Defining Moments
A Century of Character, Service, and Vision
Booz Allen helps clients succeed. We develop the best people, place them in the right position, and enable them to do the best work for the best clients.

“Start with character, intelligence, and industry.” — Edwin Booz
Service is an enduring Booz Allen value, and we attract people who believe in serving our clients, our communities, and our country. Our committed professionals follow their hearts—and use their minds and talents to make a difference.

“Activity and participation—those are the keys.” —Jim Allen
Booz Allen has followed the same core consulting values for 100 years, and we express them in the way we apply our expert strategy, technology, and engineering services to “take the measure” of many different business problems. These values will continue to guide us as we reach forward to another century of leadership and innovation.
As Booz Allen Hamilton turns 100 years old, it’s natural to look back on a century of achievement. We helped create the modern corporation in the 1920s and helped prepare the US Navy for World War II in the 1940s. We began our long-term association with NASA’s space station in the ‘80s and assisted the Internal Revenue Service with major transformation in the ‘90s. And following the September 11, 2001, attacks—when our firm lost three employees who were working at the Pentagon—we helped government clients strengthen our homeland in the face of terror and cyber threats.

None of this would have been possible without the superior talent and the enduring commitment of Booz Allen staff and alumni—and without the stewardship of the six leaders who preceded me. Ed Booz, the firm’s founder, set the tone for individual and institutional commitment for all when he wrote, “Start with character, intelligence, and industry…and fear not the future.” Jim Allen championed a commitment to community service that persists today. “Activity and participation—those are the keys,” he said. “Choose wisely, but participate.” Charlie Bowen saw the rising importance of computers as an inevitable change in our lives and urged the firm to embrace them. Jim Farley navigated the firm through tough times by rekindling our “fire in the belly” and by inspiring a partnership spirit to “make our guys feel like winners.” Mike McCullough established a new compensation system based on “making the pie bigger instead of competing over the size of the slices.” And my predecessor, Bill Stasior, championed diversity in the workplace. He believed that doing the right thing meant “actively making a difference…going beyond good intentions to make good things happen.”

In the past 15 years that I’ve led the firm, we’ve confronted tremendous change, both outside and within Booz Allen. We’ve experienced two recessions and have seen government spending rise and fall. We’ve seen information technology transform government, defense, and commercial systems—and have taken the lead both in building these systems and in protecting these vital assets from cyber threats. And today, we’re supporting a revolution in healthcare by applying health information technologies to improve quality and reduce costs.

Inside Booz Allen, we’ve changed our ownership structure, spun off a historical part of our business, and completed an initial public offering to attract new investors—and to gain additional financial flexibility provided by access to the equity capital market. Most recently, we launched our Vision 2020 initiative to evolve our operating model and leadership structure. We’re pursuing new growth opportunities, reinvigorating our offerings, enhancing our technical and engineering capabilities, putting innovation at the center of our work and our culture, and strengthening our value proposition for employees.

But as Booz Allen has evolved, central precepts endure. Our strategy is focused on doing the best work on programs that are essential to our clients’ core missions—a legacy we trace to early engagements with Walgreens, US Gypsum, and Montgomery Ward & Co. Our management consulting heritage is intrinsically focused on serving clients—not simply turning out a deliverable to a customer. We also continue to operate from the same ethical foundation that traces back to the 1930s, when Carl Hamilton wrote the firm’s first formal code of ethics. Our core values—client service, diversity, excellence,
A decade ago, Booz Allen published an illustrated history of our first 90 years, available online at www.boozallen.com. Since then, the firm has created value for clients, employees, and investors by working as a trusted partner to help clients address their toughest challenges and succeed in increasingly complex missions. We’ve looked around the corner to anticipate changing market conditions and identify new opportunities to grow. And we’ve continued to emphasize excellence, integrity, innovation, and client service as the pillars of our culture. We invite you to learn about Booz Allen’s success over the last decade—a story we’ve proudly captured in this publication.

entrepreneurship, teamwork, professionalism, fairness, integrity, respect, and trust—are more important than ever during today’s challenging times, when some are questioning the critical role that contractors play in the government sector.

Today, Booz Allen enters its second century in a strong and enviable position. We’re a Fortune 500, NYSE-listed company with some 23,000 employees. Our efficient operating structure has produced steady bottom-line growth in a revenue-constrained environment. We consistently rank among Fortune magazine’s list of the “world’s most admired companies.” And each day, we help shape our nation’s future through vital engagements that help advance defense technology and cybersecurity, that help clients derive greater value from their data, that improve citizens’ health and quality of life, that protect government and commercial systems from cyber threats, and that strengthen infrastructure and protect the environment.

As Booz Allen reaches forward to its next 100 years, we will succeed and help our clients succeed by focusing on the things that have long made Booz Allen different and better. We will operate as an agile business that fosters collaboration. We will continue to identify significant challenges and opportunities our clients face—and apply innovative thinking to help them reform their operations. We will advance discourse on the most important business issues of our time—cloud computing, cybersecurity, health and financial sector reform, next-generation predictive analysis, and the like. And we will proudly continue our legacy of service to our nation’s veterans and to the communities in which we work and live.

This gives me great confidence for our future. Our core values and the value we deliver to clients have helped us thrive for 100 years, and they will enable us to change and grow and create value for years to come.

Ralph W. Shrader, Ph.D.
Chairman and Chief Executive Officer
As the first decade of the new millennium stretched on, the US economy was on shaky ground. The dot-com crash and attacks of September 11, 2001, created a crisis of confidence. To compound the national malaise, the fervor surrounding financial mismanagement at Enron, WorldCom, and Tyco cast a pall over the corporate sector—and over the management consultancies that served it.

In contrast, Booz Allen’s government business was ready for rapid growth. The firm was especially well positioned in defense and homeland security, and demand from government clients for management and technology services rose dramatically. The digital revolution had created new opportunities to upgrade and protect government technology systems—especially within the Department of Defense. Post-9/11 homeland security risks created new demand for highly specialized cybersecurity services. And across the commercial and government sectors, markets such as healthcare, transportation, security, and energy created new opportunities to work at the intersection of public and private sector issues, where Booz Allen offered unique capabilities.

Under Ralph Shrader’s leadership, the firm brought together the full strength of its integrated capabilities and approached the market as “One Firm.” To drive change from the inside out, Shrader integrated, evolved, and harmonized many internal processes—the firm’s people model, its financial planning and systems, and other systems and policies. He created the firm’s Leadership Team to make strategic, operational, and investment decisions at the firmwide level. And he continued to emphasize community service and support—a bedrock Booz Allen value since the early 1900s—as a way to bring people together and make an impact beyond office walls. “I deeply believed in One Firm and the value of managing Booz Allen as a single business entity,” Shrader said. “Shortly after we announced the One Firm reorganization, I got an e-mail from my predecessor, former CEO Bill Stasior, congratulating us on achieving this dream.”
Connecting Citizens to Government

In the early stages of the dot-com revolution, government agencies created independent websites with no central directory to connect them. Under President George W. Bush’s electronic government initiative, the Department of Labor (DOL) joined hands with nine other federal agencies to create GovBenefits.gov. Working with DOL and the Office of Management and Budget, Booz Allen consultants developed the business case and forged partnerships among the agencies. In less than 100 days, DOL launched the first website to provide users information about their eligibility for federal assistance across agencies. By answering a single set of questions, citizens could gain fast, easy access to more than 1,000 benefits programs.

Regional Forensics Laboratories Create Tactical Advantage

In the wake of 9/11, homeland security became one of the federal government’s top priorities, and agencies across the law enforcement community invested in new technologies to create tactical advantage. One important challenge was to process the vast amount of digital evidence collected in criminal and terrorism-related investigations. Working with the US Federal Bureau of Investigation (FBI), Booz Allen helped conceive and implement the FBI’s Regional Computer Forensics Laboratory program to dramatically scale its capacity to recognize, process, and preserve digital evidence. Between 1999 and 2006, 14 state-of-the-art regional laboratories opened to bring advanced forensics capabilities to more than 4,000 law enforcement agencies. This solution was recognized as one of the “Top 50” programs in the 2005 Innovations in American Government Awards competition.
Creating the New Media

The digital revolution and industry deregulation created challenges for media industry incumbents—and presented compelling opportunities for new players. In 2005, media companies were looking to find real growth and profitability by reinventing most products, services, and content, and ultimately their own organizations. Booz Allen responded by applying its optimal blend of public and private sector expertise to help transform the media landscape. For example, the firm supported leading Italian TV broadcaster Mediaset in developing a groundbreaking digital innovation strategy with the potential to transform the country’s media and television industries. And in the Middle East, Booz Allen collaborated with Egypt’s Ministry of Information to write an unprecedented policy paper that defined a strategy for restructuring the existing public broadcasting system and deregulating the audiovisual sector. Booz Allen also developed a policy paper for deregulating the media sector in Saudi Arabia. These papers, and their endorsement by Egypt and Saudi Arabia, which had the largest media markets in the Arab World, represented a pioneering step toward broader deregulation in the Middle East.

An Ambitious Health Agenda for the Aspen Ideas Festival

Beginning in 2005, the Aspen Ideas Festival emerged as a leading forum for visionary thinkers across the public and private sectors to explore current issues and crises. An original and continuing underwriter, Booz Allen viewed the weeklong annual event as a valuable platform to share ideas, advocate whole-of-government solutions, and gather insights that could help address client challenges. In 2006, Booz Allen sponsored the festival’s Global Healthcare Track, developing an ambitious agenda that included prospects for reform, the threat of pandemics, the challenge of chronic diseases, the priorities for global healthcare, and the impact of an aging population. Key sessions were captured in the booklet “The State of Global Health: A Report from the 2006 Aspen Ideas Festival.” In subsequent years, Booz Allen would continue to sponsor and participate in a broad range of discussions on such issues as “digital democracy,” cyber warfare, financial regulation, global dynamics, and innovation.
Joe Garner
on Core Values

“I remember there was a lot of debate about what 10 core values the firm was going to have. But once we decided, and embedded them into our measurement and reward system, it didn’t take the staff long to understand that if they didn’t operate against those core values, then they would struggle with their careers in the firm. For me, fairness was the most important core value, because I could see the other individual core values inside the fairness value. In my mind, if you’re fair in the way you treat clients, the way you treat staff, and the way you treat the institution, you were going to be on the right track.”

—Joe Garner
Retired Executive Vice President

Spirit of Service
Reaches Near and Far

In 2006, Booz Allen ended its successful three-year commitment as the title sponsor of the Booz Allen Classic PGA golf tournament. During this span, the tournament raised more than $2 million in cumulative net proceeds, which were shared with nearly 300 charitable organizations in the Washington, DC, area. These included such longtime Booz Allen partners as the ALS Association, the American Red Cross in the National Capital Region, the Children’s National Medical Center, and the Juvenile Diabetes Research Association. The sponsorship strengthened the firm’s brand recognition and reignited a spirit of service that also found expression in many other ways. For example, employees responded to the tsunami that struck South Asia by contributing more than $1 million in donations and services. And following hurricanes Katrina and Rita, Booz Allen staff helped create for the US Red Cross a Web-based database used to register more than 4,000 volunteers and set up an emergency center in Texas that helped reunite around 20,000 displaced families.
A Tale of Two Businesses

In 2007, the US military was pursuing its “surge” strategy in Iraq and its Base Realignment and Closure strategy at home. Booz Allen was supporting this overall effort in important ways, by providing life-cycle support for the US Army's C4ISR systems, by engineering mission-critical battlefield technologies, and by helping numerous defense clients downsize their operations. But large defense contractors like Booz Allen were subject to increasing regulations, security measures, export controls, and other restrictions regarding access to information and facilities. For a global firm, with numerous offices outside the United States and significant stock ownership by officers who were not US citizens, the need to follow regulations imposed on a large defense contractor caused significant strain.

Meanwhile, in the midst of the hotly contested 2008 presidential election cycle, a decade of financial deregulation contributed to a sharp decline in the US housing market. The world watched as a meltdown shook the US financial system—and the world markets—and propelled the global economy into a deep and prolonged recession. This shock to the financial system exaggerated business tensions within Booz Allen. Though many strong ties still bound the firm’s two businesses together, managing them under a single operating model had become increasingly complex and costly and had made the firm less agile.

On June 13, 2008, Booz Allen officers from both parts of the business voiced near-unanimous approval by voting to separate their 94-year-old firm into two independent companies. Booz Allen Hamilton sharpened its focus on full-service consulting to US government and institutional clients, while also providing expert technical services in such areas as cybersecurity, information technology, and resilience for the commercial and nonprofit sectors. Its legacy partner, Booz & Company, continued to focus on global commercial management consulting and subsequently combined with PwC in early 2014. The firm had traveled a long and winding road and ended up at a place that almost no one had anticipated—the division of Booz Allen Hamilton into two companies, with The Carlyle Group investing $2.54 billion to help make it happen.
The Carlyle Group: An Ideal Fit

Finding the right financial partner to support the split was a challenging process that carried considerable risk. Booz Allen’s board and shareholders needed to know that both businesses would be strong and viable going forward. They also weighed the risk that one or both businesses would lose its identity in the hands of a strategic partner or be folded into a competitor.

Booz Allen found such an investor in the global private equity firm The Carlyle Group, which invested $2.54 billion to divide the two businesses. Carlyle was both a strong financial partner and an excellent cultural fit. The firm’s leaders understood and appreciated that Booz Allen’s culture—its history, core values, and spirit of service—was as important and strong as its balance sheet. Carlyle was also committed to retaining the elements of the Booz Allen business and culture they viewed as key to past and future success—the Booz Allen Hamilton brand, its leadership team, and its ownership model.

Celebrating Our Cultural Heritage

Booz Allen continued its rich tradition of supporting the performing and fine arts. The firm sponsored the Edward Hopper exhibition at the National Gallery of Art in Washington, DC, which ran from September 16, 2007, through January 21, 2008. More than 365,000 visitors from around the world saw this retrospective of the American realist’s work free of charge. This legacy continued in 2010, when Booz Allen sponsored the major exhibition Telling Stories: Norman Rockwell from the Collections of George Lucas and Steven Spielberg at the Smithsonian American Art Museum.

As part of the firm’s centennial celebration, Booz Allen is sponsoring a Degas/Cassatt exhibition at the National Gallery of Art through October 5, 2014. The exhibition uses the works of the two impressionists to explore the themes of collaboration and innovation.
US Navy Provides a Strong Anchor

Booz Allen has supported the US Navy since 1940, when the firm helped it prepare for World War II. And over the years, this client has drawn on a diverse set of Booz Allen capabilities to support very different missions. In the 21st century, Booz Allen helped the Navy meet its goal of doubling production of its Virginia-class (SSN-774) submarine from one to two boats per year starting in 2012 while achieving a unit cost of $2 billion (in 2005 dollars)—a unit cost reduction of nearly 20 percent. The Booz Allen team, working with the Navy and prime contractor Electric Boat, developed a unique approach to design for affordability called ISSR (analysis of inherent, structural, systemic, and realized cost drivers) to analyze the time and costs associated with design, cycle time, acquisition and sourcing, organizational structure, and labor efficiency. In 10 months, the Booz Allen team helped transform the entire submarine acquisition process from design to sea trials and helped the Navy exceed its cost and construction rate goals.

Since then, the Navy has drawn heavily on Booz Allen’s engineering and cybersecurity capabilities. For example, we recently helped the Navy Program Office engineer and acquire the new Mobile User Objective System, a UHF satellite system that provides 10 times the bandwidth capacity of the legacy satellite constellation. The firm also helped develop and stand up the Fleet Cyber Command Office of Compliance and Assessment to ensure the Navy’s commands meet cybersecurity standards on their more than 300 shore-based and shipboard networks.

A Firm Financial Foundation

The 2007–2009 global economic crisis revealed deep vulnerabilities within national and international financial systems, and the far-reaching reforms that followed created new challenges for US public and private financial institutions. Even before bank failures began to multiply, Booz Allen was helping the Federal Deposit Insurance Corporation (FDIC) improve its bank receivership systems with a scenario-based program designed to prepare FDIC executives and staff members for the challenges of resolving large, complex bank failures. For the Office of the Comptroller of the Currency, the firm also helped strengthen bank examination systems by improving supervisory business processes and increasing the security of bank and supervisory data.
Battlefield Technology Helps Forces Surge Forward

As the surge strategy took forces deep into insurgent territory, improvised explosive devices (IEDs) became an increasingly dangerous threat to coalition warfighters. Battlefield leaders called urgently for new devices that could detect and disarm these lethal weapons. Booz Allen engineers provided forensic and technical analysis of recovered IEDs to map electronic components and triggering mechanisms. The firm then developed a reliable and rapid integration and insertion process to support advanced-technology IED electronic countermeasures used by Army units. Building on this success, it later partnered with the Army and a key subcontractor to help design, test, produce, field, and sustain the Wolfhound radio detection finder system (shown above).

Lloyd Howell on Mentorship

“What’s unique about mentoring relationships is that they’re all different. Jimmy Henry, a mentor at the time, approached most situations in a very thoughtful, patient way, and I tended to be more impatient and just sort of jumped in to do something. One of the pieces of advice he gave me was about not shooting from the hip or just jumping in with a decision or a recommendation. He said to sit back, listen to the dialogue, then do some synthesis as to what I heard and act from there. I thought that was great advice. In talking to my colleagues today, they seem to like that. So good on Jimmy for sharing that, and good on me for listening to it.”

—Lloyd Howell
Executive Vice President
Investing for the Future

As 2009 began, prospects for Booz Allen looked especially bright. A newly elected government championed an aggressive domestic agenda—including proactive efforts to legislate sweeping healthcare and financial reforms. And the Department of Defense faced complex strategic and logistical challenges as it brought the war in Iraq to an end and shifted its focus back to Afghanistan.

Booz Allen was ready for the challenge. Since spinning off the legacy commercial business, the firm had reached new heights in reputation and revenue. In 2009 alone, revenue was up 16 percent, profitability was solid, and the firm had a total backlog of work in excess of $5.3 billion. No other company in its industry could match Booz Allen’s track record of client impact and business success—or its 15 years of sustained double-digit, organic growth. The firm was providing mission-critical professional services primarily to US government clients in the defense, security, and civil sectors—but also to selected corporations, institutions, and not-for-profit organizations. But to take full advantage of new growth opportunities, Booz Allen needed to build on its competitive advantage in cybersecurity. It also required new capabilities and resources to help civil government agencies protect essential infrastructures affecting energy, transportation, health, finance, and the environment.

Booz Allen gained the financial flexibility to fund future growth by completing an initial public offering in November 2010. With strong support from new investors and existing shareholders—The Carlyle Group and Booz Allen officers—Booz Allen joined the ranks of the Fortune 500. The firm successfully sold 16,100,000 shares of Class A common stock at $17 per share.
Reimagining Healthcare

Booz Allen was well positioned to support the American Recovery and Reinvestment Act of 2009 and the Patient Protection and Affordable Care Act of 2010 by bringing technology and innovation to the healthcare arena. The Office of the National Coordinator for Health Information Technology tapped the firm’s expertise in analytics and IT to help promote the adoption and meaningful use of electronic health records. On a parallel path, the firm also continued its long-standing relationships with such organizations as the Joint Task Force National Capital Region Medical Command (JTF CapMed) and the National Institutes of Health (NIH).

Since 2007, Booz Allen supported JTF CapMed across all dimensions of change—people, process, technology, and physical infrastructure—as it merged disparate military cultures into the first-ever joint military hospital system serving the Washington, DC, area. Since 2003, Booz Allen supported the NIH’s National Children’s Study, employing predictive modeling techniques to develop a novel approach for data-driven, evidence-based study planning, monitoring, and execution that could become a standard for managing cohort studies and trials in the 21st century.
New Alternatives for Energy and the Environment

As US energy policy evolved, alternative energy emerged as an essential strategy to promote climate preservation and ensure US national security. With capabilities in science, technology, R&D, and innovation, Booz Allen contributed to work under way in government laboratories to create alternative energy sources and protect the environment. Working with the Department of Energy (DOE), the firm helped the Advanced Research Projects Agency-Energy to identify and invest in breakthrough technologies that offered the potential to transform the nation’s energy future. It also supported the DOE’s Office of Energy Efficiency and Renewable Energy in working toward its 2025 goal to create financially viable commercial buildings with net-zero energy consumption. And in January 2009, Booz Allen began a partnership with Ocean Conservancy and its International Coastal Cleanup effort to develop a three-year strategy to improve the health of the world’s oceans and waterways.

Redefining the Way We Work

Decades ago, founding partner Jim Allen said, “We grow because of the people we have. We want, and have, able and ambitious personnel. We want to give them opportunity. If we kill that opportunity by putting a ceiling on our growth, we would dry up and fade away.” Over the years, the business environment has become more distributed, and more complex. Guided by its 2010 People Survey, Booz Allen introduced new initiatives that created workplace flexibility, promoted collaboration, and opened up new career opportunities. The pioneering program offered flexible working arrangements that allowed the firm to connect employees to opportunities, tap talent markets across geographies, and align critical staff to meet the unique needs of clients—regardless of location. To support this program, Booz Allen created an original Enterprise 2.0 tool, known as hello.bah.com, to empower staff to network, join communities of interest, and pursue new assignments.
Booz Allen entered the transportation industry in 1914 when it accepted a research assignment from its first major client, the Illinois State Railroad. Over the next century, the firm’s portfolio expanded to include solutions for national and metropolitan rail systems, public and private airports, major airlines, and postal and logistics service providers. Booz Allen continued as one of the Federal Aviation Administration’s primary systems engineering and integration partners, helping to integrate 21st-century technologies into the Next Generation Air Transportation System that will transform the US air traffic control system. The firm also worked with the US Department of Transportation to define and test a strategy that uses advanced wireless communication between vehicles and roadside devices to help improve safety and enhance mobility.

Joe Logue on Entrepreneurship

“I started my first business in high school—a home renovation business—and I learned early on that if I put my thought and heart into it, I could pretty much do anything. I enjoy building things, and at Booz Allen I get to build things with smart people. About two years ago, I approached the Leadership Team and suggested we go back into the Middle East, North Africa region. It was a pure startup backed very well by the institution, and I could handpick the people I needed. I found people who were willing to take the chance; people willing to jump in feet first. It took a lot of time and effort, but within two years we created an up-and-thriving business from nothing. The number of people going back and forth between the US and Abu Dhabi to help our team over there is just a hallmark of what we do.”

—Joe Logue
Executive Vice President

Advanced Communications Promote Safe Travel

Joe Logue
Executive Vice President
Responding with Resilience

Booz Allen Hamilton approached its centennial anniversary as the preeminent consulting and technology firm serving the US government. In supporting its clients’ most important and challenging missions, it had built industry-leading positions in cybersecurity and advanced analytics, disciplines that had become increasingly important to every market Booz Allen serves. It pursued a focused expansion strategy to move beyond the US government into commercial and international markets. And it demonstrated the financial strength and business acumen necessary to keep the firm ahead of the curve and on solid ground.

The firm drew on these strengths as it confronted a deteriorating marketplace. The US and world economies continued their sluggish growth trajectories. Political paralysis in the US Congress produced severe gridlock, and eventually government sequestration and a government shutdown. As a result, US government clients continued to delay spending decisions, move to lowest-price technically acceptable awards, delay or reduce contract awards, and funnel more of these awards to small businesses. Together, these conditions created a shock for the federal government consulting industry that began to accelerate industry consolidation.

Against this backdrop, Booz Allen’s leadership team focused on controlling what it could control and on positioning the firm for a more stable operating environment and a return to growth. As part of its Vision 2020 strategic planning initiative, it restructured the organization to simplify its matrix, improve accountability, and facilitate growth in new business areas. It removed costs from its infrastructure and overhead and adopted a new operating model focused on driving bottom-line growth. It invested in a Strategic Innovation Group charged with creating, incubating, and marketing new service offerings. It also significantly advanced the firm’s thinking, both strategically and operationally, about ethics and compliance by appointing a new chief ethics and compliance officer to expand programs and lead internal and external communications about them.
As discussions about the national debt, the federal budget deficit, and the government procurement environment intensified, government agencies faced a difficult challenge: how to support important domestic policy initiatives while simultaneously achieving operating and budgetary efficiencies. In this environment, Booz Allen used its status as a large, objective service provider—and its deep domain knowledge and technical expertise—to help clients do more with less. As examples, US Central Command identified personnel needs and functional processes and the enabling IT as potential sources of savings. A Booz Allen team helped its client reengineer its IT systems by applying the firm’s Mission Engineering® service to identify functional needs within each mission area, align them with application-level programs, and visualize both redundancies and gaps. As an extension of its long-term relationship with NASA, in 2011, the firm also performed an independent cost assessment of the budget for the Space Launch System that identified financial and technical risks and revealed opportunities to improve budgeting and scheduling processes.
Ongoing Investments
Protect Networks and Information

Network-enabled technology now formed the backbone of our economy, infrastructure, and national security, and recent national policies and governmental initiatives in this area created new cyber-related opportunities across government and commercial markets. For the Veterans Administration, Booz Allen helped stand up the Office of Information Security to meet the VA’s ever-changing cybersecurity demands and protect key health IT assets. The firm also used its deep expertise in securing government defense and intelligence networks to strengthen the security posture of IT networks and manage espionage risks for a growing number of commercial clients. For several government clients in the Middle East, Booz Allen helped develop cybersecurity policies and standards and identify advanced persistent threats.

In 2012, the firm launched Booz Allen Cyber Solutions Network™ capabilities to help clients defend critical IT assets through a dynamic environment that virtually connected thousands of experts in advanced cyber analytics, computer network defense, cyber product and technology evaluation, and advanced cyber training.

Supporting and Honoring Military Personnel and Veterans

At all levels of the organization, Booz Allen continued to attract highly skilled military veterans who were seeking new opportunities to serve their country. These veterans were especially proud to work for a firm that supported diverse veterans organizations through client engagements, mentoring programs, and community service activities. In 2013, a Booz Allen team with more than 120 years of combined Special Operations experience began helping Special Operations Command build an infrastructure to make it easier for operators to maintain optimal readiness and recover from physical and psychological impacts of deployments. Booz Allen also helped stand up the National Intrepid Center of Excellence, a state-of-the-art research institute and clinical facility focused on traumatic brain injuries and psychological health conditions.
Cloud Analytics Creates Business Value

Booz Allen worked with organizations across government and corporate sectors to help them streamline and secure IT systems—and help analysts and decision makers achieve the highest business value from their information and computing infrastructure. These projects included the Distributed Common Ground System-Army Standard Cloud, a revolutionary cloud-based analytics system that delivered massive and elastic data storage and processing capacity, with the power to query, sort, and analyze hundreds of millions of textual intelligence products in less than one second. As more organizations migrated to the faster, cheaper, and more capable computer power available in the cloud, Booz Allen leveraged its intelligence agency experience to develop security protocols and procedures to protect data that resided in the cloud.

Karen Dahut on Collaboration

“I was sitting with the other executives discussing how to stand up the Strategic Innovation Group and how to populate its leadership ranks. I asked for over 20 very senior people to be with me in it. Sitting around the room were all the people for whom these individuals worked at that time, and without a blink of an eye they all said, ‘Okay, sounds great, sounds like the right thing to do. Let’s do it.’ That is the spirit of Booz Allen. That is what makes us great. We work as one. We are one firm. We are one institution that serves our clients and their missions in a way that nobody else can.”

—Karen Dahut
Executive Vice President
The Vision 2020 strategic planning initiative has positioned Booz Allen on the sound financial and business footing necessary to compete in the current environment. But more important, it has established a new growth agenda based on market insight and innovation. Today’s marketplace calls for a more innovative and resilient Booz Allen that can redefine high-end government consulting with a much broader scope. Specifically, the 2012 acquisition that created Booz Allen Hamilton Engineering Services, LLC has already enhanced the firm’s brand as a source for innovative engineering. The firm is also attracting new clients by steadily growing its commercial and international businesses. And in its first full year of operation, the Strategic Innovation Group is leading Booz Allen in new directions. It is forging new technology partnerships in Silicon Valley, developing products for commercial distribution, aligning resources to address specific market-focused challenges, and developing new intellectual capital that helps reposition the firm as an industry leader in innovation.

As Booz Allen reaches toward its next 100 years, it will adhere to the values and practices that have fueled its past success—and embrace others that are critical to the future. Booz Allen will rededicate itself to the principles and characteristics that differentiate it most: its client mission focus; its knowledge and capabilities; its commitment to serving clients and communities; its core value system built on ethics and integrity; and its collaborative culture in which diverse, multiskilled teams work side by side with each other and with clients. Booz Allen also will adopt additional practices that will help the firm further improve its cost structure and move even closer to clients and to the markets it serves. By reinvigorating its consulting service offerings, growing a differentiated commercial and international presence, and investing to enhance its technical capabilities, Booz Allen will continue to support clients at the heart of their missions, create new opportunities for staff, and generate value for shareholders.
Expanded Engineering Capabilities Support Mission Success

For many defense, civilian, and intelligence clients, mission success increasingly depends on the ability to solve complex engineering-related challenges within a constrained budget environment. To support our clients’ vital missions, Booz Allen is expanding its technical expertise in engineering and applied science. Whether in platform modernization, systems engineering and integration, or technical solutions, the firm brings deep cross-market capabilities that combine engineering, acquisition, management, and prime contracting expertise. In 2012, Booz Allen completed a strategic acquisition that led to the formation of Booz Allen Hamilton Engineering Services. The transaction broadens and deepens existing engineering capabilities by adding approximately 1,000 high-caliber engineers and by strengthening expertise in such technical areas as C4ISR and hardware and software prototyping.
An Intensified Focus on Innovation

The most serious problems organizations face today call for entirely new approaches and new ways of thinking. Booz Allen believes that many of its clients have a common set of problems that can be solved only by reimagining how things can be done and applying those insights to real-world challenges to build value. The firm’s 2013 launch of the Strategic Innovation Group addresses these complex, large-scale client issues. With 1,800 staff, the Strategic Innovation Group is driving four major initiatives across the firm to address critical client needs: next-generation analytics, predictive intelligence, rapid prototyping, and platform integration, and digital enterprise integration. It is also capturing opportunities in product development and delivery, including managed services, specialized prototypes, packaged software and solutions, and co-investments with incubators and new ventures. Over the long term, the Strategic Innovation Group will play an important role both in driving growth and in recruiting and retaining highly skilled employees. Most significant, it will help reinvigorate innovation throughout Booz Allen and make it a foundation of the brand and culture.

Commercial Platform Generates Profitable Growth

Booz Allen is building a robust portfolio of commercial clients who value the firm’s unique capabilities in such areas as cybersecurity, analytics, and government regulation. For example, financial services organizations are seeking military-grade cybersecurity solutions that help them respond proactively to vexing threats to their data and IT systems. Healthcare organizations are using Booz Allen cloud analytics capabilities to harvest greater value from their patient data, so they can reduce costs and improve patient outcomes. And in the energy industry, utilities and energy companies are tapping the firm’s insights into regulatory and compliance issues to help them address increasingly rigorous requirements. A strong but focused commercial presence will give Booz Allen a more balanced business portfolio and create new growth channels.
New People Model Boosts Opportunity

Booz Allen is pursuing growth opportunities that require a broad range of consulting, mission, and technical expertise. To continue to attract and retain the industry’s best talent, the firm introduced a new People Model that recognizes the diversity of skills within the organization and clearly defines opportunities for staff to pursue different career paths. This model establishes more than 90 unique roles at Booz Allen within two general tracks—engineering and technology, or consulting and mission operations. It defines clear performance criteria within each level, from consultant to officer. And it establishes a new Functional Community framework that gives staff the mentoring and support necessary to cultivate the knowledge, skills, certifications, and experience they need to advance. Booz Allen staff now have a clear line of sight into the many resources and opportunities to build relationships across the firm, access intellectual capital, and grow and deepen their functional skills.

Horacio Rozanski on Integration

“Our sophisticated clients don’t need a one-stop shop: our broad range of capabilities only creates value through integration. When trying to meet the needs of a very complex mission, the hardest thing to do is to translate the requirements into an actual solution. Most failures occur when, in the process of crafting a solution, dialog between those who do the job and those who build different parts of the answer breaks down. Those are the places where our depth of mission understanding, our breadth of capabilities, and our collaborative culture integrate into unique results to create a level of value for the client that nobody else can match. That is, at its core, the Vision 2020 story.”

—Horacio Rozanski
President and Chief Operating Officer
A Century of Innovation

Founding the Profession
Edwin G. Booz's innovative approach to helping companies succeed gives birth to the modern management consulting profession, and James L. Allen coins the term “management consultant” in a 1930s promotional brochure to describe the firm’s focus on analyzing businesses and devising ways to improve profitability or penetrate new markets.

Conducting the First Institutional Study
In the 1930s, Ed Booz personally conducts the first study of a nationwide organization, the American Red Cross, which propels the firm into institutional consulting.

The Origins of Project-Management Technology
To support the US Navy’s Polaris nuclear submarine project, partner Bill Pocock and his client co-develop the Program Evaluation and Review Technique, or PERT, a flow chart that depicts critical activities and important interdependencies and bottlenecks. Nearly ubiquitous by the 1960s, PERT led to project-management software.

A Pioneer in Consulting for Both Industry and Government
Already an advisor to corporations, the firm launches a public sector consulting business to help the US Navy gear up for World War II by doubling the Navy’s size, revamping its systems and services, cutting red tape, and establishing an efficient new management structure.

Advancing Space Exploration
Booz Allen is involved in the theoretical strategy for the 1969 Apollo 11 spaceflight, which puts the first humans on the moon, and contributes to the design of the Hubble Space Telescope, launched in 1990.

Wargaming Applied to Client Problems
Booz Allen develops modern professional wargaming in the 1980s to help military leaders set priorities for missions, tactics, and doctrine, as well as establish procedures for procurement, equipment maintenance, transportation, and other logistical details.

A PowerPoint Staple
In the 1970s, Booz Allen’s Harvey Poppel invents Harvey Balls—round, pie-chart-like ideograms that visually communicate progress or comparisons.

The Product Life Cycle Concept Introduced
“How to Organize for New Products” is published in the May-June 1957 issue of Harvard Business Review (HBR). Co-authored by Sam Johnson and Booz Allen’s Conrad Jones, the article explains how companies could develop new products rapidly and consistently. It becomes HBR’s best-selling reprint for the next 20 years.

Engaging in Issues Touching All of Society
As an original underwriter of the Aspen Ideas Festival in 2005, Booz Allen begins a decade of work to help stimulate cross-sector thinking and dialogue about the most important issues of the day.
Innovation is in Booz Allen’s DNA. From change management to systems engineering to cybersecurity, Booz Allen has always been at the forefront of applying the newest thinking to solve business problems and achieve breakthrough results.

Polaris
Next-Generation Analytical Software
Booz Allen develops the Polaris™ tool for quickly conducting integrated cost and schedule risk analysis. The product allows government and business leaders to make sound, objective, and data-informed decisions and better achieve program objectives.

Incubating Innovation Internally
The Booz Allen Ideas Summit, the firm’s signature innovation effort, launches in 2008 to identify and incubate new ideas and solutions for the marketplace. The firm further enables a culture of entrepreneurship with the introduction of additional in-person events where staff pitch ideas to secure investment funding, as well as online tools for idea sharing.

Groundbreaking Cyber Solution
The firm launches Cyber4Sight™ threat intelligence services to help clients stay one step ahead of cyber adversaries. It uses multiple data sources to identify and monitor an organization’s unique cybersecurity profile, determine its “attack surface,” and deploy military-grade predictive intelligence to anticipate, prioritize, and mitigate cyber threats 24/7.

Driving Our Second Century of Excellence
The Strategic Innovation Group is launched in 2013 to deliver original, practical, and transformational solutions to clients by uniting strategy, consulting, emerging technologies, and advanced engineering solutions. The Strategic Innovation Group helps clients integrate capabilities, streamline and modernize processes, and extract actionable insights so they can do more with less.

An Approach for Solving Wicked Problems
First described in a 2008 book authored by four Booz Allen officers, megacommunity™ services provide clients with a framework and structure in which business, government, and nonprofits work together in a state of permanent negotiation to address seemingly intractable problems.

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