organized by the prestigious Aspen Institute, the weeklong July forum brings together leaders in science, business, politics, the arts, and academia for programs that touch all parts of society.

For the 2008 event, Booz Allen worked closely with the Aspen Institute to help shape thinking about key issues related to global security, health, energy, and food shortages, and to help frame the event in light of critical issues that the new US presidential administration would face.

Among the many panels in which Booz Allen participated was one titled "Web 2.0 and Beyond: What Does the Cyber Future Hold?" The panel was moderated by Booz Allen Vice President Joan Dempsey and explored many questions, including, How do we preserve the open nature of the Internet? How do we secure the Internet in a manner that protects corporate America's intellectual property and the nation's critical infrastructure, while maintaining information dominance for our military and preventing the ability of adversaries to exploit cyberspace?

Representing Booz Allen on the topic of healthcare was Vice President Robin Portman, who moderated a panel titled "Looking to the Future: Staying Healthy Is the Way to Prevent Cancer and Heart Disease." The discussion considered one unavoidable fact: We cannot effectively address the

escalation of healthcare costs in the US until we acknowledge the burden of chronic diseases.

The breadth of Booz Allen's expertise is evidenced by the other sessions at which the firm's leaders shared their perspectives and experiences: Vice President Christopher Kelly participated in a panel titled "Addressing Global Challenges through Collaborative Networks"; Vice President Gary Labovich moderated a plenary session called "Innovation Engines: Where Will the Next R&D Breakthroughs Come From?"; Vice President Bill Thoet moderated a panel titled "The Global War on Terror: Is America Fighting the Right War?"; and retired Vice President R. James Woolsey participated in a plenary session, "Climate and National Security: Impacts on Foreign Policy," and a tutorial, "Balancing Liberty and Security in a Globalized World."

Solid Connections



Good products have failed, lives have been cut short, and battles have been lost because critical resources didn't get to the right place at the right time. Logistics is the art and science of making goods and services arrive when and where they are needed—

and it is a critical capability that Booz Allen brings to its clients. Booz Allen Chairman & CEO Ralph W. Shrader captured today's logistics and leadership challenge in his keynote address, "Solid Connections in a Liquid World," at the National Defense Industrial Association's 2007 logistics conference. It was reprinted in *Vital Speeches of the Day*, and subsequently appeared as a column

in *MIT Sloan Management Review* and was commented upon in leadership blogs over the past year.

Emphasizing the interconnection of leadership, logistics, and linkages in today's fluid, unpredictable world, Shrader argued the counterintuitive premise that less is more. In leadership, less instant is more thoughtful; in logistics, less rigid is more capable; and in linkages with others, less virtual is more personal and powerful. He emphasized that a key aspect of solid leadership in a liquid world is informed decision making, so leaders need to focus attention on the most important matters. His strategy for focus is to be "minds on, but hands off," meaning leaders are *responsible* for everything important in their organizations, but shouldn't try to *do* everything important.



“*Booz Allen’s more than 20,000 people have a passion for excellence and for making a difference. They have not only brains but also heart.*”

—Ralph W. Shrader, Chairman & Chief Executive Officer

Our People

At Home, in the Community, Changing the World

Booz Allen Hamilton's stated commitment is to be the absolute best management and technology consulting firm. We know we can achieve that only if we are the employer of choice for the best people. That is why Booz Allen furthers the accomplishments of its people through challenging work experiences, ongoing learning opportunities, and the chance to make a difference. Year after year, we provide an open and diverse proving ground for our people to help clients solve their most complex problems and achieve mission success, while simultaneously encouraging them to engage in, and make a difference in, the communities where they live and work.

Because our employees are our most tangible product, attracting and developing talented people is essential to our firm's—and our clients'—success. When people join Booz Allen, they become part of an inclusive work environment. More than a dozen grassroots company forums target specific cultures and career experiences—such as Asian Americans, Native Americans, current and former armed forces personnel, flex workers, and gay, lesbian, bisexual, and transgender persons—and offer structured networks where employees can share knowledge and raise cultural awareness.

Booz Allen also devotes significant resources to a powerful diversity program, because the company believes that an environment that fosters inclusion and opportunity for everyone ultimately creates teams equipped with a more wide-ranging perspective and novel ways of examining ideas. That, in turn, produces better, more creative results for clients.

And while we embrace and encourage diversity, we are unified by our common core values: client service, diversity, excellence, entrepreneurship, teamwork, professionalism, fairness, integrity, respect, and trust. The result is a stimulating environment and a workforce that is vibrant and energized. Stimulated by the power of ideas and solutions, Booz Allen people thrive in a team-based, nonhierarchical atmosphere with no predetermined recipe for success.

It's no wonder Booz Allen has served as a trusted long-term partner to organizations ranging from the largest federal institutions to the smallest community not-for-profits. It all goes back to our people—20,000 strong, who share positive values and a dedication to excellence in everything they do. On the following pages, we salute some of these exemplary employees.

Cultivating Talent Day and Night



A very simple yet inspiring philosophy drives **Will Nevilles**. “My passion is people and using my experience and perspective to make those around me better at what they do,” he says.

In Nevilles’s case, that means dividing his professional life into what he jokingly calls his “day job” at Booz Allen, working as a principal on the Assurance and Resilience team in San Diego,

and his equally challenging “night jobs,” teaching business management courses as part of the firm’s Learning and Development team and serving on the boards of several organizations, including the San Diego chapters of the National Defense Industrial Association (which strengthens cooperation between government and industry), Operation Homefront (which provides emergency assistance to the families of US troops in combat), and Hoover High School’s Academy of Information Technology.

“To establish person-to-person connections in the classroom, on boards, and at Booz Allen, I relate stories about my background, which is more varied than a lot of people’s,” Nevilles explains. Before joining Booz Allen in 2003, he served as director of the Air Defense Artillery Test Directorate in the US Army and held several senior corporate positions. “Every step has been solid preparation for being a teacher and a role model,” he says.

Perhaps nowhere is that more apparent than at Hoover High School, an inner-city school where some 400 students are enrolled in the Academy of Information Technology. With mentors like Nevilles and approximately 30 other Booz Allen consultants, these teenagers are gaining advanced knowledge about computers and programming and getting a head start on their way to college.

After working with Nevilles, one Hoover student wrote to him that “the things you’ve told me...make me want to go further in my major and to really think about things in life worth living for.” About the letter, Nevilles says, “You get something like this, and it’s instantly worth all the time and sweat.”

“***My passion is people and using my experience and perspective to make those around me better at what they do.***”

An Employer of Choice

IN THE PRESS

Over the years, Booz Allen Hamilton has been recognized with dozens of awards from major publications celebrating the firm's excellence as a workplace. And although it is rewarding to be cited in this way, the recognition means much more to us: It demonstrates that among hundreds of large and small companies, we consistently provide our people with a place to work that challenges and satisfies them while it strives to make them better.

Among Booz Allen's more prestigious accolades in 2008 was being named to *Fortune* magazine's "100 Best Companies to Work For" list for the fourth consecutive year. The magazine cited such sought-after benefits as a job-sharing program, compressed workweek, telecommuting options, on-site child care, on-site fitness center, and subsidized gym membership, as well as Booz Allen's unusual policy of "plunking 10% of employees' pay into 401(k)s, regardless of whether they contribute." In addition, *BusinessWeek* named Booz Allen to its 2008 list of "Best Places to Launch a Career." And *Working Mother* cited the firm's flextime, child care, and telecommuting options in naming Booz Allen to its "100 Best Companies for Working Mothers" list in 2008, for the 10th consecutive year. "By helping employees manage their work/life demands, Booz Allen is creating a highly motivated workforce," said Suzanne Riss, editor in chief of *Working Mother*.



Additional Recognition

US company providing the "Best Entry-Level Jobs"

—*The Princeton Review*

"Top 100 Adoption-Friendly Workplaces" in the US

—The Dave Thomas Foundation for Adoption

"Top 25 Technology Consulting Firms"

—*Vault Guide to the Top 25 Technology Consulting Firms*

"10 Best Firms to Work For"

—*Vault Guide to the Top 25 Technology Consulting Firms*

"100 Best Places to Work in IT"

—*Computerworld* magazine

"2008 Best Diversity Company"

—*Diversity/Careers in Engineering & Information Technology* magazine

"Top 50 Military-Friendly Employers"

—*G.I. Jobs* magazine

"Top 10 Hall of Fame"

—*Training* magazine

"Alfred P. Sloan Award for Business Excellence in Workplace Flexibility"

—Washington, DC, Chamber of Commerce

"Great Places to Work" in the Washington, DC, metro area

—*Washingtonian* magazine

"Best Places to Work in Greater Washington"

—*Washington Business Journal*

"Best Places to Work" in San Antonio

—*San Antonio Business Journal*

"Best Places to Work" in New Orleans

—*New Orleans CityBusiness* newspaper

"Best Places to Work" in Hawaii

—*HawaiiBusiness* magazine

"Best Places to Work" in Huntsville, Alabama

—Chamber of Commerce of Huntsville/Madison County, North Alabama Society for Human Resource Management, and National Children's Advocacy Center

"Workplace Excellence Seal of Approval"

—Maryland Work-Life Alliance

A Model of Service



Keisha Edwards, an associate based in Atlanta, believes community involvement is virtually embedded in her DNA. “Serving others was a value instilled in me when I was young,” she says, “and working in the community brings balance to my life.”

Growing up in Gainesville, Florida, Edwards delivered meals to shut-ins and the elderly, and participated in her high school chapter of Students Against Drunk Driving (SADD). While attending Duke University, she tutored high school students, and after graduating, she taught high school English. Like her grandmother, mother, and sister before her, Edwards is an active member of Alpha Kappa Alpha sorority, which dedicates itself to sisterhood and service.

At Booz Allen, Edwards has excelled professionally while pursuing her passion for helping others. For her accomplishments involving serving clients in the public health sector, she received a 2007 National Women of Color Technology Award. She also served as cochair of the Atlanta chapter of Booz Allen’s Workforce Leadership Council (WLC), which organizes programs in the areas of diversity, networking, and professional development. More recently, Edwards was elected to the WLC Executive Leadership Team as diversity co-lead.

Edwards has witnessed in action Booz Allen’s long-held belief that doing good business and being dedicated community partners go hand in hand. “I see Booz Allen clients at an event like the diabetes walkathon, and they realize that our dedication to public health isn’t an act,” she says. “We’re making a difference.”

Inspiring Individual, Lasting Legacy

PARTNERSHIP

Craig Miller was a Booz Allen senior associate who brought out the best in his colleagues. In 1999, when several of Miller’s co-workers learned that he had amyotrophic lateral sclerosis (ALS), more commonly known as Lou Gehrig’s disease, they were so moved by his courage and ever-present optimism that they wanted to do something to help eradicate this fatal disease. Thus began Booz Allen’s involvement with the ALS Association, one of the most personal and employee-centric nonprofit partnerships ever maintained by the firm.



Booz Allen helped launch the first Walk to Defeat ALS in 2000 and now participates in ALS walks nationwide

“One of the truly inspiring aspects of our involvement with ALS is to see how a philanthropic partnership, born of our respect for Craig, has evolved as more and more Booz Allen people across the US have joined the effort,” says Ken Wiegand, a senior vice president in Herndon, Virginia, and a member of the ALS Association’s national board of directors.

Designated an ALS Association Partner for Hope, Booz Allen is among a handful of organizations working on a corporate level to serve the association's community outreach and patient services programs. Over the years, the firm's support has included providing consulting and marketing services for the inaugural Walk to Defeat ALS in 2000, raising hundreds of thousands of dollars in contributions through staff participation in nationwide fund-raising events, and reviewing the association's strategic plan in 2008.

Miller died on December 15, 2007, at the age of 52, but his legacy endures. Several weeks after his death, dozens of Booz Allen staff, along with Miller's two adult sons and his wife, Betty, gathered in McLean to remember the man "who always had that sparkle," as his colleague Becky Kirby puts it. "Despite the tears, we adhered to Craig's wishes to use the occasion not to mourn his death, but to celebrate his life," says Kirby, a McLean-based senior associate. "Craig has inspired so many of us to get involved and make a difference."

“One of the truly inspiring aspects of our involvement with ALS is how a philanthropic partnership, born of our respect for Craig, has evolved as more people have joined the effort.”

— Ken Wiegand, Senior Vice President,
Herndon, Virginia



Reaching New Heights

Mark Lester believes that great leadership brings great results. And he's proving this point as a board member of Leadership Pikes Peak, a not-for-profit organization in Colorado Springs that develops community leaders. "There are so many parallels to how we work at Booz Allen and what Leadership Pikes Peak is doing to train leaders," says Lester, a senior associate who develops proposals with teams across the firm. "It's all about working collaboratively to effect change."

Lester's involvement with Leadership Pikes Peak began in 2003, when he took the organization's 10-month leadership training course, which introduces promising executives to the business, government, nonprofit, and economic environment of Colorado. He eventually served as president of the organization. In 2007 and 2008, Lester led a coalition of the organization's alumni to successfully press state representatives for legislation that would provide greater benefits for the considerable number of military families living locally. "We pulled together a disparate group of community leaders to join up for a common cause," Lester says. "Valuing and sharing the ideas from a diverse group is where true change can occur."

Lester's professional and philanthropic accomplishments have earned him notable recognition. As one of 15 business leaders under age 40 who have made significant contributions to their community and industry, he was named a 2007 Rising Star by the *Colorado Springs Business Journal*.

Diversity Enriches Us All



VALUING DIFFERENCE

“At Booz Allen, we believe that diversity enhances the culture and performance of the firm, amplifying the collective value of our people and our ability to provide the best possible results for clients,” says **Betty Thompson**, a vice president in McLean, Virginia, who leads the firm’s People Services team. “That is why we view diversity in its broadest possible definition.”

Booz Allen’s multidimensional approach to diversity encompasses—but is not limited to—race, color, religion, sex, age, marital status, sexual orientation, disability, national origin, veteran’s status, and genetic information.

Building on the foundation established by the Board Diversity Initiative, which was launched in 2003 and set benchmarks for

diversity throughout the firm, Booz Allen is instituting a number of new programs focused on innovation, results, and accountability. For example, the new Diversity Advisory Council will discuss best practices and develop diversity thought leadership; existing partnerships and programs will be evaluated so we can improve their effectiveness; and relationships with local companies will be established for sharing ideas and resources. A variety of other undertakings help further embed diversity into our entire organiza-

tion, including more than a dozen employee-led forums and networks focused on social identity, training and mentoring opportunities, and a diversity awards program.

91% OF RESPONDENTS to an internal survey rated the firm’s climate and culture for diversity and inclusion **FAVORABLY**.

“The combination of top-down initiatives and a vast network of employee resources and grassroots affinity groups has proven very successful at helping us create an environment of respect, inclusion, and opportunity for all employees,” says Thompson. Indeed, in a company-wide “people survey” conducted last year to assess employee satisfaction, 91 percent of respondents rated the firm’s climate and culture for diversity and inclusion favorably.

The success of our diversity efforts is getting noticed externally

as well. One of the highest honors Booz Allen received over the past year was inclusion in the New Freedom Initiative Circle of Champions, a select group of businesses that have been recognized by the US secretary of labor for innovative efforts to recruit, hire, and promote people with disabilities. For the past 10 years, Booz Allen has been named one of the “100 Best Companies for Working Mothers” by *Working Mother*. And the firm was a featured employer in a special supplement on diversity in the *New York Times Magazine*.

Another way Booz Allen works to attract and retain diverse staff is through strategic partnerships with a number of community- and minority-based organizations, including Women of Color in Technology, the Society of Women Engineers, Out & Equal, and Catalyst. The firm has a longstanding partnership with the Black Engineer of the Year Awards Conference, which recognizes

black role models in science, technology, and engineering. Booz Allen Senior Vice President Reginald Van Lee received the 2008 Black Engineer of the Year award—the program’s most prestigious honor. Eight other Booz Allen employees were also recognized in 2008.

“We are proud of our accomplishments in diversity, and are striving to do even more to make Booz Allen the best place for talented, diverse people to build a great career,” says Thompson.

Singular Perspective, Shared Purpose



Jenny Wong learned early on that skills acquired in one place can make a meaningful difference someplace else. After emigrating at the age of 12 from Nigeria to Durham, North Carolina, Wong became the family translator, thanks to her knowledge of English and French, which she had learned in school, and Mandarin, which she spoke at home.

As a teenager in the United States, she taught English as a second language to Chinese immigrants. In doing so, she discovered the lasting value of practical knowledge. “One lesson I learned by teaching English to adults is to focus not on the grammar, but on everyday words, which are eminently more useful,” Wong recalls. “That viewpoint certainly applies to the technical work we do at Booz Allen; we have the book knowledge and the practical know-how to deliver.”

Wong, a senior consultant in Rockville, Maryland, joined Booz Allen in 2005 and soon discovered that her skills in qualitative and quantitative data analysis were of tremendous use for the firm both on the job and in philanthropic efforts. For example, as part of a pro bono effort, she used her expertise to help develop a reservation system at Children’s Inn, a residential “home away from home” for sick children and their families at the National Institutes of



Spend time with the kids at Children’s Inn, and you feed on their laughter and the fact that Booz Allen is helping make their lives better.

Health in Bethesda, Maryland. “Some people think that working with people in need must be a downer, but nothing is further from the truth,” notes Wong. “Spend any time at all with the kids at Children’s Inn, and you feed on their laughter and the fact that Booz Allen is helping make their lives better.”

Awards and Honors

ACHIEVEMENTS

Booz Allen Hamilton engages in cultural, philanthropic, and community improvement efforts because it wants to make a difference, not for accolades. However, recognition for our firm's impact and involvement in community service has been noteworthy, with awards including:

Excellence in Workplace Volunteer Programs Award from the Points of Light Institute

Corporate Leadership Award from the Thurgood Marshall College Fund

Distinguished Achievement Award from B'nai B'rith International, one of the world's oldest and largest humanitarian and community action organizations, given to Chairman & Chief Executive Officer Ralph Shrader for his commitment to philanthropic leadership and diversity education



Outstanding Corporate Partner Award from the Washington, DC, chapter of the Association of Fundraising Professionals

Corporation of the Year Award from the National Multiple Sclerosis Society, National Capital Chapter, for Booz Allen's longtime support of fund-raising events



The Freedom to Serve

"With so many veterans, reservists, and National Guard members in its ranks, Booz Allen understands and appreciates the needs and challenges of its military staff," says **Jason Cronin**, an associate in McLean, Virginia, and a US Marine who completed a combat tour of duty in Iraq in 2005.

Named one of the nation's Top 50 Military-Friendly Employers by *G.I. Jobs* magazine, Booz Allen boasts a number of policies and programs that reflect the firm's commitment to recruiting and retaining employees with military backgrounds. For example, an employee called to active duty is eligible to receive the difference between civilian and military compensation for six months out of each year of active deployment and to continue to receive certain benefits, such as medical and dental coverage and life insurance.

And Booz Allen's Armed Services Forum—one of more than a dozen employee groups that create a supportive work environment at the grassroots level—assists former military employees with transitioning into Booz Allen's culture through outreach and professional development programs.

After his tour in Iraq, a 10-month term with the II Marine Expeditionary Force, Cronin found the Armed Services Forum to be a valuable resource as he rejoined the team and project he was working on before his deployment. "Booz Allen went the extra mile to help me readjust," says Cronin, who now performs organizational transformation support for Army clients. "Knowing that people are looking out for me means the world. It provides peace of mind."

Making an Impact in Our Communities

SPIRIT OF SERVICE

“Spirit of service,” a phrase first expressed by founding partner James Allen, remains a true bedrock value at Booz Allen Hamilton. With leadership from the firm’s Community Relations team, Booz Allen aligns its resources with the charitable giving and volunteering interests of its officers, staff, and clients.

The firm’s tradition of giving back to the community takes many forms, from awarding small but important grants in support of individual employees’ volunteer efforts to providing pro bono consulting services to raising millions of dollars for worthy causes.

“We approach philanthropy the same way we approach our business, by harnessing the talent and intellect of our employees to help those who most require our assistance,” says Joe Suarez, a McLean-based principal and the director of Community Relations. “I am inspired by our employees’ passion, which changes lives and makes this world a better place.”

April 2008 was designated Spirit of Service Month, during which three-quarters of all Booz Allen employees volunteered a total of more than 11,000 hours to hundreds of organizations. Although April was singled out, corporate citizenship is a year-round effort, supporting needs in four broad areas: community, education and youth, health and human services, and arts and culture. Nearly 75 percent of Booz Allen employees volunteer an average of 61 hours per year.

The impact of community programs is maximized when employees tap their business skills to enhance humanitarian efforts. For

example, in a joint effort with the Virginia Hospital Center Medical Brigade’s Remote Village Project, which delivers community health training and clean water to remote villages in Honduras, members of Booz Allen’s Health team used their expertise to revise the project’s strategic plan, create a five-year business plan, and redesign the project Web site. Similarly, Booz Allen health and IT consultants

volunteers to work on houses on National Rebuilding Day.

On a much broader scale, in August 2008 Booz Allen became a Worldwide Strategic Partner of the USO, a private, nonprofit organization that provides morale-boosting programs and services to enhance the quality of life for military personnel and their families globally. In addition to providing financial assistance, Booz Allen will develop



Booz Allen has supported Rebuilding Together since the 1990s. Here, volunteers fix up a home in Washington, DC

supported the Children’s Inn at the National Institutes of Health, a healing center for sick children and their families, by updating the Inn’s automated reservation system.

Rebuilding Together, whose 225 nationwide affiliates are dedicated to preserving and revitalizing houses for low-income homeowners, is one of Booz Allen’s corporate partners. Rebuilding Together also helps revitalize soldiers’ homes through its Serving Those Who Serve program. In Seattle, for example, 40 Booz Allen employees and their families and friends came out in September 2008 to finish remodeling the home of Iraq veteran Cameron Krier; his wife, Connie; and their two children, Piper, 7, and Payton, 3. Booz Allen has supported Rebuilding Together since the early 1990s, when the San Antonio office first organized a team of

a long-term strategic plan for the USO. “As the USO expands operations around the world, it is important that we continue to fulfill our mission while deploying our resources in an efficient and effective manner,” says Edward A. Powell, USO president and CEO. “With the help and expertise Booz Allen Hamilton brings to us, the USO will continue its vital work in the years to come.”

Booz Allen maintains substantial philanthropic partnerships with more than 600 nonprofits. These include the American Cancer Society, Leukemia & Lymphoma Society, Neediest Kids, Special Olympics, ALS Association, Girl Scouts and Boy Scouts, Smithsonian Institution, National Center for Missing and Exploited Children, and Toys for Tots.

Special Olympics: Contributing in Many Ways

NATIONAL EFFORT

“Just looking at the kids and seeing their smiles is all I need to justify the effort,” says Barry Vincent, an associate in Dayton, Ohio, and a member of the Security team. The smiling children he is referring to are Special Olympics athletes, and his effort is special as well. Vincent dedicates more than 175

hours a year to helping organize businesses in his community in a good-natured sports competition to see which company will contribute more to the Special Olympics of Greater Dayton, a campaign that raised upward of \$72,000 in 2008.

The work in Dayton caps another year of Booz Allen’s significant pro bono involvement across the United States with the Special Olympics. At the local, national, and global level, the Special Olympics organization provides year-round sports training and athletic competition for children and adults with intellectual disabilities.

A Booz Allen team based in Herndon, Virginia, helped Special Olympics International gain new efficiencies in its use of a software package called Games Management System (GMS) during the buildup to the 2007 Special Olympics World Summer Games, held in October in Shanghai. As a tool to manage the activities of athletes, staff, and volunteers, and to handle registration, event



Opening Ceremony for the 2007 Special Olympics World Summer Games in Shanghai

scheduling, timing systems, and results, GMS has been invaluable in the running of 200 competitions a year in more than 160 countries. Booz Allen developed and implemented a three-year information technology strategy to modernize GMS, upgrading its legacy technology, trimming maintenance costs, and minimizing cumbersome interface technologies.

22 VOLUNTEERS in Norfolk swam in the Chesapeake Bay **POLAR PLUNGE** and **RAISED \$15,000** for Special Olympics.

In Norfolk, Virginia, 22 Booz Allen volunteers took the plunge—literally—by swimming in the city’s Polar Plunge, which takes place each February in the frigid waters of the Chesapeake Bay. Through pledges and sponsorship, Norfolk staffers raised approximately \$15,000 for Special Olympics Virginia—and then went inside to get warm.

Since 2002, Booz Allen has sponsored the annual Special Olympics Virginia Winter Championships, and in 2008,



Special Olympics

Be a fan™

more than 100 Booz Allen staff volunteered for activities that included setting up the opening ceremony and sports matches and arranging transportation.

And in Lexington Park, Maryland, Booz Allen has supported the Saint Mary’s County affiliate of Special Olympics Maryland since 1988.

In Hawaii, the firm’s staff volunteered more than 1,100 hours participating in a variety of Special Olympics Hawaii events, including the state’s Summer Games as well as the Holiday Classic Games, an event high-

lighted by winter competition in basketball, bocce, and bowling. “My heartstrings are pulled each time I hear the Special Olympics athletes’ oath, ‘Let me win. But if I cannot win, let me be brave in the attempt,’” says Melvin “Mack” Machado, a Booz Allen associate based in Honolulu and a longtime Special Olympics volunteer. “My colleagues feel the same. All those hours they volunteer speak volumes.”

Connecting Colleagues with Community Needs



When **Deborah Miller** joined Booz Allen's Norfolk, Virginia, office in October 2003, she got to know her new colleagues by signing up for a group aiding cancer-stricken children at the Ronald McDonald House—and had a revelation. “I saw firsthand that Booz Allen had a lot of resources and skills to help people,” says Miller. “Before I knew it, I was heavily involved in the community, and loving every minute.”

Miller, an associate who works in information technology, was soon named cochair of the community relations program in Norfolk. In that capacity, she not only helped ensure that the firm's commitment to the Ronald McDonald House remained vital by putting together a team to provide cooked meals for needy families, but also played a key role in the office's involvement with numerous other charitable organizations.

For example, Norfolk staffers partnered with ALS Virginia volunteers to build a wheelchair ramp and do general household repairs for Kitty Pendleton, who lives with the neurodegenerative disease ALS, also known as Lou Gehrig's disease. And Miller joined the board of directors of REACH, a local organization that provides reading sessions for children living in homeless shelters and distributes free books to needy children and schools.

“ I became good at asking others to join me, which at Booz Allen wasn't difficult. People here have hearts of gold. ”

For her efforts, Miller was presented the 2007 Corporate Volunteer Coordinator award by *Virginia Business* magazine and VOLUNTEER Hampton Roads, a local nonprofit resource center.

“Much as Booz Allen aligns the right people to clients' challenges, I link the right people and resources to community needs,” says Miller. “I became good at asking others to join me, which at Booz Allen wasn't difficult. People here have hearts of gold.”

Shared Heritage, Renewed Vision



As president of the firm's Latin American Forum since January 2007, **Eduardo Rocca** has injected fresh energy into one of Booz Allen's longest-running affinity groups by bringing together two of the firm's long-standing traditions: a commitment to diversity and a dedication to community service.

"Instead of sponsoring more happy hours, I thought the Latin American Forum could grow through programs of social responsibility that served a bigger purpose," says Rocca, an associate based in McLean, Virginia, and a native of Lima, Peru. "Connecting with the community

helps us improve the world—and we have a lot of fun doing it."

Rocca began rejuvenating the forum by tapping into Booz Allen's long list of successful community partnerships. Rocca and forum members funded and participated in a bowling party organized by the Summer Miracles program run by KidSave International, an organization dedicated to providing long-term care to orphaned children. The event brought together for a day of fun activities Booz Allen volunteers and a group of Colombian children who had lost their parents. Out of the nine children who participated in the Summer Miracles program, seven are being considered for adoption by Washington, DC, area families.

Joining with the firm's Diversity team, forum members also helped facilitate a pair of Booz Allen recruiting events—one focusing on the importance of dipping into a wider pool of candidates from different ethnic backgrounds, and another that explored cross-cultural leadership. After a powerful earthquake hit the Peruvian coastal province of Ica in the summer of 2007, Latin American Forum members hosted a fund-raiser for Red Cross relief efforts, drawing more than 100 people. In December of that year, together with the firm's Community Relations team, the group purchased and wrapped more than 300 holiday toys for underprivileged children around Washington, DC.

The Latin American Forum's programs and projects have attracted a lot of interest within the firm. "It's been a true growth experience," Rocca says of his tenure as head of the freshly energized forum. "I've learned that at Booz Allen, both the will and the means are there. By putting them together, we've increased interest in the forum and accomplished some really positive things. We are looking forward to an even stronger 2009."



I thought the Latin American Forum could grow through programs of social responsibility. Connecting with the community helps us improve the world—and we have a lot of fun doing it.

Making a Difference in Colorado Springs

CONTRIBUTING LOCALLY

Booz Allen's dedication to community service is especially evident in Colorado Springs, where during the past year the local office supported nearly two dozen nonprofit and charitable campaigns. The office's commitment to serving the greater good was recognized with two awards: a Partners in Philanthropy Award in the category of outstanding corporate philanthropic program from the Colorado

Springs Center for Nonprofit Excellence, and an Involvement & Impact Award from Booz Allen.

A special pro bono effort that has touched children around the world has been the Colorado Springs office's 2007 and 2008 partnership with the North American Aerospace Defense Command (NORAD) Tracks Santa project, in which the military agency that usually watches for threats from the sky monitors the progress of Santa and his reindeer on Christmas Eve. Booz Allen volunteers collaborated with NORAD to create a new Web site (www.noradsanta.org) where Santa's worldwide travels were displayed, giving it an inviting new look and adding special features, including interactive games and a "countdown calendar" with a different children's activity each day. In 2007, the site was available in six languages and drew 106 million unique visitors from 212 countries. "Booz Allen's contributions made our goal of a more interactive site



NORAD Tracks Santa 2008 home page

a reality, and we truly appreciate their willingness to get involved," says Mike Perini, NORAD's director of public affairs.

One of the more noteworthy year-round activities Booz Allen has been involved in is the Colorado Springs Diversity Forum, an effort led by the firm in partnership with the Greater Colorado Springs Chamber of Commerce and a

company cannot transform a region's economic health," says Kurt Stevens, vice president and leader of the Colorado Springs office. "But by joining forces with the community and engaging others, a single company can be the catalyst for positive change."

Staff in the Colorado Springs office volunteer their time and share their expertise with many

Booz Allen helped NORAD create a new
TRACK SANTA site that drew **106 MILLION**
 unique visitors from **212 COUNTRIES.**

dozen academic, corporate, and nonprofit organizations as well as community activists. This innovative campaign is aimed at creating opportunities for citizens to appreciate their community's rich diversity and communicating that appreciation to people nationwide. The city council recognized the firm for building on existing diversity programs to attract a mix of individual talents, backgrounds, and cultures to the city. "A single

other organizations, including the Leukemia & Lymphoma Society, the Colorado AIDS Project, the Colorado Chapter of the Alzheimer's Association, the American Cancer Society, Big Brothers Big Sisters of Colorado, the ALS Association, and Leadership Pikes Peak, a training program whose mission is to cultivate community leaders.

Cultivating Culture and the Arts



Cape Cod Evening, one of many works in the Edward Hopper exhibition at the National Gallery of Art in Washington, DC

APPLYING EXPERTISE

A thoughtful, innovative arts scene enriches the cultural character of a community, which is precisely why Booz Allen Hamilton expanded its commitment to the arts over the past year. Foremost among its efforts was Booz Allen's sponsorship of the Edward Hopper exhibition at the National Gallery of Art in Washington, DC, which ran from September 16, 2007, through January 21, 2008. A major retrospective of the American realist's work, the Hopper exhibition was seen free of charge by more than 365,000 visitors from around the world, making it the most popular exhibition at the National Gallery since a Van Gogh retrospective shown in 1996.

From the start, the National Gallery sponsorship went far beyond just providing the backing

to bring the exhibition to the National Gallery. "Picture the possibilities" became the rallying cry as the Booz Allen team developed innovative marketing programs that took advantage of broadcast, print, and online channels. The firm provided strategic and technical guidance for the institution's first foray into podcasts, which were available on the Web for those who were unable to travel to Washington to attend the exhibition in person or for those who wanted to learn more about the artist and his work. As a result of this work, the National Gallery and the firm were awarded the prestigious Muse Award from the American Association of Museums, which recognizes outstanding achievement in museum technology and media.

In addition, Booz Allen forged new relationships for the National Gallery that may have a more long-

lasting impact. For example, Booz Allen enlisted the US Navy Band to perform in the museum's outdoor concert series, and also facilitated a partnership between the National Gallery and the Girl Scouts of the USA that resulted in the establishment of an activity badge and an arts education program for more than 81,000 Girl Scouts.

"Booz Allen Hamilton was instrumental to the overwhelming success of the Edward Hopper exhibition," says Joseph Krakora, executive officer of development and external affairs at the National Gallery of Art. "By introducing the National Gallery to the Navy Band and the Girl Scouts, among other constituencies, Booz Allen generously helped diversify the educational programming and the wide spectrum of visitors to the exhibition. Although the Hopper exhibition has now ended, Booz Allen has provided constructive new paradigms to help future exhibition sponsors effectively engage with the National Gallery of Art."

In a partnership that brought the arts to a nationwide audience,



Booz Allen Hamilton was instrumental to the overwhelming success of the Edward Hopper exhibition.

—Joseph Krakora, Executive Officer of Development and External Affairs, National Gallery of Art

Booz Allen joined with the Strathmore Hall Arts Center, the US Air Force Band, and Maryland Public Television to sponsor

“America’s Veterans: A Musical Tribute,” a concert that honored the men and women of the US armed forces. Held in June 2007 in Bethesda, Maryland, the concert celebrated the 60th anniversary of the Air Force and was later broadcast in 30 states on Veterans Day weekend, airing on 67 percent of all PBS stations. Also featuring performances by Clint Black and Patti LaBelle, the concert was an outgrowth of Booz Allen’s existing relationship with Strathmore, for which the firm helped craft a sustainable operating strategy.

Booz Allen lent its expertise to two other cultural organizations, helping them reach nationwide—and even global—audiences. For the Smithsonian Institution’s National Museum of Natural History, Booz Allen helped create a virtual online exhibit



(http://ocean.si.edu/ocean_hall/) to complement the museum’s newest and largest permanent exhibition, the Sant Ocean Hall. And working with the National Park Service and the Gettysburg Foundation, Booz Allen helped enhance the foundation’s Web site (www.gettysburgfoundation.org) and reach a broader audience with improvements including new education resources, an online store, and the ability to purchase tickets and make donations.



Part-Time Work, Full-Time Fulfillment

“There are similarities between leading a project team at Booz Allen and running a household,” says **Michelle Carrington**, an associate based in Annapolis Junction, Maryland. “With both, you become exceedingly efficient, you delegate, and you become good at knowing what you can and can’t do.”

In this case, what Carrington can do outweighs by a considerable measure what she cannot. As a lead systems engineer providing key management support to a large-scale system integration project, Carrington balances a fulfilling career with family, aided by Booz Allen’s commitment to providing people with flexible work arrangements as their professional and personal needs change.

Carrington joined Booz Allen 17 years ago and has been working a part-time schedule for the past 12 years, during which she completed a master’s degree program in engineering management at George Washington University and started a family. Today, she and her husband care for their two sons—Bryce, 12, and Jeremy, 9. She also works four days a week, one of those days from her home. She credits her many mentors with helping her navigate her professional growth and encouraging her to pursue a part-time schedule in 1996 while finishing her degree.

“One of the things that keeps me at Booz Allen is the understanding and respect I get from my colleagues and clients alike for the road I’ve taken,” says Carrington. “I’ve stepped off the traditional career track a bit, but I wouldn’t trade this life for anything.”

Winning Teamwork: Supporting Clients, and Each Other



Booz Allen's ability to help clients surmount the ever more complex challenges that they face originates with the talented people the firm hires and their ability to work as members of outstanding teams.

As a member of the Booz Allen team partnering with the US Army's Intelligence and Information Warfare Directorate (I2WD) to create capabilities for detecting and eliminating life-threatening hazards in the battlefield, **Vince Simpson** knows the value of collaborative teamwork in addressing evolving needs. "Developing innovative solutions requires that we bring together a collection of original thinkers, a real all-star team," says Simpson, a senior associate in Eatontown, New Jersey. "After all, this is for the troops, and keeping them safe is paramount."

The tools that Booz Allen is helping design use cost-effective, off-the-shelf technology that allied soldiers can easily operate with a laptop computer. The firm is providing systems engineering, system integration, software and hardware integration, and testing support to the effort.

Helping clients develop innovative technology that literally saves lives also requires focus and commitment. That's why Booz Allen is dedicated to providing its employees with the programs and support they need to balance their professional and personal lives through flexible work arrangements, leave programs, and a

“Developing innovative solutions requires that we bring together a real all-star team. After all, this is for the troops, and keeping them safe is paramount.”

—Vince Simpson, Senior Associate

supportive culture. “When I married in 2005 and relocated to eastern Pennsylvania, 74 miles from the office, I still wanted to be a part of the I2WD team because you can’t find a more satisfying engagement,” says Associate **Angela Michelis** (pictured far left). “My managers and I came up with a flexible schedule, so now I work from home two days a week, which makes life more manageable but still allows me to serve the client and grow professionally.”

Amanda Dipaolo-Kocun (center), another associate on the Eatontown-based I2WD team, likewise values Booz Allen’s accommodating environment and important work. “When I returned from maternity leave after giving birth to my first child, Matthew, in November 2006, the supportive environment helped me juggle working full time and being a new mom,” says Dipaolo-Kocun. “The hours are demanding, but the work is exciting and I love the creative atmosphere and achieving truly meaningful goals.”

Relationships That Endure

ALUMNI

Booz Allen attracts exceptional people and provides them with varied professional experiences and opportunities to develop their capabilities and leadership skills. Although many individuals create a lifelong career at Booz Allen, others choose to use their experience at the firm as a springboard to the next stage of their career. Colleagues who move on remain part of Booz Allen’s extended family through the firm’s alumni program. Still others return to resume their careers with Booz Allen as “ComeBack Kids,” bringing new skills and expertise gained working elsewhere. In 2007, nearly 200 people rejoined the firm.

One ComeBack Kid is McLean-based Senior Director and Corporate Controller **Kevin Cook**, who left Booz Allen in 1996 and returned in 2003. “After 10 years at Booz Allen, I left the firm and had the occasion to interact with staff from many different companies,” says Cook. “What became apparent to me is that while there are high-performing people at every company, there is a higher percentage of highly motivated, collaborative people at Booz Allen. I missed working with those talented people, so I rejoined the firm in 2003. When that opportunity to return to the firm occurred, it felt like I had picked up where I left off, especially since so many people with whom I had worked during my original tenure were still here.”

One new way Booz Allen maintains ties with former staff is through Alumni Invitationals, gatherings hosted by the firm’s ComeBack Kids Program and consulting teams at which alumni can network and learn about career opportunities. This past spring, both the Economic and Business Analysis and Assurance and Resilience teams sponsored Alumni Invitationals.



I missed working with the talented people of Booz Allen, so I rejoined the firm in 2003. It felt like I had picked up where I left off.

Principal Offices



Aberdeen

4692 Millennium Drive
Suite 200
Belcamp, MD 21017
410-297-2500

Annapolis Junction

National Business Park
134 National Business Parkway
Annapolis Junction, MD 20701
301-543-4400

304 Sentinel Drive
Annapolis Junction, MD 20701
301-821-8000

Arlington

1550 Crystal Drive
Suite 1100
Arlington, VA 22202
703-412-7700

4001 Fairfax Drive
Suite 750
Arlington, VA 22203
703-528-8080

3811 North Fairfax Drive
Suite 600
Arlington, VA 22203
703-816-5200

1530 Wilson Boulevard
Suite 100
Arlington, VA 22209
703-526-2400

Atlanta

230 Peachtree Street NW
Suite 2100
Atlanta, GA 30303
404-659-3600

Chantilly

15059 Conference Center Drive
Suite 300
Chantilly, VA 20151
703-633-3100

Charleston

4401 Belle Oaks Drive
Suite 310
North Charleston, SC 29405
843-529-4800

Colorado Springs

121 South Tejon Street
Suite 900, South Tower
Colorado Springs, CO 80903
719-387-2000

Dayton

1900 Founders Drive
Suite 300
Dayton, OH 45420
937-781-2800

Denver

5299 DTC Boulevard
Suite 840
Denver, CO 80111
303-694-4159

Eatontown

151 Industrial Way East
Eatontown, NJ 07724
732-935-5100

Falls Church

Three Skyline Place
5201 Leesburg Pike
Suite 400
Falls Church, VA 22041
703-845-3900

Herndon

One Dulles Center
13200 Woodland Park Road
Herndon, VA 20171
703-984-1000

Honolulu

733 Bishop Street
Suite 3000
Honolulu, HI 96813
808-545-6800

Houston

2525 Bay Area Boulevard
Suite 290
Houston, TX 77058
281-488-6750

Huntsville

6703 Odyssey Drive
Suite 200
Huntsville, AL 35806
256-922-2760

Leavenworth

1122 North Second Street
Leavenworth, KS 66048
913-682-5300

Lexington Park

46950 Bradley Boulevard
Lexington Park, MD 20653
301-862-3110

Linthicum

Airport Square II
900 Elkridge Landing Road
Linthicum, MD 21090
410-684-6500

Los Angeles

5220 Pacific Concourse Drive
Suite 390
Los Angeles, CA 90045
310-297-2100

McLean

8283 Greensboro Drive
McLean, VA 22102
703-902-5000

Norfolk

Twin Oaks II
5800 Lake Wright Drive
Suite 400
Norfolk, VA 23502
757-893-6100

O'Fallon

1003 East Wesley Drive
Suite C
O'Fallon, IL 62269
618-622-2330

Omaha

1299 Farnam Street
Suite 1230
Omaha, NE 68102
402-522-2800

Pensacola

Sun Trust Tower
220 West Garden Street
Suite 600
Pensacola, FL 32502
850-469-8898

Leadership



Board of Directors

Ralph W. Shrader
Chairman & Chief Executive Officer

Samuel R. Strickland
Chief Financial & Administrative Officer

Daniel F. Akerson, The Carlyle Group
Peter Clare, The Carlyle Group
Ian Fujiyama, The Carlyle Group
Philip A. Odeen
Charles O. Rossotti

Leadership Team

Ralph W. Shrader
CG Appleby
Dennis O. Doughty
Joseph E. Garner
Francis J. Henry
Lloyd Howell Jr.
Joseph W. Mahaffee
John D. Mayer
Patrick F. Peck
Horacio D. Rozanski
Samuel R. Strickland

Senior Vice Presidents

David C. Aldrich
CG Appleby
Dennis O. Doughty

Joseph E. Garner
Mark J. Gerencser
Neil T. Gillespie

Joseph W. Mahaffee
Gary D. Mather
Patrick F. Peck

Ghassan Salameh
Ralph W. Shrader
Samuel R. Strickland

Reginald Van Lee
Kenneth F. Wiegand Jr.

Vice Presidents

James Allen
William G. Bastedo Jr.
Fred Blackburn
Eugene Bounds
Cynthia L. Broyles
Donald G. Busson*
Douglas W. Carter
Andrew S. Cohen
Gary C. Cabbage
Karen M. Dahut
Maria Darby
Joan Dempsey
Paul M. Doolittle
Judith H. Dotson
Lee J. Falkenstrom
Michael A. Farber
John Feeney
Molly Finn
Margo L. Fitzpatrick
Arthur L. Fritzson
Thomas A. Fuhrman

Nicole Funk
Laurene A. Gallo
Natalie M. Givans
Patricia A. Goforth
Thomas S. Greenspon
Keith R. Hall
Nancy E. Hardwick
Gregory T. Harrison
Francis J. Henry
Mark L. Herman
Martin R. Hill*
Douglas E. Humberger
Ronald A. Hodge
Gordon S. Holder
Lloyd W. Howell Jr.
David F. Humenansky
Charlie R. Jones*
Michael Jones
Ronald T. Kadish
David Karp
Christopher M. Kelly
Jeffrey J. Kibben
David B. Kletter
Frederick W. Knops III

Corrine Kosar
Nicholas J. Kuttner
Gary D. Labovich
Robert J. Lamb
Douglas J. Lane
Pamela M. Lentz*
Christopher Ling
Joseph Logue
John D. Lueders
Janet D. Lyman
Herbert S. MacArthur
David A. Mader
Robert J. Makar
James Manchisi
Joseph A. Martha
John D. Mayer
Walter G. McFarland
Angela M. Messer

Anthony K. Mitchell
John F. Mulhern*
Sharon L. Muzik
Catherine A. Nelson
Robert W. Noonan Jr.
Susan L. Penfield
Thomas Pfeifer
Christopher Pierce
Sam M. Porgess
Robin L. Portman
Robert H. Post
Donald L. Pressley
William M. Purdy
Gary M. Rahl
Horacio D. Rozanski
Carl R. Salzano
Donald Schaefer
Larry D. Scheuble
George M. Schu
Gary M. Schulman
Joseph F. Sifer
Frank S. Smith III
Gale N. Smith
Edgar D. Sniffin

Robert J. Sogegian
Stephen Soules
Carol A. Staubach
Kurt B. Stevens
William H. Stewart
William A. Thoit
John A. Thomas
Elizabeth Thompson
Emile P. Trombetti
Laurie S. Villano
Donald J. Vincent*
William J. Wansley
Jack D. Welsh
Gregory G. Wenzel
Lee Wilbur
Richard J. Wilhelm
Dov S. Zakheim
Charles P. Zuhoski
Abram Zwany

* Retired during 2008

entrepreneurship
excellence
trust
diversity
fairness
core
values
integrity
teamwork
respect
client service
professionalism



Mixed Sources
Product group from well-managed
forests, controlled sources and
recycled wood or fiber
Cert no. SW-COC-002134
www.fsc.org
© 1996 Forest Stewardship Council

In keeping with Booz Allen's commitment to sustainability, the firm has reduced the number of paper copies of the 2008 Annual Report and printed those copies on FSC-certified paper using soy ink and wind energy.

Booz | Allen | Hamilton

8283 Greensboro Drive · McLean, Virginia 22102 · www.boozallen.com