

Best Practices Transfer: Unleashing the Value Within



Executive Summary

Most large organizations need look no further than their own doorstep to locate best practices, and the pressure to start exploiting them is intensifying. E-enabled technologies and a spate of corporate mergers are redefining the competitive landscape in most industries, making inefficiencies and performance lags all the more visible. The discipline and focus of a best practices transfer process make it an ideal vehicle for companies looking to leverage the lessons of e-business and accelerate their continuous improvement efforts.

A well-deployed best practices transfer program can help a company accomplish two critical strategic objectives: 1) drive step-change improvements in performance, and 2) accelerate its development into a learning organization.

By focusing on not only sharing knowledge but also applying it, best practices transfer unleashes the tremendous energy and substantial value locked in by current structures, processes, and systems. Moreover, it enhances organizational alignment and adaptability, two attributes deemed critical to sustaining competitive advantage in a global, technology-driven economy.

Working with a broad range of clients over the years, Booz-Allen has developed an approach to transferring best practices that quickly unleashes value along three critical dimensions:

- Ensuring **operational excellence** to deliver superior performance;
- Building **world-class capabilities** to create competitive advantage; and
- Redefining the role of the corporation to create a **learning organization**.

Opportunities to leverage best practices span the value chain and exist in every industry. That said, there are “ideal” candidates for a best practices transfer initiative. These tend to be companies with multiple business units or multiple programs. Companies that are integrating operations after a merger are also prime candidates.

An effective best practices program is an iterative, rigorous, and highly analytical process that becomes institutionalized over time. It involves **identifying** superior capabilities; **transferring** them across business units; and then systematically **monitoring** and **realizing** results. In its simplest form, this can mean knowledge sharing among peer groups. At its most powerful, it means using performance improvements to drive strategic transformation. Whatever the circumstances under which a best practices transfer program is launched, its ultimate goal will be to deliver consistent and elevated performance levels in critical business processes across the entire organization. This *Viewpoint* outlines Booz-Allen’s unique approach to best practices transfer.

Best Practices Transfer: Unleashing the Value Within

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By now, it is widely understood that transferring best practices can be a powerful way to drive dramatic improvements in productivity and performance. The big surprise is where to look for them. While it may seem counterintuitive, it has been our experience that best practices most often reside *within* large organizations. Major companies need look no further than their own business units to find winning capabilities, processes, or execution strategies that can be shared internally with great ease and effect. While external benchmarking still plays an important role in bringing critical business functions up to world-class standards, the simple truth is you can get most of the way there without cracking codes and buying up databases. What you do need, however, is a process to identify best practices, the means to transfer them effectively, and business systems that allow you to institutionalize a best practices program.

Working with a broad range of clients over the years, Booz·Allen has developed an approach to transferring best practices that quickly unleashes value.

Ultimately, this innovative approach to best practices creates a more adaptable and aligned enterprise — one that can fully mine and leverage its internal assets to respond more readily and successfully to change.

Best Practices Transfer: The Case for Action

A best practice is any outstanding capability or process that differentiates performance and offers significant cost/benefit impact. Best practices define and drive the “what,” “how,” and “where” things are done in successful organizations.

The case for identifying and transferring these winning methods boils down to two central arguments. First, best practices can and do drive step-change improvements in performance, both in terms of costs and revenues. And second, their transfer accelerates a company’s development into a learning organization.

By promoting the exchange and application of knowledge within the organization, best practices transfer unleashes the tremendous energy and substantial value locked in by current structures, processes, and systems, helping business leaders deliver on their “stretch” goals and commitments. Moreover, it enhances organizational alignment and adaptability, two attributes deemed critical to sustaining competitive advantage in a global, technology-driven economy.¹

Best practices is not about incremental improvement — it is about strategic transformation. A successful best practices initiative is not a one-off exercise. It’s an ongoing, enterprise-wide, iterative process that becomes institutionalized over time as part of an organization’s internal learning network.

Best practices unleash the value within an organization by:

- 1) Ensuring **operational excellence** to drive superior performance;
- 2) Building **world-class capabilities** to create competitive advantage; and
- 3) Redefining the role of the corporation to create a **learning organization**.

While tackling each in turn, successful best practices efforts manage to encompass and accomplish all three objectives.

Operational Excellence

It is rare to find a single business unit that performs at all metrics. In our experience, there is often a 4:1 performance differential among business units performing similar functions within a given company. In other words, one group has identified a way to be four times more effective at the same task than another. Much of this variation lies in the processes, tools, work methods, and capabilities employed.

Eliminating that variation and bringing every unit up to best-in-class standards is the first objective of any best practices program. The larger the performance gap in a particular area, the bigger the payoff, financial and otherwise. By analyzing the capabilities of your “star” players in any given area and sharing their techniques, you can bring underperformers up to that “star” level. The result is increased process discipline, higher levels of performance, and far greater consistency and predictability in overall results.

One automaker we recently worked with has generated improvements in cost performance in critical functions approaching 30 percent, all directly attributable to best practices transfer. Bell Labs (now

¹ “*Creating the Organizational Capacity for Renewal*,” a project of the World Economic Forum in partnership with Booz·Allen & Hamilton, Inc., 2000.

Lucent) has reported a 25 percent increase in productivity based on its identification and application of nine “star” work strategies of how individual researchers perform work. Banc One increased its return on assets by 40 to 70 percent by transferring best practices to banks it has acquired. And Lockheed Martin is on target to achieve over \$2.6 billion in cost savings as a result of its “Operating Excellence” program.

Companies have realized substantial benefits not only in terms of the lower costs and improved cycle times, but also increased revenues. At Xerox, a best-practice program implemented in its core businesses and focused on revenue generation achieved \$65 million in increased sales in its first year and a \$200 million increase by the end of the second.

The aim here is not simply to encourage the best performing business units, the “lead dog,” to run faster. Rather, it is to boost the performance of the trailing pack. That is where the immediate and easier gains lie. By focusing on bringing underperforming units up to par, you can generate rapid improvements in total performance and output, while laying a foundation for breakthroughs to the next level.

Lockheed Martin: Operating Excellence in Post-Merger Integration

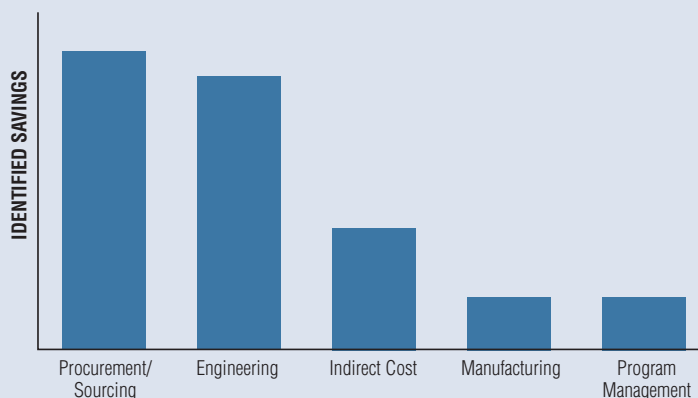
By the mid-'90s, Lockheed Martin had completed multiple mergers and acquisitions and comprised more than 50 operating units with at least ten distinct business models and sets of competencies inherited from its acquisitions. The core of this merger activity was the coupling of Lockheed and Martin Marietta followed shortly by the purchase of General Dynamic's defense aerospace business. Upon completion of these mergers, Lockheed Martin's business encompassed aeronautics, space launch, satellites, naval systems, electronics, I/T systems, I/T outsourcing, and some commercial systems.

As military spending slowed and the Northrup Grumman acquisition was discouraged, Lockheed Martin suffered slower growth and lower performance, losing more than 50 percent of its market capitalization in two years.

One of the responses that Lockheed Martin initiated was to optimize its post-merger integration efforts and launch its “Operating Excellence” initiative. Through this program, Lockheed Martin has focused on identifying best practices and driving lean thinking across its diverse range of businesses. It has institutionalized the ability to transfer advantaged capabilities across the organization.

By capturing these best practices and building an ongoing program through which to share and tailor them across its business base in a lean environment, Lockheed Martin has unleashed substantial value not only in terms of financial operating performance, but also in cultural change. Both legacy and newly acquired business units systematically share knowledge, working together to establish a common and optimal way of doing things, and creating an environment suited to change and innovation.

**STRUCTURED BEST PRACTICE TRANSFER
IDENTIFIED SAVINGS**



Sources: Lockheed Martin Corporation; Booz • Allen & Hamilton

World-Class Capabilities

Once a foundation of operational excellence has been established, a company can use best practices to build world-class capabilities in critical business functions. Once the rhythm and discipline of sharing and implementing best practices has been established, the ability to drive more advanced, market-shaping capabilities is enormously easier.

Using best practices to push critical capabilities to the next level helps companies realize substantial gains not only in terms of operational efficiency but also market position and revenue generation. It is here that companies move beyond closing performance gaps to creating sustainable competitive advantage, whether in price realization,

customer service and retention, new business development, or another arena. Chase Manhattan Bank, for example, identified customer relationship management as one of its key functions and invested in the rapid deployment of a Relationship Management System based on best practices. Chase claims this program has resulted in portfolio profitability gains of up to 27 percent, and a return on investment of nearly 35 percent.

In working with clients, we have developed tools and methodologies for evaluating strategic requirements, and identifying and prioritizing what capabilities to focus on first. For instance, existing capabilities should be classified according to their relative maturity to provide a structured approach from which to build (see Exhibit 1):

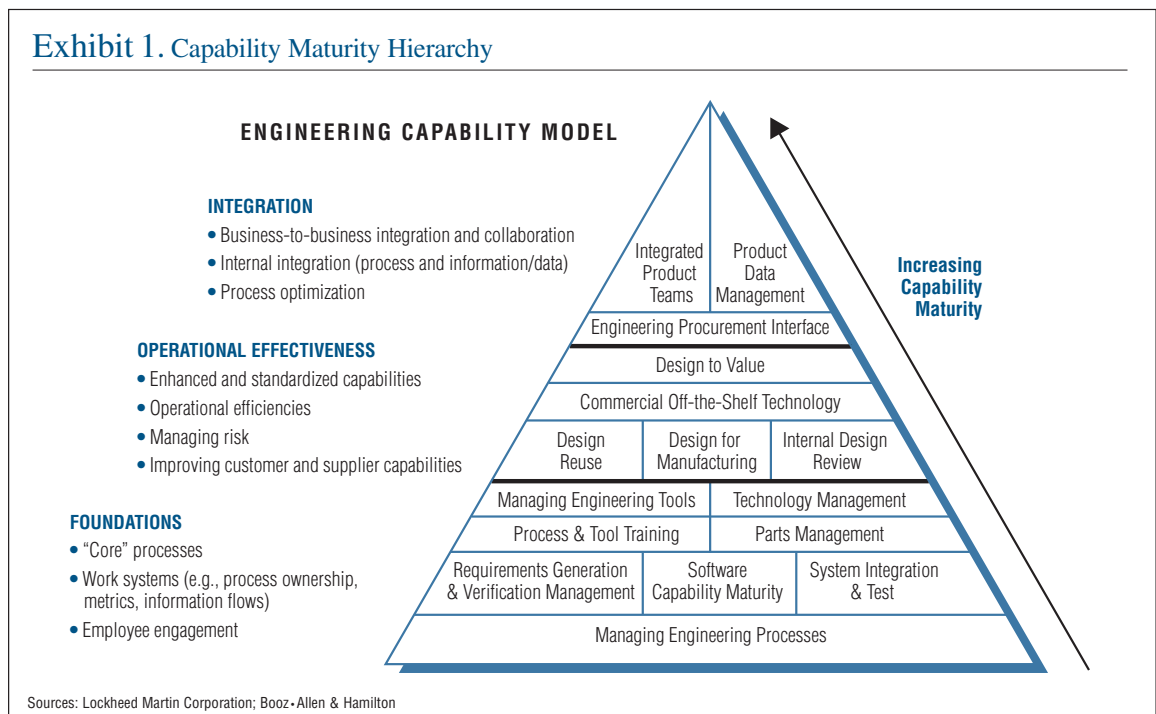
- “Foundational” capabilities are the basic building blocks of a business, including core processes and work systems.

- In the middle category are activities which, when superbly executed, enhance “Operational Effectiveness.”

- At the top of the pyramid are “Integration” best practices — those that fuel the most productive and efficient cross-fertilization of resources and ideas among business units, programs, and the extended enterprise.

Companies looking to build world-class capabilities need in general to focus on closing performance gaps at the foundational level before they tackle problems at the operational effectiveness level. And both foundational and operational challenges should be fully addressed before attempting the demanding work of integration.

Exhibit 1. Capability Maturity Hierarchy



Learning Organization

The push toward best practices reflects a profound cultural shift among large companies as they focus on how to foster change and enhance agility in a knowledge-based and e-enabled economy. The development of a learning organization has become mission critical, and many leading corporations are overhauling their organizational structures to facilitate that goal, refocusing around three “spheres of influence”: natural business units; a shared services operation, and; a streamlined corporate core.

One of the key strategic functions the corporate core performs in this revamped structure is facilitating knowledge

transfer across business units and encouraging collaboration. Best practices transfer is a powerful mechanism for fulfilling this function and thus typically resides in the corporate core. However, while corporate generally *drives* the best practices process, it no longer *controls* it as in years past (see Exhibit 2). Ultimately, the business units will decide which best practices to embrace to achieve their strategic imperatives.

“A Learning Organization is an organization skilled at creating, acquiring, interpreting, retaining, and transferring knowledge; and at purposefully modifying its behavior based on new knowledge and insights.”

*— Professor David A. Garvin
Harvard Business School*

Peer groups can play a critical role in this process. BP Amoco, for example, has created “learning communities” of individuals from around the company, who gather to share best practices, reuse knowledge, and accelerate learning in a fully “democratic” setting. It is BP Amoco’s view that hierarchy and the accompanying politics impede knowledge exchange, and their results bear out the wisdom of such a view. Their Knowledge Management program, of which best practices is a part, saved the company \$700 million in 1998 alone!

The notion of “best practices” is hardly a new idea, but it has gained tremendous currency given recent competitive trends. The discipline and focus of the

Exhibit 2. Evolution of Best Practices Thinking

DIMENSION	FROM . . .	TO . . .
CHANGE LEADERSHIP	Corporate led and owned, top-down driven	Business unit ownership, with corporate facilitation
SOURCE OF VALUE	Paper best practices — “one-size-fits-all”	Tailored practices that match a business unit’s strategic needs
CHANGE EXECUTION	Corporate staff drives	Business unit peer groups decide <i>what, how, and where</i>
BUSINESS UNIT FOCUS	Internal performance only	Broader responsibility to support the transfer of knowledge
VALUE CAPTURE	Focus on knowledge transfer with marginal emphasis on implementation planning and follow-up	“Closed-loop” systems in place to ensure financial benefits are driven to bottom line
ACCURACY AND PRECISION	Minimal quantification of benefits, weak understanding of impact on processes and capabilities	Well-developed economic understanding with validation and analysis to confirm and quantify potential benefits

Source: Booz-Allen & Hamilton

best practices transfer process make it an ideal vehicle for companies looking to leverage the lessons of e-business and accelerate their continuous improvement efforts. By equipping everyone in the company with a common vocabulary and approach to doing things, a best practices program channels energy toward a focused set of key capabilities, and accelerates process improvement and innovation. The resultant reduction in complexity produces dramatic results, both in terms of financial performance and overall agility.

These benefits are no longer a luxury in an environment transformed by the Internet and e-enabled technologies. As

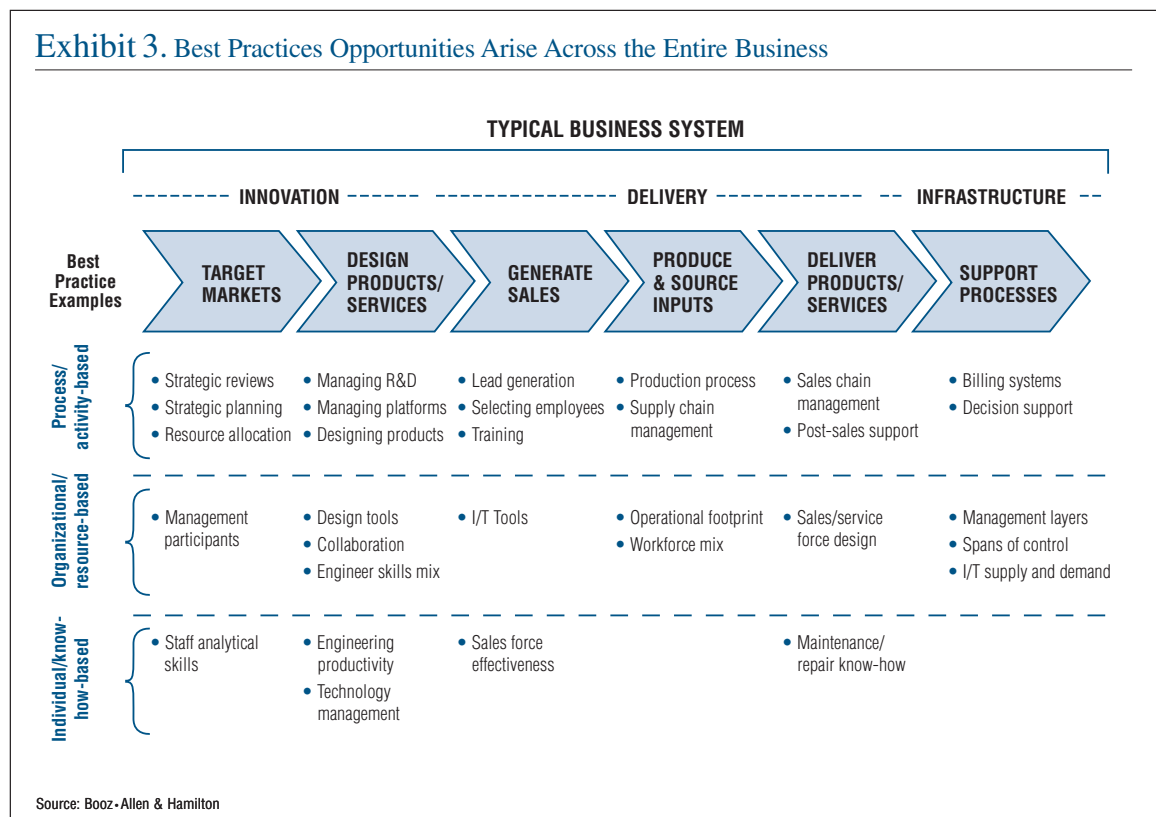
e-business knocks down traditional competitive barriers and “ups the ante” on market-driving capabilities, the need for an effective best practices transfer mechanism becomes all the more critical. Any impediment to greater efficiency or effectiveness in this streamlined and transparent environment is an unnecessary and costly burden that can no longer be offloaded onto someone else. As companies “launch and learn” with new e-business initiatives, the ability to propagate learnings in a structured manner based on demonstrable performance — and not just on comparing experiences — will be a key competitive advantage.

Unleashing the Value

Opportunities to leverage best practices span the value chain and exist in every industry. Whether a service organization or a manufacturing/engineering-intensive operation (see Exhibit 3), there are myriad processes and skills that can benefit from the application of superior learnings and insight.

That said, there are “ideal” candidates for a best practices transfer initiative. These tend to be companies with multiple business units or multiple programs that are independently run. Companies that are integrating operations after a merger are also

Exhibit 3. Best Practices Opportunities Arise Across the Entire Business



prime targets for a best practices initiative. Brought together in a non-threatening environment to exchange success stories, acquirer and acquiree can realize powerful synergies and quickly dispel mutual misunderstandings and mistrust. In fact, identifying and transferring best practices should be a key step of integration planning processes when two companies agree to combine.

Whatever the circumstances under which a best practices transfer program is launched, its ultimate goal is to deliver consistent and elevated performance levels in critical business functions across the entire organization (see Exhibit 4).

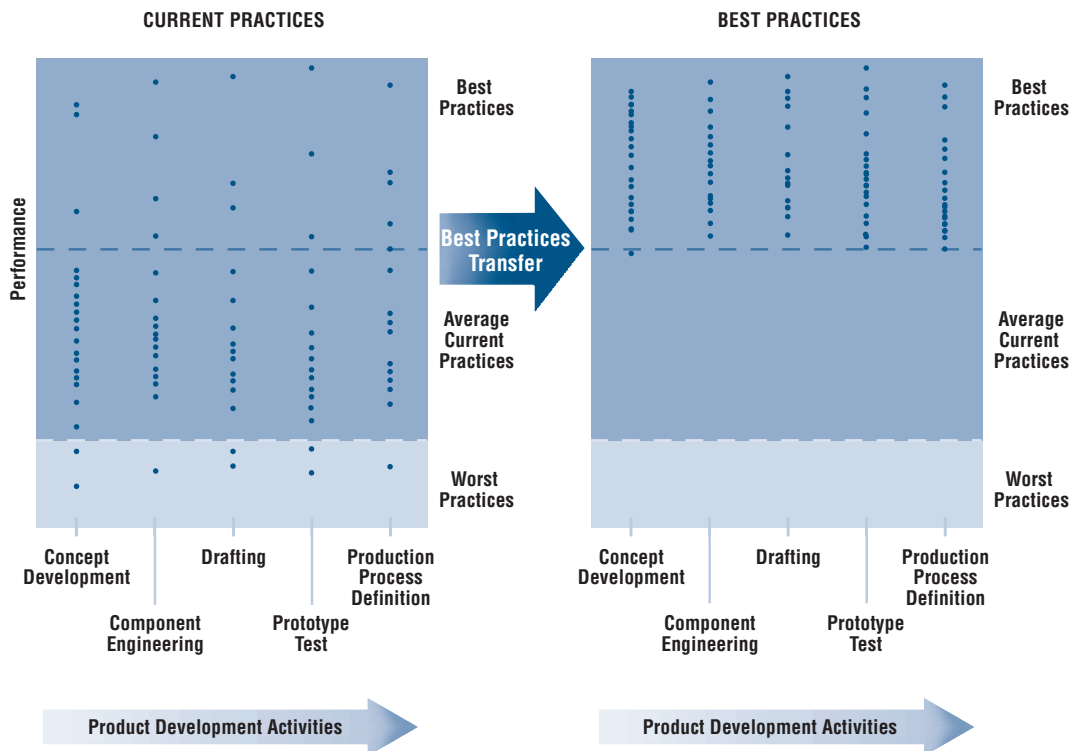
Best Practices Transfer Is Most Effective When:

- Clearly defined need for step change performance improvement
- Integrating operations after a merger
- Multiple, broadly comparable entities
 - Processes
 - Projects/programs
 - Divisions/departments/factories
 - Individuals
- Differential performance between comparable entities
 - Variation in results measured
 - Variation in the practices or routines

In our experience, companies often undermine their own best practices efforts by looking outside for what already exists within. Since the mid 1980s, companies have focused on

using external benchmarking to propel their best practices programs, investing heavily in identifying and importing ideas from other companies. These efforts have often reaped more disappointment than hard dollars. For example, an automotive client benchmarked its programs against Toyota's for years, without fully decoding why Toyota enjoyed such success. Eventually, the engineers started to focus on the performance of their own vehicle centers internally and recognized quickly that not only was there tremendous variability from program to program, but that some were already operating at world-class levels.

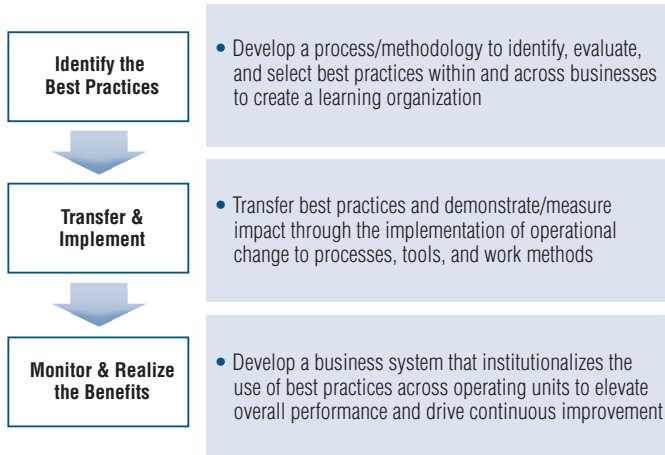
Exhibit 4. Minimizing Performance Variation Through Best Practices Transfer



Source: Booz-Allen & Hamilton

Exhibit 5. Booz-Allen Approach to Best Practices Transfer

COMPONENTS OF THE BEST PRACTICES TRANSFER PROGRAM



Source: Booz-Allen & Hamilton

Searching for best practices *within* an organization is orders of magnitude easier and less expensive than trying to pull them in from outside. The practice has already been proven to work within the culture. Confidential data can be shared and processes decomposed to understand their root drivers. So, while external benchmarking can play a role in establishing leading performance levels and identifying critical capability gaps, it is not generally a primary transfer mechanism in our recommended methodology (see Exhibit 5).

The Booz-Allen Approach to Best Practices Transfer

A best practices program involves **identifying** superior capabilities; **transferring** them from function to function across business units; and then systematically **monitoring** and **realizing** results. In its simplest form, this can mean knowledge sharing among peer groups. At its most advanced, it means using performance improvements to drive strategic transformation.

Working with leading companies in a wide range of industries, we've developed a disciplined approach to best practices that is outlined on the following pages.

IDENTIFY

The corporate core typically designates a steering team or group of process leaders comprising peers from the various business units to oversee a best practices effort. This team will start by defining the program structure and performs the following tasks:

- **Structure** – Define the critical areas to include in the best practices program and understand the interdependencies between them. Define the scope of which business units should be included. Set a stake in the ground for what the performance improvement targets should be by best practice area (but not by business unit at this stage). These targets can cover revenue growth; cost; quality; warranty; cycle time, etc.

- **Baseline** – Establish where each business unit is today in terms of existing processes, resources, and performance metrics. This enables effective modeling of the economic impact of implementing particular best practices in the different business units.

•Detail the Best Practices –

Dissect high-performance business units for each best practice to determine the root cause of what differentiates its performance (e.g., management, process/people, enablers, etc.) and how it can be applied across other business systems.

By running this data through a rigorous set of comparative analytics, the team will

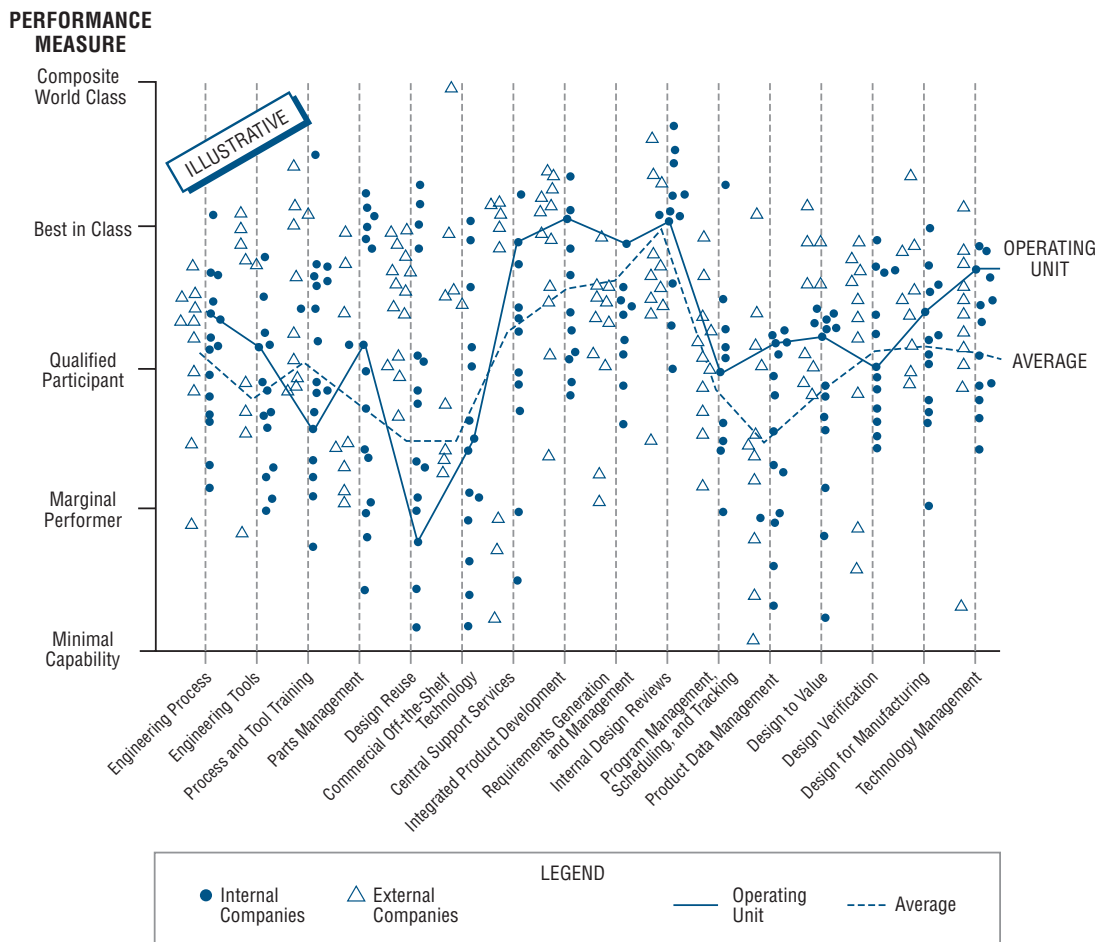
benchmark performance against internal (and sometimes, external) standards. The result (see Exhibit 6) guides the team in prioritizing which best practices to pursue.

It is critical to develop relevant descriptions of business processes and capabilities and an overall taxonomy that is meaningful to the business units that will be implementing this program. Overly detailed

definitions of a practice can prove to be restrictive, limiting deployment, while definitions that are too general create room for confusion.

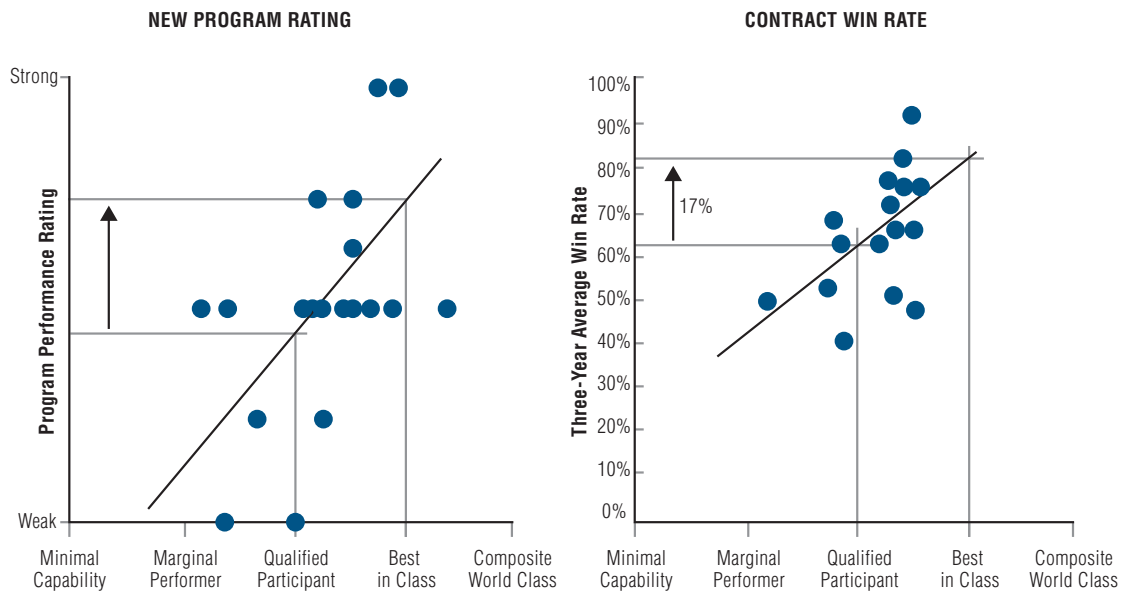
By rigorously capturing and analyzing this data, the steering team can quantify with a reasonable degree of precision the performance improvements that will result from implementing best practices

Exhibit 6. Capability Benchmarking



Source: Booz-Allen & Hamilton

Exhibit 7. Quantification of Performance Improvement Potential



Source: Booz-Allen & Hamilton

on a business-unit-by-business-unit or capability-by-capability basis (see Exhibit 7).

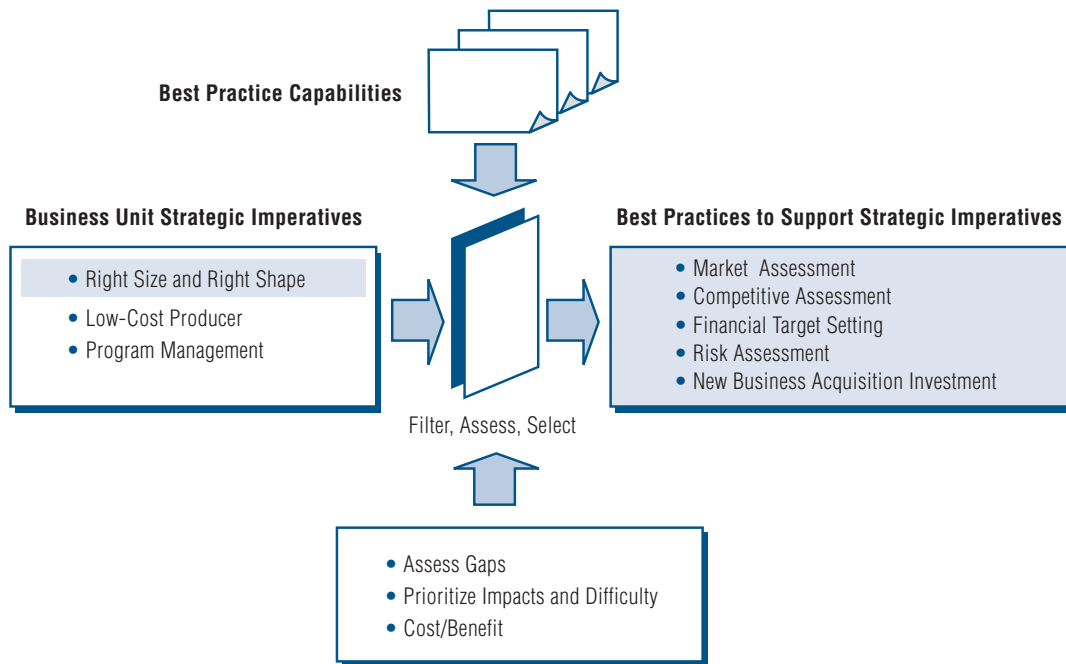
Based on this analysis and an assessment of each business unit's strategic imperatives, the steering team will build a business case and blueprint for adopting each best practice, including robust cost/benefit and lifecycle impact metrics. The team will create an overall best practices architecture, secure the

endorsement of top management, and cascade these targets to a level in the organization where they are actionable.

Top priority will be given to those cross-functional or functional capabilities and processes that have the greatest relevance across business units and the most strategic impact on performance (e.g., new sales closure, price realization, customer service satisfaction, e-business need, cost, quality, and cycle-time).

An important element of the assessment phase is providing the business units with feedback on how they are performing, thus creating an internal "pull" for change. Once they understand the concrete implications of achieving best-in-class levels, business units can step in and *apply* these best practices through the transfer process.

Exhibit 8. Mapping Strategic Imperatives to Best Practice Enablers



Source: Booz-Allen & Hamilton

TRANSFER

An effective best practices program identifies a core set of advantaged capabilities and then translates the benefits of leveraging these capabilities into a deployment plan that is aligned with each business unit's strategic needs. By making performance gaps clear and quantifying the potential improvements that result from implementing best practices, the identification phase provides business unit leaders

with a compelling rationale for incorporating best practice targets into their strategic plans.

Business unit "transfer teams" are, in effect, handed a base menu of best practices from which they can select those best able to meet their strategic imperatives and achieve maximum economic impact. Transfer teams prioritize best practice candidates by engaging in a process that links their strategic imperatives to key enablers, and then maps the result against the

set of best practices that are being proposed as transfer candidates (see Exhibit 8).

Business units will prioritize the transfer of best practices based on their most critical capability gaps. As part of this process, each business unit will determine what level they want to achieve in each capability area:

- It is rarely advisable to attempt to attain the highest performance in all areas.

- Trade-offs need to be established based on the relative size and importance of each gap.

Best practices transfer is not an exercise in standardization. Implementation will quite often vary from business unit to business unit depending on legacy systems and other factors. In general, however, effective execution focuses on lifting the best practice from a “source” unit and applying it to a “receiver” unit with minimal tailoring. Best practices transfer should not

involve substantial reengineering. It is an effective, two-way dialog and exploration that results in a streamlined transfer of knowledge, implemented in a lean work flow.

As Exhibit 9 demonstrates, the actual transfer of best practices from a source unit to a receiver unit can take multiple forms depending on the business unit structure:

- The broader the impact, the greater the organizational and program complexity.

- Simple peer-to-peer transfers are straightforward and easily executed, but significant results usually can be achieved only through a composite grouping of sources and receivers.

- It is important to note that the same business unit can act as both a source and a receiver in a best practices program, even within the same practice area.

Exhibit 9. Best Practice Transfer Models

TRANSFER MODEL	Simple Pair	Simple w/Network	Simple Clusters	Composite
DESCRIPTION	<ul style="list-style-type: none"> • Point-to-point transfer • Specific roles defined • Mentor relationship • Process leader teams 	<ul style="list-style-type: none"> • One source point transfer to multiple recipients 	<ul style="list-style-type: none"> • Both source and receiver share best practices 	<ul style="list-style-type: none"> • Composite practice built from the best elements of each source • All sources contribute and transfer learnings
FINANCIAL IMPLICATIONS	<ul style="list-style-type: none"> • Incremental point-to-point improvements • Up to 4 to 1 	<ul style="list-style-type: none"> • Incremental benefits up to the level of the source • Typically 4 to 1 	<ul style="list-style-type: none"> • Incremental benefits leveraging multiple sources • Often 6 or 8 to 1 	<ul style="list-style-type: none"> • Major change improvements • As high as 10 to 1
POTENTIAL APPLICABILITY	<ul style="list-style-type: none"> • Acquisition/post-merger integration • Specific practice or process 	<ul style="list-style-type: none"> • Multi-plant/site locations • Acquisition/post-merger integration • Specific practice or process 	<ul style="list-style-type: none"> • Multi-plant/site locations • Acquisition/post-merger integration • Specific practice or process 	<ul style="list-style-type: none"> • Requirements to close significant performance gap • Opportunity to drive massive change in business performance in industry

Source: Booz-Allen & Hamilton

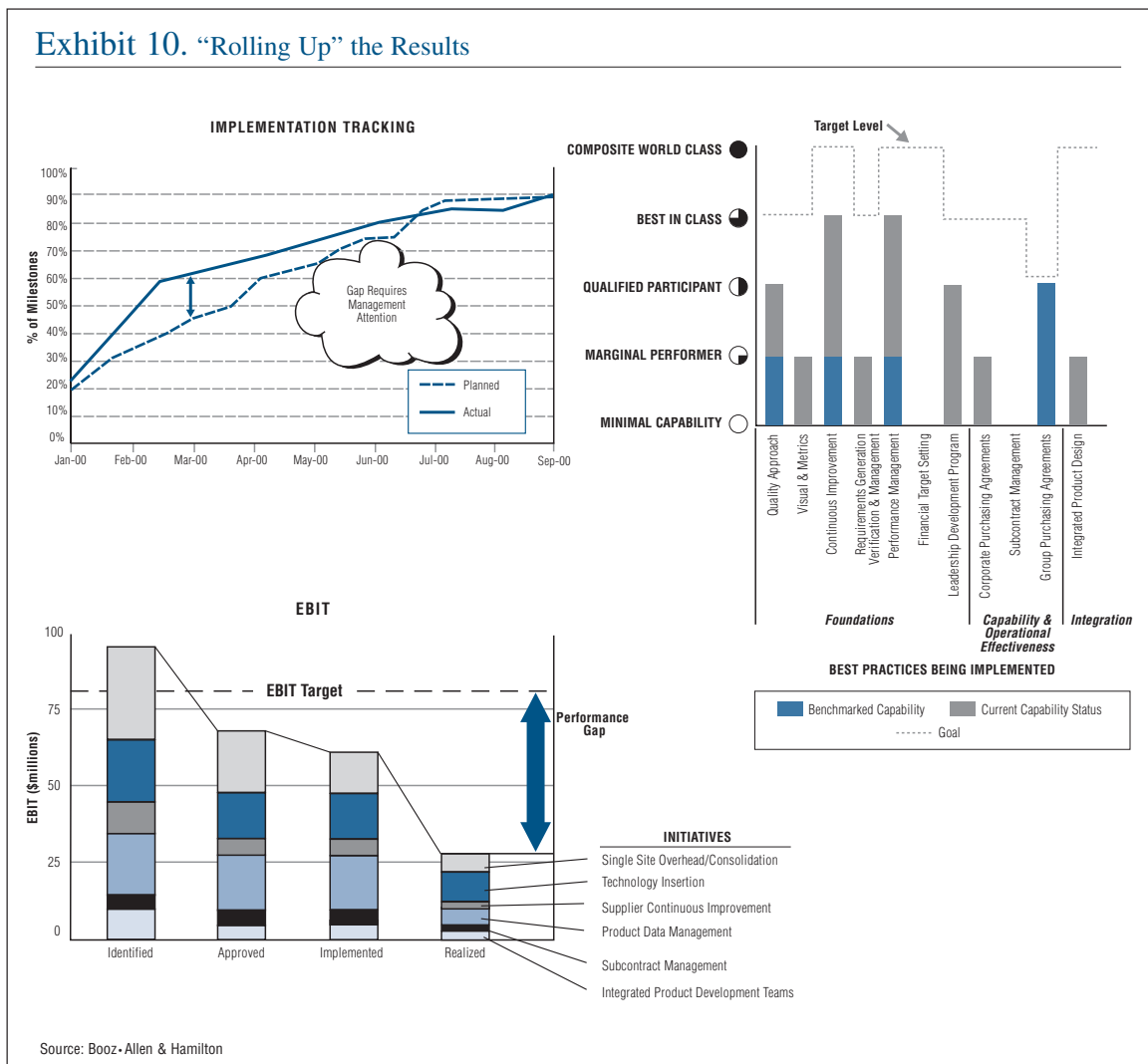
MONITOR AND REALIZE

An effective best practices program never ends. It constantly renews itself as new lessons are learned and innovations are developed. As businesses continue to seek higher levels of profit performance, the best practice transfer capability becomes valuable on an ongoing basis. The process itself becomes institutionalized and a source of sustained competitive advantage.

Delivering on the full promise of a best practices initiative requires a very robust mechanism to “close the loop” on projected benefits and track their actual bottom-line impact. Booz·Allen’s highly analytical approach to identifying best practices and benchmarking performance allows our clients to quantify what a best practice opportunity is worth going in, and how much of that has been

captured at each step along the way (i.e., identified, approved, implemented, realized). We help companies pinpoint which practices are effective and measure exactly how effective they are (see Exhibit 10). Without the ability to rigorously monitor and assess performance against expectations, a best practices program can lose a lot of its power and momentum.

Exhibit 10. “Rolling Up” the Results



In our experience, many well-intentioned best practices initiatives get mired in “soft” measures of performance. We recommend rigorously applying three different sets of metrics to maintain a hard edge. The first should measure the bottom-line impact. The second should record how effective the steering team and business unit leaders have been in achieving their milestones and what sort of gap remains. Finally, companies need behavioral metrics to determine whether targeted capabilities have improved as promised.

Lessons Learned

The key challenge in any best practices exercise is to get the benefits to “stick.” Some receiving units do not have the cultural capacity to truly absorb the new process or capability. Others do not have the requisite technical or managerial knowledge. Others are not properly incented. One of the biggest impediments to the effective transfer of best practices is simple “star envy.” The receiving unit resents being compared unfavorably to the star performer.

A best practices program cannot exist in a vacuum. It must be part of a company’s commitment to building a larger learning organization. Its financial impact can be staggering, but only if the appropriate cultural foundation has been laid. Top management needs to set the tone by openly endorsing and actively encouraging teaming, learning, and peer-ing behaviors.

A well-deployed best practices transfer program can help most large companies accomplish two critical strategic objectives. They can realize immediate step-change improvements in their bottom-line performance, while accelerating their transition to learning organizations.

As we’ve explained, most major companies need look no further than their own doorstep to locate best practices, and the pressure to start exploiting them is intensifying. E-enabled technologies are redefining the competitive landscape in most industries, making inefficiencies and performance lags all the more visible.

In our experience, best practices transfer can and should be an integral part of the business unit planning process and should be

viewed as a key mechanism for achieving strategic imperatives.

Still, there are a few conditions that should be present before a best practices program is undertaken:

- There must be a “burning platform” for change that creates significant push-pull momentum around best practices.
- There has to be significant variation in performance in areas that are important to the business.
- Corporate must drive the best practice transfer process, not by controlling it, but by enabling it.
- Finally, there should be a clear, company-wide process established for identifying best practices, transferring them across business units, and monitoring their bottom-line and behavioral impact.

The ultimate objective of a best practices program is to leverage the best-in-class capabilities currently deployed somewhere in your organization to quickly and effectively unleash value. The ability of a company to institutionalize change and effectively exploit its own skills and knowledge is the key to achieving ambitious business plan objectives and creating sustained competitive advantage.

What Booz·Allen Brings

Booz·Allen & Hamilton is a global management and technology consulting firm, privately owned by its partners, all of whom are officers in the firm and actively engaged in client service. As world markets mature, and competition on an international scale quickens, our global perspective on business issues grows increasingly critical. In more than 100 countries, our team of over 10,000 professionals serves the world's leading industrial, service, and governmental organizations. Each member of our multinational team has a single common goal — to help every client we serve achieve and maintain success.

Our broad experience in the world's major business and industrial sectors includes aerospace, agriculture, automotive, banking, basic metals, chemicals, construction, consumer goods, defense, electronics, energy, engineering, entertainment, food service, health care, heavy industry, high technology, insurance, media, oil and gas, pharmaceuticals, publishing, railways, retailing, steel, telecommunications, textiles, tourism, transportation, and utilities.

With our in-depth understanding of industry issues and our expertise in strategy, systems, operations, organization, and technology, we assist our clients in developing the capabilities they need to compete and thrive in the global marketplace.

We judge the quality of our work just as our clients do — by the results. Their confidence in our abilities is reflected in the fact that more than 85 percent of the work we do is for clients we have served before. Since our founding in 1914, we have always considered client satisfaction our most important measure of success.

Consistent with our position as a business thought leader, Booz·Allen sponsors *strategy+business*, a quarterly journal containing the best ideas in business. Visit the Booz·Allen Web site at www.boozallen.com or the *strategy+business* Web site at www.strategy-business.com.

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