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**LIVING UP TO
TECHNOLOGY'S PROMISE**

**THE VALUE OF BUSINESS-
TECHNOLOGY CONVERGENCE**

**FOUR LEADING COMPANIES
SHARE THEIR SUCCESS STORIES**

GET YOUR PRIORITIES STRAIGHT

SUCCESSFUL ENTERPRISES VIEW TECHNOLOGY AS AN INTEGRAL PART OF THEIR BUSINESS.

BY EILEEN FERETIC

HOW, YOU MAY ASK, CAN YOU BE EXPECTED

to think strategically about your organization when you're struggling to keep the operation going with fewer employees and a smaller budget than you had two years ago? When you're trying to keep your company from sinking under a wave of red ink, there isn't time, you argue, to worry about long-range plans, such as integrating technology and business operations. Some days, you're thankful just to be able to "keep the lights on."

That attitude, while understandable in light of the last 18 months, is shortsighted and unproductive. Companies can't prosper on a constant diet of cutting costs and putting the brakes on new ideas. That's a sure way to lose market share and customers—and possibly talented employees—to more forward-thinking competitors.

It's true that companies may have to respond to harmful changes in the market and the economy by operating on a need-to-do basis, but they also have to make long-range, post-crisis plans. Where will your enterprise be a year from now—and five years from now? Where do you want to be, and what do you have to do to get there?

Following the Scarlett O'Hara philosophy ("I'll think about that tomorrow") is a recipe for business disaster. Planning on a day-to-day basis will work for awhile as companies cope with recessions and other crises, but, over time, this approach will sap the energy and innovation that enterprises need to thrive.

Energy and innovation. That's what successful companies—like those in our Baseline/BTM 500 report—have. And technology is the foundation that keeps these businesses humming. But the enterprises in our report go beyond that and integrate technology into every area of their business.

They don't view technology as something outside of—or even alongside—the business. Corporate executives in these firms acknowledge that technology is an integral part of their operation. And IT management recognizes technology's primary role as a business enabler. It's a close partnership that benefits both sides—and the company as a whole.

The key to this partnership is convergence. According to the BTM Institute, "Managing business and technology together provides significantly better results than managing them in separate silos. By converging business and technology management, enterprises can nimbly respond to changing marketplace dynamics, technology evolutions and competitive pressures." (See "The Value of Convergence" on page 16.)

When *Baseline* and the BTM Corp. began this year's



Companies can't prosper on a constant diet of cutting costs and putting the brakes on new ideas.

Baseline/BTM 500 report last December, the goal was—and continues to be—to help companies evaluate where they stand when it comes to the convergence of business and technology—both the areas in which they excel and the ones where they need to do more work.

The companies that filled out our surveys are at various stages in their integration of technology into the business. Those that made it into the top 100 (see page 28) are well along in the convergence process. (For the full Baseline/BTM 500 list, go to www.baselinemag.com.)

Four companies are prime examples of how technology can drive business value. They are AT&T, Boeing, Cisco and New York Life. When we spoke with the CIOs of these four companies, we learned that they all share a conviction that technology is a key enabler of business success. (Read their stories starting on page 20.)

"We constantly stress that technology is there for the sake of our business goals—as opposed to our business existing for the sake of our technology," said AT&T CIO Thaddeus Arroyo.

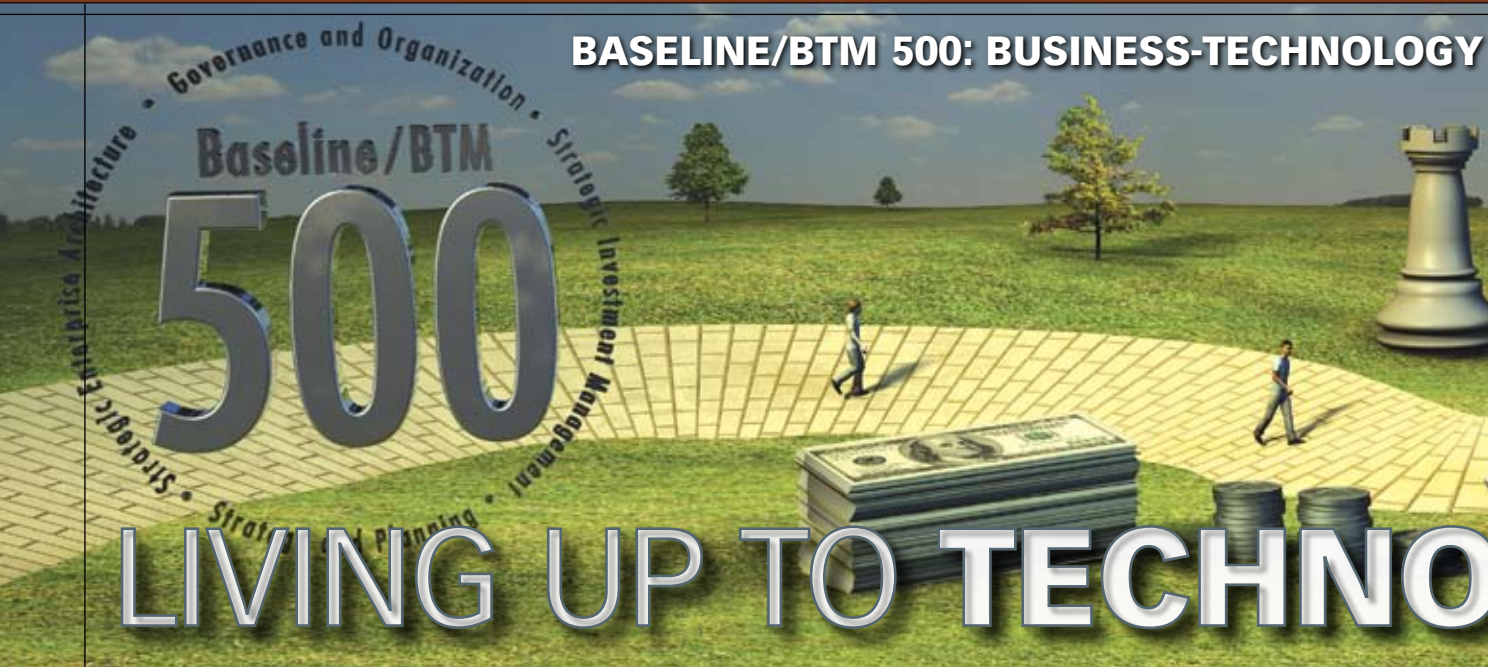
And Boeing CIO John Hinshaw explained that his company's IT environment is designed to accommodate the needs of Boeing's customers and business partners. "Our customers are global," he pointed out. "Our suppliers are global. So our IT environment is global to support all that."

At Cisco, the technology organization measures itself "according to the business requirements and business results," CIO Rebecca Jacoby said. IT managers ask themselves if their teams enables a business opportunity, enhances a customer or partner experience, or provides scalable productivity.

New York Life's IT department has developed a scorecard that "guides decision making and adoption." According to CIO Eileen Slevin, the scorecard "provides a gut check and allows us to understand what's cost-effective and viable, and what we can support. It gives us a balanced perspective that spans the organization."

These four companies have their business-technology priorities straight. Does yours? ◀

EILEEN FERETIC IS THE EDITOR OF *BASELINE*. SHARE YOUR THOUGHTS ABOUT BUSINESS-TECHNOLOGY CONVERGENCE WITH HER AT EILEEN.FERETIC@ZIFFDAVISENTERPRISE.COM.



COMPANIES IN THE BASELINE/BTM 500 REPORT SHARE A BELIEF IN THE PROMISE OF TECHNOLOGY AND STRIVE TO FULLY INTEGRATE IT INTO THEIR BUSINESS.

By Eileen Feretic

AT FIRST GLANCE, AT&T, BOEING, CISCO AND New York Life Insurance don't have a lot in common. They represent different industries—telecommunications, aerospace and defense, networking and information technology, and insurance, respectively—and their 2008 revenues range from \$31 billion to \$124 billion.

Despite these differences, the companies are alike in two key ways: They believe in the promise of technology, and they engage in ongoing efforts to fully integrate technology into their enterprises. These companies are leaders in the 2009 Baseline/BTM 500 report, scoring high marks in all four survey areas: governance and organization, strategic investment management, strategy and planning, and strategic enterprise architecture. (See "The Value of Convergence" on page 16.)

The companies' CIOs are business leaders as well as technology leaders. They have bridged the divide that often separates the two sides of a company and helped create an environment that is hospitable to business-technology convergence.

Consider the philosophy of Thaddeus Arroyo, CIO of AT&T: "If anyone in our company asks our top executives what our IT resources are for, they will say that it's all about creating business velocity. We must use the technology to transform our business processes in a way that creates market offerings more quickly, allows us to better serve our customers and delivers the ROI that justifies the investment." (See "A Philosophy of Partnership" on page 20.)

And Arroyo is not alone. The CIOs of Boeing, Cisco and New York Life have similar views on convergence.

New York Life, for example, has built processes that keep business and technology leaders closely connected, according

to CIO Eileen Slevin. The starting point is a business and technology strategy team that maintains a road map for the business. "IT is focused on the business needs of the organization," she says, "along with the infrastructure and technology that's needed to support it." (See "Insuring Business Success" on page 26.)

Cisco's technology strategy is also implemented according to a road map. "The road map takes into account everything you have to do when you deliver something—from when you acquire it to the point of change management when you implement it," says CIO Rebecca Jacoby. "We measure ourselves according to business requirements and business results." (See "Collaboration Is Key to Business" on page 24.)

At Boeing, CIO John Hinshaw took another step on the road to convergence when he became the company's top technology executive two years ago. "The first thing I did was lay out a new organizational structure that was more aligned to our business structure," he reports, "and then I found the right people to lead the organization. IT is not just a corporate function. We're very well integrated with the business." (See "Supporting a Global Enterprise" on page 22.)

EVALUATING CONVERGENCE

"Very well integrated with the business." That's the key to business-technology convergence. With convergence, technology is not isolated from the rest of the company. Instead, it's at the heart of the business, supporting and enabling all its operations.

In the 2009 Baseline/BTM 500 report, the convergence maturity of U.S. public companies with 2008 revenues of \$500 million or more was rated on five levels (from low to high):



TECHNOLOGY'S PROMISE

LEVEL 1: Initial

LEVEL 2: Repeatable

LEVEL 3: Defined (discernible alignment first occurs)

LEVEL 4: Managed (the threshold of synchronization)

LEVEL 5: Optimizing (convergence).

(See the "Business-Technology Management Maturity Model" on page 18.)

Of the companies evaluated in the 2009 report, more than half were in Levels 3, 4 and 5. The breakdown follows:

- **LEVEL 1:** 17 percent are in prealignment.
- **LEVELS 2 TO 3:** 25 percent are repeatable and approaching alignment.
- **LEVELS 3 TO 4:** 39 percent are fully in alignment, approaching synchronization.
- **LEVELS 4 TO 5:** 19 percent are fully synchronized or approaching convergence.

The distribution of companies across the various levels is generally similar to the distribution in our 2008 report, with about 1 percent of the surveyed firms approaching full convergence (Level 5). One major exception is the 10 percent shift of enterprises from Levels 4-5 (29 percent in 2008; 19 percent in 2009) to Levels 3-4 (29 percent in 2008; 39 percent in 2009).

We believe this change is due to two factors: First, the 2009 report is based on four surveys with a total of 40 questions, while the 2008 report had only one 17-question survey. The second factor involves the average number of respondents per company: roughly 3.5 this year, compared with one in 2008. These changes produced a more in-depth, precise look at each firm. (See a list of the top 100 companies on page 28 and go to www.baselinemag.com to view all survey and industry lists.)

Companies and their executives tasked with achieving business-technology convergence face colossal challenges, but the potential rewards are equally huge: improved employee productivity, greater customer satisfaction and retention, better business performance, increased operational efficiency, a larger market share and a more robust bottom line.

Corporate change is never quick or easy. But, in the case of convergence, it's crucial. ◀

Clarifying Convergence

The majority of firms assessed in the 2009 Baseline/BTM 500 have achieved at least a foundation for business-technology convergence. They focus on the strategic business-oriented management of technology, and exhibit strong capabilities across the four functional areas of the BTM Framework:

- **Governance and Organization** determines the role of technology in the enterprise and manages technology to meet business goals. This function structures and manages the business-technology organization, manages risk and compliance, and ensures that there is regular communication about the activities of technology throughout the enterprise.
- **Strategic Investment Management** approves and prioritizes technology investments. This function develops and manages project and asset portfolios, and provides reporting. It establishes and manages business-technology demand and resource requirements, and applies business technology to project execution throughout the implementation life cycle.
- **Strategy and Planning** articulates required business capabilities and the technology plans to enable them. This function provides a disciplined means of ensuring that budgets reflect and support strategy. It also supports the creation and management of relationships with the partners best suited to an organization's strategy, and integrates technology assets to ensure consistency with the enterprise's strategy.
- **Strategic Enterprise Architecture** describes business strategies, operating models, capabilities and processes in terms actionable for business technology. This function defines the applications and technical infrastructure required to meet enterprise goals and objectives; establishes a set of standard business-technology applications, tools and vendors; and identifies, organizes and manages existing business applications, along with technology assets and projects.—*BTM staff*

BASELINE/BTM 500 ANALYSIS



Baseline/BTM 500 THE VALUE OF CONVERGENCE

ENTERPRISES THAT HAVE ACHIEVED BUSINESS-TECHNOLOGY CONVERGENCE CAN RESPOND NIMBLY TO CHANGE AND USE THEIR SUPERIOR PERFORMANCE TO LEAPFROG OVER LESS-AGILE COMPETITORS AND POSITION THEMSELVES FOR FUTURE GROWTH. By the BTM Institute staff

THE SECOND ANNUAL BASELINE/BTM 500 SURVEY was conducted in the midst of the deepest economic downturn in our lifetime. While economic recession is certainly not good news, it does present a unique opportunity to test the promise of business-technology convergence. Would converged firms react? Would they perform as well in a down market as they have in up markets? Would they exhibit the resilience and agility that are the hallmarks of converged enterprises?

The results of the survey do indeed confirm the value of convergence. Of the five levels of maturity, the top two levels

(Level 4, the threshold of synchronization; and Level 5, convergence) of the Baseline/BTM 500 organizations enjoy an advantage in positive performance results as compared with their industry groups. In addition, they clearly show that even when performing below industry averages, they are significantly better off than less-converged organizations. (See page 28 for a list of the top 100 companies that completed the survey across all four functional areas. To view all survey lists, go to www.baselinemag.com.)

The Baseline/BTM 500 report highlights participating enterprises that have the most efficient and optimized

business-technology management and explains how that convergence contributes to growth and profitability. Business-technology convergence and business-technology management are terms that spring from a simple idea: Technology is a means for achieving business objectives; therefore, managing business and technology together provides significantly better results than managing them in separate silos. By converging business and technology management, enterprises can nimbly respond to changing marketplace dynamics, technology evolutions and competitive pressures—capabilities that are especially important during an economic downturn.

Determining the maturity level of an enterprise's business-technology management is no easy task. The Baseline/BTM 500 is based on BTM Corp.'s BTM Framework and Business Technology Convergence Index, an ongoing study developed to measure convergence levels and financial performance of companies over rolling five-year periods. (See "2009 Baseline/BTM 500 Methodology" at right.)

Baseline and BTM assessed the survey submissions using the same methodology as last year. Performance was calculated using six financial measures relative to business-technology convergence: five-year averages for return on equity (ROE); return on investment (ROI); return on assets (ROA); earnings before interest, taxes and depreciation (EBITD); annual growth in revenue; and annual growth in earnings per share (EPS).

We also examined, as we did last year, the change in share price during the same five-year period. Nearly 58 percent of the companies in the top two levels exhibited superior or average performance, tracking with last year's result of 60 percent. The study found that these companies experienced an average 5.9 percent higher rate of EPS, an average EBITD advantage of 9.4 percent, and an average ROE advantage of 6.8 percent over their industry peers between 2004 and 2008. Both ROI and ROA performance for Level 4 and Level 5 showed a 1 percent advantage over their industry peers.

PERFORMING DESPITE THE DOWNTURN

The downturn has had a marked impact on revenue and share price, and the survey results consistently show the damage done to company and industry performance. Trying to go beyond the noise, we performed a second performance analysis to examine an organization's ability to react to challenging environments.

Not surprisingly, nearly 73 percent of the companies in the two top levels exhibited superior or average performance—a 15-point increase over last year. They held a performance advantage of more than 8 percent over their industry peers and were nearly a full percentage point higher than less-converged firms.

Baseline and BTM also examined the impact of company size on performance, as measured by revenue. Companies of all sizes are fairly evenly distributed across each of the five levels, with two exceptions. First, no companies with more than \$75 billion in annual revenue fell into the lowest level. Second, there is a disproportionate representation (about 50 percent) of companies with less than \$7.5 billion in annual revenue in that level.

The Baseline/BTM 500 is in line with previous findings of the BTM Institute (the research think tank launched by BTM Corp.), which established that converged enterprises know when to change the rules to maintain a strategic advantage over their competitors—and to sense and respond to changes in

2009 Baseline/BTM 500 Methodology

This year's Baseline/BTM 500 report was built on the same foundation as the 2008 study: Both were based on the BTM Maturity Model and the Business-Technology Convergence Index. By offering participants the option to self-assess their organization by participating in from one to four 10-question surveys (each focused on one of the four functional areas of the BTM Framework), we can provide a more in-depth view of the management practices conducted in leading organizations throughout the United States.

The Convergence Index highlights the connection between corporate financial performance and business-technology convergence, as measured by the BTM Maturity Model. Enterprises at lower levels of maturity score lower for business-technology productivity, responsiveness and project success than enterprises at higher levels. As enterprise maturity improves, the increasing synchronicity of business strategy and technology delivery makes the enterprise more agile and adaptable.

To measure what companies do differently in terms of their management behaviors, BTM assessment tools are used to evaluate organizations against management capabilities for effective business-technology convergence. These capabilities are grouped into four functional areas:

1. Governance and Organization
2. Strategic Investment Management
3. Strategy and Planning
4. Strategic Enterprise Architecture.

Each capability represents a specific management competency defined by four critical dimensions: having repeatable processes, executed through appropriate organizational structures, enabled by the right information and using the right technology.

BTM research shows that at Level 1, enterprises typically execute some strategic capabilities in a disaggregated, tasklike manner. At Level 2, an organization exhibits limited capabilities, attempts to assemble information for major decisions and consults the technology function on decisions with obvious business-technology implications.

Enterprises at Level 3 are functional with respect to the capabilities, and those at Level 4 have the capabilities fully implemented. Organizations achieving Level 5 maturity have achieved full convergence and know when to change the rules to maintain strategic advantages over their competitors.—*BTM Institute staff*

the marketplace. While less-mature enterprises enjoy increasing benefits as their maturity increases, none of them equals the performance of converged enterprises.

Level 1 enterprises, which are the least mature, typically execute some strategic capabilities in a disaggregated, tasklike manner. Level 2 organizations exhibit limited capabilities, attempt to assemble information for major decisions and consult the technology function on decisions with obvious business-technology implications.

Enterprises at Level 3 are functional with respect to the capabilities, and those at Level 4 have the capabilities fully implemented. Companies achieving Level 5 (about 1 percent of the organizations surveyed) have achieved full convergence.

The Baseline/BTM 500 study shows that as an enterprise's maturity extends above Level 3, the resulting synchronization of business strategy and technology delivery makes the company more agile and adaptable. For such enterprises, changes in the business environment—such as the one we're currently living through—rapidly drive appropriate adjustments to strategy and its execution, thereby limiting the damage of falling revenue and share prices, while exhibiting the superior performance needed to position an organization for the growth cycle that historically follows a downturn.

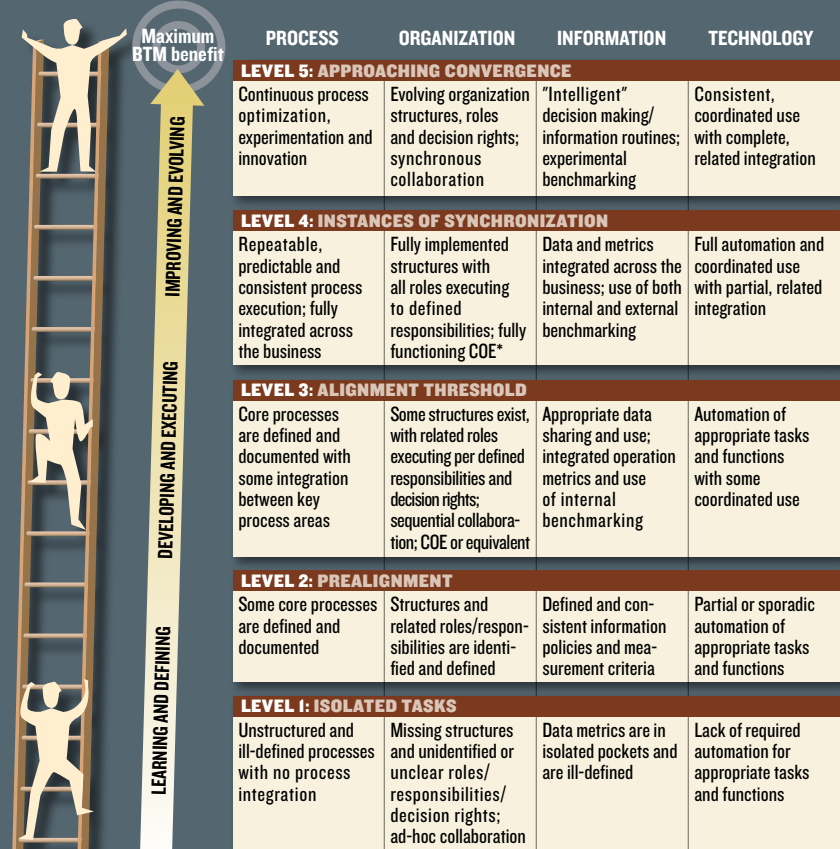
Leading enterprises in the Baseline/BTM 500 study have demonstrated that data has become information. In large measure, this information is available through and managed in an integrated, enterprisewide fashion that facilitates better and faster decision making.

Leaders look at technology as an enabler of enterprise strategy. They consider the technology implications of business decisions and look for innovative ways to embed technology into their business operations and processes. For them, technology is more than "information technology" or "operational technology." It is, rather, "business technology."

VALIDATING THE POWER OF CONVERGENCE

The numbers speak for themselves. Companies such as AT&T, Boeing, Cisco and New York Life (see profiles starting on page 20) demonstrate that the principles of business-technology convergence are not exclusive to any particular market vertical, technology specialty or organizational size. The results of convergence—or the march toward convergence—pay companies real dividends in terms of financial performance.

The Business-Technology Management Maturity Model



*Center of Excellence
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Convergence does equal dollars, especially during a recession. But saving dollars shouldn't be the only measure of success.

The superior performance of organizations in the upper-level business-technology management stages (alignment, synchronization and convergence) derives from their agile and adaptive nature. These organizations are able to respond nimbly to change and to use their superior performance to leapfrog over less-agile competitors and position themselves for future growth.

There is no doubt about it: To meet strategic goals, companies are drilling down to core management processes as a means of delivering results to the business. By exercising effective governance over these goals and the technology that underlies them, companies are able to maintain competitive advantage, increase operational efficiency and improve financial performance—making these objectives part of an organization's DNA. ◀

The Baseline/BTM 500 research and report are a collaborative effort between Baseline magazine and the BTM Institute. Faisal Hoque, Jeffrey Bruckner, Diana Mirakaj, Brian Fishman, Dr. Vallabh Sambamurthy and Dr. Robert Zmud conducted the analysis contained in the report. For complete biographies of the Baseline/BTM 500 team, visit go.baselinemag.com/BaselineBTM500Team.

A PHILOSOPHY OF PARTNERSHIP

THE AT&T PHILOSOPHY OF INFORMATION TECHNOLOGY GOVERNANCE CAN BE SUMMED UP SIMPLY: MAKE IT PART OF THE BUSINESS PROCESS, NOT AN AFTERTHOUGHT.

By Dennis McCafferty

STRATEGY AND PLANNING

SINCE 1885, THE TWO T'S IN AT&T HAVE STOOD for "telephone" and "telegraph," but those T's have seemingly merged to become "telecommunications," representing the company's involvement in every aspect of modern telecom—from wireless devices to telephones, Internet services and digital television.

These subsectors all move exceedingly fast, with consumer preferences changing as quickly as the next app or gadget is tweeted or blogged about. So, a great idea that takes years to develop may very well be outdated months after it's brought to market.

To deal with this challenge, AT&T's strategy is to incorporate its nearly 30,000 IT employees into every aspect of the business process in order to make all aspects of the process move more quickly and achieve the ultimate goal of a successful product launch that brings home a targeted profit.

"We constantly stress that technology is there for the sake of our business goals—as opposed to our business existing for the sake of our technology," says CIO Thaddeus Arroyo. "If anyone in our company asks our top executives what our IT resources are for, they will say that it's all about creating business velocity. We must use the technology to transform our business processes in a way that creates market offerings more quickly, allows us to better serve our customers and delivers the ROI that justifies the investment."

As diverse as its range of products and service lines is, AT&T's philosophy of IT governance can be summed up simply: Make IT part of the business process, not an afterthought. As a result, strategic planning throughout the product cycle is one of continual collaboration, with technology staffers sitting in on business-focused conference calls as the next

version of a product like the iPhone is planned and discussed.

IT people are there when phone service departments are trying to come up with better ways to reduce dropped calls. They participate in analyzing the way consumers surf Websites. They also interact with the sales staff at retail locations to see whether there's a quicker, easier or better way to bring consumers to the point of sale.

"At our retail centers, for example, we'll have our IT staff watching the interactions to get a sense of what the customers are asking for and what they'd like to see," Arroyo explains.

"Then they're in on the planning to use available resources to create an experience to match those expectations. That way, they become part of the business strategy.

"This approach has resulted in the installation of kiosks at these retail locations to provide a quicker way for customers to make payments or process warranty returns." These kiosks have had a remarkable savings and revenue impact, taking in 1.7 million payments in a recent month. This enables in-store reps to focus on sales instead of processing payments and handling administrative duties.

FOCUSING ON RESULTS

Arroyo was named CIO in January 2007, after the finalization of the merger between AT&T, BellSouth and Cingular. Previously, he had been CIO at Cingular Wireless. Since the postmerger period has been further challenged by the recent meltdown of the global economy, overseeing the direction of new IT investments is a weighty responsibility for Arroyo, who says AT&T remains results-focused.



CONTINUED FROM PAGE 20

In 2007, the three merged companies oversaw 6,000 IT applications. Today, 1,600 of those applications have been removed from the market, as IT and business departments concluded that the applications were redundant and a drain on revenue.

In AT&T's work with Apple on the iPhone, the technology organization cooperates with line-of-business managers so both parties can deliver the swiftest market cycle while maintaining the high standards of the product—a strategy for success in difficult times.

"We've kept our delivery model consistent through all the various generations of iPhones, which allows us to have a shorter cycle," Arroyo says. "To do this, we've had to extend our IT systems infrastructure to Apple and put a security wrapper on them. We've done this several times now, first with the initial iPhone, then with the 3G and, this year, with the 3GS.

"You need to do this in six to nine months. You don't have years to make this work because it won't work at all if you take that much time. In good times or bad, we're always focused on using our IT resources to enhance innovations that produce shorter cycles."

AT&T's technology organization oversees hundreds of the company's business systems, including Internet/intranet infrastructure; front- and back-office applications; and customer billing, service and other tasks. To execute on all this, application development teams that are business-focused—dubbed Consumer IT, Enterprise IT and Corporate Systems—are organized along the major products and services lines.

A technology shared-services team—divided into areas known as IT Operations, IT Architecture and Common Services Integration, Process and Portfolio Management, IT Sourcing and IT Billing Operations—is in place to support the application teams and handle infrastructure operations, architecture and related needs. The infrastructure runs primarily on hardware from Hewlett-Packard, IBM and Sun Microsystems. The core of the applications is Unix-based, operating on x86 servers.

While the infrastructure remains consistent, its impact continues to shape the company in ways considered unimaginable a decade ago. Take telephone service, which used to be monitored on a relatively passive level. If there was a service problem, a red light would flash in a network center, and a technician would be dispatched to fix it.

"Today, we take a more predictive approach," Arroyo says. "We examine the activity with small transmission outlets, and collect and correlate the data. Our IT people work with our telephone services staff to get a sense—depending on the age of the equipment and the traffic—of which cables will fail, and when. Then we repair them before they break. We've patented this technology, actually. This is the kind of [innovation] that has resulted in our company getting more than 100 patents over the past 12 months."

The same thinking has gone into providing better, user-friendlier services to customers on calling plans. Traditionally, the customer would try out a plan for a few months and then decide whether the plan made sense for the actual minutes used. Now, thanks to the collaboration between IT and

AT A GLANCE

COMPANY: AT&T

HEADQUARTERS: Dallas

2008 REVENUE: \$124 billion

TOTAL EMPLOYEES: 294,600

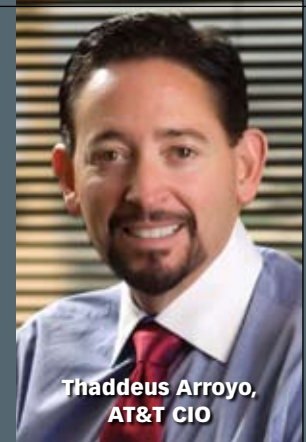
IT EMPLOYEES: nearly 30,000

BUSINESS: Telecommunications, both wireless and wire line

BUSINESS CHALLENGE: To develop new applications that can be brought to market in under a year

KEY IT PROJECTS: Support for traditional phone-line service, high-speed Internet, digital TV and mobile phone services for the iPhone

IT INFRASTRUCTURE: Hardware from HP, IBM and Sun. The core of the applications is Unix-based, with x86 servers.



Thaddeus Arroyo,
AT&T CIO

business, those customers receive proactive prompts that encourage them to consider alternative plans that are more appropriate for their usage.

"We give customers the ability to make a better decision," Arroyo says. "We don't wait for them to come to us, asking if they're on the right plan. We examine the data, correlate that with the available plans and then present it to them."

MAKING PLANS

Each year, AT&T goes through a planning process to decide which IT projects to fund and at what level. Spending for approved projects from the most recent years is reviewed, to get a sense of what came in over budget and which projects either made or exceeded spending goals.

"We generally think in terms of three-year windows," Arroyo says. "We want to review what has happened before to get a better sense of what kind of IT investment we can make in the year ahead. Of those projects, 80 percent are mapped out to be brought to market in 12 months or less, to ensure success."

Templates that have been successful in the past are then tapped for new product cycles. In other words, nobody from IT gets an "Employee of the Month" award for attempting to build new standards and protocols from scratch for every conceivable project. Instead, employees are rewarded for how adaptive their IT resources, policies and procedures are for the indefinite future.

"We don't seek to reinvent the wheel with every project," Arroyo says. "The 'Is this process reusable for other needs?' question is part of the review process. IT developments are also reviewed to see if they provide increased automation.

"We want to know, 'Did the improvement result in 80 of our employees now doing what 100 used to do? If so, how can we extend that to other parts of our business? If not, why hasn't it?'"

In other words, AT&T takes a business approach to the management of enterprise technology. ◀

SUPPORTING A GLOBAL ENTERPRISE



STRATEGIC INVESTMENT
MANAGEMENT

BOEING'S IT ORGANIZATION HAS THREE PRIMARY GOALS: SIMPLIFY THE COMPLEX TECHNOLOGY INFRASTRUCTURE, CREATE THE RIGHT ALIGNMENT WITH BUSINESS LEADERS AND BUILD A STRONG OPERATION.

By Alison Diana

A S CIO OF THE BOEING CO., A CORPORATION that conquers outer space and the skies closer to home, John Hinshaw could be expected to have his head in the clouds. But instead, he has his feet firmly planted on the ground—one foot in business and the other in IT.

Since becoming the top IT executive at Chicago-based Boeing two years ago, Hinshaw has unraveled a complex IT infrastructure that operates in more than 70 countries for about 158,000 employees. Formerly the CIO at Verizon Wireless, he is now responsible for overseeing a vast array of software, hardware, networks, processes and cultures, along with the IT group that supports them.

"We have teams spread throughout the United States and the planet, in both direct Boeing labor and our key partners," he says. "Verizon Wireless was very U.S.-centric, although there were some international aspects. But Boeing is very much a global enterprise, with a large percentage of sales to overseas carriers.

"Our customers are global. Our suppliers are global. So our IT environment is global to support all that."

IT plays an integral role in the success of the \$60.9 billion company, which has customers in more than 90 countries. To further enhance the ways in which IT supports Boeing's businesses, Hinshaw developed three primary goals: to simplify the complex technology infrastructure, create the right alignment with business leaders and build a strong IT organization.

With its extensive repository of data, ranging from research and development to manufacturing, logistics to payroll and everything in between, Boeing needs nimble yet powerful IT resources to power, crunch and disperse information to the relevant departments and individuals, while simultaneously lowering costs and complexity.

TEAM PLAYERS

Before turning to technology resources, Hinshaw first paid attention to the people who research, design and implement IT changes and support Boeing's business goals. Like many executives, he wanted managers who straddled the worlds of business and technology—a combination of talents that is not always easy to find, he says.

"It is rare to have both very strong technical knowledge and a very good understanding of our business," Hinshaw points out. "In general, folks do gravitate to one focus or the other. So I did a lot of interviews to find the right people."

After his first three months in the CIO seat, Hinshaw presented his IT plan to Boeing's executive committee and generated buy-in from all members. Without this high-level involvement, it would not have been feasible to change Boeing's IT status quo, he says.

"The first thing I did was lay out a new organizational structure that was more aligned to our business structure, and then I found the right people to lead the organization," Hinshaw recalls. "About half came from outside—Dell, Ford, Capital One—and the other half I found within Boeing.

"Building that right leadership team is important. One person or even several people can't do the job alone. The vice presidents I put in place have built out their leadership teams similarly. There's an IT leader assigned to each one of our key programs and initiatives. IT is not just a corporate function. We're very well-integrated with the business."

Integrating business-savvy IT people into vital Boeing divisions seamlessly pulls together technology and business processes, problems or opportunities, ensuring that the



company has access to information about software or hardware that could improve operations. Since technology leaders work closely with these business units, they are well-entrenched in each department's operations, requiring no additional ramp-up or learning curve to deal with a new technology that could benefit the company.

KEEP IT SIMPLE

Through acquisition and organic growth, Boeing had multiple systems doing the same processes in similar departments around the world. By streamlining and standardizing on one or two applications, the company can save on licensing, support, maintenance and training, and make it easier for employees to transfer, he says.

When Hinshaw joined Boeing, the company had more than 10,000 applications in its portfolio. "Think about a factory and the way a factory runs—dealing with suppliers, how you manufacture a machine, the engineering required to design it—and they all have sophisticated systems," he explains.

"Our manufacturing floor shop systems have been very important, and we're well on our way to standardizing those. Having a common standard of systems across our factories makes a huge difference in productivity. I'd say we have another three years of intense work to get our portfolio into more of a common-standard model."

Given Boeing's engineering and manufacturing focus, CAD/CAM—which plays a key role in the company's product success—was one of the first applications that Hinshaw and his team focused on. Boeing had been running about four CAD/CAM applications and needed to reduce that number.

"We'd sit down with key engineering leaders from throughout the company," he explains. "It's very important that the business process is established and the system is designed accordingly."

In some cases, it makes sense to have more than one standard application. For example, in the manufacturing space, it may be valuable to use one application for airplanes and one for defense, Hinshaw says. "In each of our functional areas, there is a road map and plan to get from where we are today to the optimal state of where we want to be along the road," he adds. "The biggest bang for the buck definitely comes in manufacturing and engineering—and supply chain goes in there, too."

It is not, however, as simple as comparing bells and whistles. Hinshaw also must consider international factors, including user education and the cost of support. "We've got to be very aware of that and standardize what we can," he says, "but we don't want to overstandardize."

Today, Hinshaw participates in a steering committee with human resources and financial Boeing executives who are looking into the company's payroll and HR applications. "We were reviewing this issue recently," he says. "The cost to do payroll locally was \$100,000; the cost to standardize on a global platform was significantly more expensive."

INTEGRATING IT

Since IT plays such a pivotal role at Boeing—helping the company design and manufacture its airplanes and defense systems, as a service offering to other organizations, as a means

AT A GLANCE

COMPANY: The Boeing Co.

HEADQUARTERS: Chicago

2008 SALES: \$60.9 billion

TOTAL EMPLOYEES: 158,000

IT EMPLOYEES: About 10,000

BUSINESS: Commercial airplanes, integrated defense systems, shared services

BUSINESS CHALLENGES: To simplify complex, multi-national software applications; align business and information technology strategies; build a strong IT organization

KEY IT PROJECTS: Standardizing software within company divisions such as manufacturing, engineering, payroll and human resources; reducing costs through standardization; improving productivity

IT INFRASTRUCTURE: Mainframe, Unix and Windows servers, Linux clusters; global network with WAN acceleration; VoIP telephony; streaming Web media; secure video conferencing and enterprise applications from major providers.



**John Hinshaw,
Boeing CIO**

of measuring and improving processes—Hinshaw spends a good deal of time interacting with all of the company's main components: the IT group, Boeing executive management and clients, as well as suppliers and business partners.

"I would say it's a four-way split. Time-wise, I spend about 40 percent with IT, 30 percent with business leaders, and 15 percent each with customers and household-name suppliers," he explains. "These relationships are much more strategic."

"We have very large, complex relationships with these household names and are fully embedded into their road maps and strategies. They develop their road maps based on Boeing's needs. Because of our scale and scope and long-standing relationships, we're able to have a stronger partnership and take advantage of their road maps."

To keep in touch with Boeing's approximately 10,000 IT employees, Hinshaw publishes a monthly newsletter and an interactive blog, and he's hosted about 100 town hall meetings in the past two years. "That's really important," he says. "It's easy for IT employees to get disconnected, especially in a troubled economy, and we try to avoid that. For me, it's all about people, and that's how you have a great IT organization."

"I know a lot of the CIOs from big companies around the globe," he says. "Many of us want to spend time with employees, so there has to be a strong discipline to do it."

Looking ahead, Hinshaw foresees several more years of standardization and of recruiting and retaining individuals with a strong mix of business and information technology acumen. With these controls in place, hands firmly steering the helm, Hinshaw will continue aiming Boeing for the sky. ◀

COLLABORATION IS KEY TO BUSINESS

THE ULTIMATE GOAL OF CISCO'S IT ORGANIZATION IS TO ENABLE BUSINESS GROWTH AND CAPABILITIES THAT RANGE FROM FASTER TIME TO MARKET TO IDENTITY MANAGEMENT.

By Stan Gibson

STRATEGIC ENTERPRISE ARCHITECTURE

REBECA JACOBY, CIO AND SENIOR VICE PRESIDENT of Cisco Systems, has the ear of company chairman and CEO John Chambers—and vice versa—so much so that she describes the relationship this way: “to anticipate what John wants before he does and have the architecture in place to implement it.”

That's a tall order, but at Cisco, IT stands tall within the organization, even as the company moves to an unusual committee-based management structure. IT is represented on all 60 committees on the new organization chart, which should help tie Jacoby's top two initiatives—virtualization and collaboration—to the company's strategic business goals of asserting leadership across an ever-growing roster of businesses.

What's more, virtualization and collaboration paid big dividends during the past year of economic peril. Virtualization enabled Cisco to tap into more compute power while holding the line on new equipment, and collaboration technology enabled the company to slice off huge chunks of its travel budget while launching a new management strategy that's based on the large number of new committees.

According to Jacoby, it would not be possible to successfully implement either virtualization or collaboration technologies without a rigorous architectural approach to IT management that focuses relentlessly on business results, not technology. As she puts it, “I'm the CIO. We're responsible for delivering systems, not technology.”

VIRTUALIZATION SPURS GROWTH AND SAVINGS

Cisco's approach to virtualization encompasses both data centers and applications. By virtualizing servers in its data centers, Cisco is getting the same number of servers to do

the work of many more. At the application level, a service-oriented architecture enables Cisco to deploy many applications across a common infrastructure via Web services.

The ultimate goal of the IT organization is to enable business growth. “We take a broad view,” Jacoby says. “We take resources and put them together architecturally and get the best usage out of those resources.” That means delivering fundamental IT services, such as compute power, storage capacity and network bandwidth, which, in turn, enable business capabilities that range from faster time to market to end-user identity management.

And the savings are significant. “If my utilization goes up, my cost of ownership goes down,” Jacoby says. “We see the potential for a four-fold increase in the number of virtual machines we can operate in the same data center space with the same amount of power. The savings inherent in that are pretty incredible.”

A key building block in Cisco's data center virtualization strategy is its Unified Fabric, which consolidates data, storage and server clustering networks into a single system. “By taking an overall architecture approach, we save a bunch of money just in cabling by using our Unified Fabric,” says Jacoby.

Cisco's virtualized environment makes the company more flexible. “The virtual environment done right has inherent resilience, which helps IT manage risks to the organization,” says Jacoby. Downtime can be mitigated by shifting processing tasks. Computing and storage capacity can be allocated to those who need it most. Spikes in demand can be tamed by marshaling virtual resources on the spur of the moment, and resources can be provisioned to support new business models as they emerge, she explains.



The company is executing its virtualization strategy as it builds out a new generation of data centers. Cisco's data center strategy calls for a pair of facilities in Richardson, Texas, as well as a pair in Europe and one in Asia. One of the Richardson data centers is currently under construction.

COLLABORATE, COLLABORATE

Collaboration technology will be critical to successfully execute Cisco's new organizational structure, which bulldozes operational silos, replacing them with a matrix of committees, councils and boards. There are 12 councils and 47 boards, as well as working groups and small teams to work on individual projects. At the top of the food chain is the operating committee, which consists of Chambers and his direct reports, including Jacoby.

While the jury is still out on the new scheme, Jacoby is on board. "I'm a big believer in it," she says. "If you have a large company and you get the entire talent of that company behind a decision, then you have a real advantage."

Cisco is taking a broad approach to collaboration—one that runs the gamut from social networking to video. The company uses its own TelePresence videoconferencing system, but also employs IP TV, static video and PC-based video calls over the company's unified communications network architecture. The employees connect with one another via a Facebook-like company directory, as well as a number of wikis for purposes that range from tracking new business ideas to organizing searchable videoclips.

With 500 installations across the company, TelePresence is "changing everything in terms of how we operate," says Jacoby. For instance, she used the system last year to hire a vice president of IT in Bangalore, India. Neither Jacoby nor any of the candidates, including V.C. Gopalratnam, the executive hired, got on a plane.

"We're bringing it all together in a single workplace for every individual in the organization," Jacoby says. "We're using technology to enhance both the formal network and the informal network that everyone uses to get things done. I think that is going to give us a gigantic competitive advantage."

MOLDING IT INTO A BUSINESS ENABLER

Many of the business benefits of virtualization and collaboration seem self-evident, but Cisco leaves nothing to chance. It employs strategic investment management to mold IT into a business enabler. Cisco's overall IT strategy is implemented according to a road map that calls for specific capabilities to be delivered at specific times.

"The road map takes into account everything you have to do when you deliver something—from when you acquire it to the point of change management when you implement it," Jacoby says.

Cisco follows up implementations with stringent evaluations. The Connected Business Operations Council, in consultation with other committees, sets the overall direction, and a second board, the Operations Transformation Board, ensures that road maps are being implemented according to plan. Every member of both boards is a senior vice president, and Jacoby sits on both boards.

AT A GLANCE

COMPANY: Cisco Systems

HEADQUARTERS: San Jose, Calif.

2008 SALES: \$39.5 billion

TOTAL EMPLOYEES: 65,545

IT EMPLOYEES: Nearly 3,000

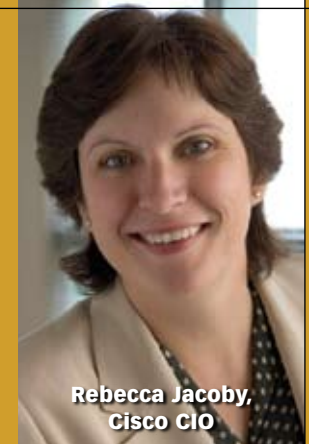
BUSINESS: Data, voice and video networking

BUSINESS CHALLENGE:

Maintain an agile enterprise, assimilate acquired companies, operate globally and move into new markets

KEY IT PROJECTS: Implement virtualization and enterprise collaboration technologies

IT INFRASTRUCTURE: Dell, Hewlett-Packard, IBM and Sun servers: Linux 61%, Windows 25%, Solaris 13% and HP-UX 1%. 23% of servers are virtual. Projected locations: two data centers in Richardson, Texas; two in Europe; one in Asia.



Rebecca Jacoby,
Cisco CIO

Results are tracked differently for different projects, whether it's a new data center in Bangalore, a new HR system or new collaboration technology. Regardless of the project, Jacoby and her team focus on results.

"People measure themselves according to program life cycles—Did I get this done on time?—but we measure ourselves according to the business requirements and business results," Jacoby explains. The key questions are these: Was a growth opportunity enabled? Was the experience of a customer or partner enabled? Did the company gain scalable productivity? What was the time to capability?

One strategy that the IT organization is enabling is the company's push into the consumer products market. Building on such brands as Linksys, Cisco has added set-top boxes, camcorders and Eos social-entertainment software to its product line. Manufacturing, distribution and retailing of consumer products is essentially an exercise in supporting a global supply chain and a global distribution channel.

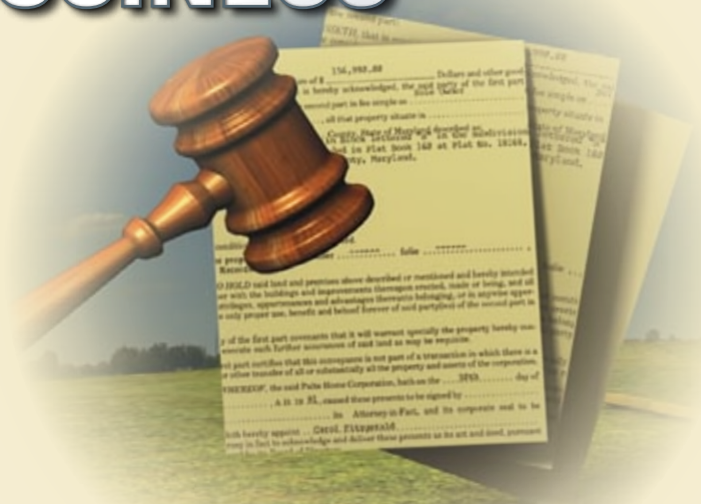
That requires cultivating partnerships with suppliers and retailers, and the video collaboration tools are coming in handy for this purpose, Jacoby says. Being able to go face to face with prospective partners is crucial to expanding into new markets such as India and China, the CIO adds.

For many years, Cisco has grown through acquisitions. Since 1993, the company has assimilated more than 130 smaller firms, including five in 2008 and three so far in 2009. IT's role is to leverage the virtualized architecture and collaboration technology to quickly support each acquired company's business processes. If all goes well, IT will lower the acquired company's costs, while enabling it to add value to Cisco.

"Each acquisition is different, so you handle each one a bit differently," says Jacoby. Though the acquisitions are all different, one thing is always the same: Jacoby and her team's laser-like focus on business value. ◀

INSURING BUSINESS SUCCESS

NEW YORK LIFE'S SUCCESS IS BASED, IN LARGE PART, ON THE IT TEAM'S ABILITY TO UNDERSTAND AND DELIVER SOLUTIONS THAT SUPPORT BUSINESS NEEDS IN THE MOST EFFICIENT AND COST-EFFECTIVE WAY POSSIBLE.



By Samuel Greengard

GOVERNANCE AND ORGANIZATION

NEW YORK LIFE INSURANCE CO., THE NATION'S largest mutual life insurer and a leading provider of financial services (more than \$29 billion in 2008 insurance and investment sales), has built IT into a powerhouse that helps the business thrive at a time when many other financial institutions are reeling. Among other things, it has constructed an enterprise portal contact system that feeds CRM data and other information to agents in the field; a Web-based new-business/underwriting system that guides agents, customer service representatives and underwriters through the life insurance application process; and a workflow automation system that balances transactional loads across the firm's regional processing centers.

More importantly, New York Life has constructed a framework that inextricably intertwines IT and business objectives. "In a period of economic turmoil, as others are looking to cut expenses, we are well-positioned to think and plan for the future," says Eileen Slevin, senior vice president and CIO.

AGENTS OF CHANGE

Managing a portfolio of IT initiatives isn't unusual. Every company must confront new technologies, changing work processes and a constantly evolving marketplace. What makes New York Life so unusual is that it has built a highly structured but flexible framework for managing IT across the enterprise.

The contact management portal, for example, lets agents view customer leads as quickly as they stream in; it gives them instant access to existing contacts, calendaring data and account notes; and provides a view into a client's entire portfolio. In addition, agents can view contracts, peruse up-to-the-minute policy details, and read an array of manuals

and resources. "They can get to it from any computer at any time," says Jim Bain, first vice president of New York Life's Corporate Information Department.

In fact, the system allows agents to tap into their data from "a single place rather than having it scattered across multiple applications," Bain notes. New York Life, which has more than 11,000 agents in the United States, has tallied about 10,000 unique visits since the portal went live in January 2009. "It's a single sign-on portal that provides access to any application or service running on it," he says. "The goal is to make things as simple and seamless as possible for agents."

The Web-based transaction management system, meanwhile, guides insurance agents, customer service representatives and underwriters through the entire process of filling out a customer application and gathering all the information required for approval. A typical life insurance application is about 20 pages long and includes customer data, medical information such as blood tests and physician statements, and motor vehicle records. "The process generally takes two or three weeks," says Ken Toffolo, vice president of business architecture.

New York Life developed an interface that taps into medical and Department of Motor Vehicles data in real time. The system also flags missing information for agents and provides them with live status reports about customers.

The result? The company has trimmed the time required to complete the application approval process by 25 percent while improving accuracy. Although the system was introduced in 2005, IT continues to introduce new capabilities and ongoing workflow improvements.

Internal processes haven't escaped the company's attention either. In 2000, New York Life introduced a workflow



management system that delivers policies, claims and other transactions to processing centers in multiple cities. In the past, balancing workloads was a problem. At times, some centers suffered from overload while others were underutilized.

As a result, the company developed an IT application designed to equalize the flow of work and optimize resources and labor. The workload-balancing system also allows New York Life to take a center offline and reroute transactions as needed.

Toffolo says that as powerful as the system is at present, it's merely a steppingstone to more advanced capabilities. "The ultimate goal isn't to just change the way we route work; it's to move to a service-anywhere concept," he says. "We want to deliver transactions and work to people at any location."

POLICY MATTERS

Although enterprise IT systems help New York Life harness the power and efficiency of digital technology, the company's success is firmly rooted in a management structure that makes the IT department a valuable business asset to the overall enterprise. Slevin says that IT executives strive to maintain a forward-thinking perspective that extends seven to 12 years into the future. Moreover, the company has built processes that keep business and IT leaders closely connected.

The starting point is a business and technology strategy team that maintains a road map for the firm. "IT is focused on the business needs of the organization, along with the infrastructure and technology needed to support it," Slevin says.

While the company has always had technology governance teams in place, this initiative, begun in 2007, has introduced greater discipline and broader team involvement. This, in turn, has allowed management to extend its planning from a two- to three-year window to a view of a decade or more.

Developing a road map required more than teams sitting down and flinging ideas against the wall, however. To peg a set of desired business capabilities and prioritize them, team members conducted interviews with senior-level business executives across various departments and functional domains.

The process initially identified 21 projects that New York Life deemed a top priority, and provided information about benefits and ROI. "We worked side by side with business leaders to ensure that we didn't wind up with technology for technology's sake," Toffolo notes.

At the same time, the company has focused on the technical underpinnings of various projects. In 2007, IT developed a business reference architecture that maps processes across the entire organization and incorporates all technology systems and workflow needed to keep the enterprise running.

"The goal is to look at how enterprise processes are connected and how we can create greater alignment," Slevin says, noting that the initiative extends upward all the way to the chairman's office.

This approach is changing the way the insurance giant views technology investments. Using collaboration tools, including a wiki, the company has, for instance, dissected and documented all the steps involved in selling a policy.

The information is then used to design and build an IT architecture that's optimized across various functions and systems. This process also helps the company identify missing needs and components, as well as conduct what-if scenarios.

AT A GLANCE

COMPANY: New York Life Insurance Co.

HEADQUARTERS: New York

2008 INSURANCE SALES: \$2.43 billion

2008 INVESTMENT SALES: \$26.6 billion

TOTAL EMPLOYEES: 8,932 employees and more than 11,000 agents in the United States

IT EMPLOYEES: 1,200

BUSINESS: Life insurance and financial products

BUSINESS CHALLENGE: To build an IT framework that addresses governance, planning and strategic investments, as well as providing real-time data and information to partners, employees, agents and others

KEY IT PROJECTS: Web-based contact system launched in January 2009 that runs within a portal; Web-based new-business/underwriting system and a workflow management system

IT INFRASTRUCTURE: Mainframes; Unix and Windows servers; proprietary applications; and enterprise systems from IBM, Navagate, Oracle and others



**Eileen Slevin,
New York Life CIO**

Whenever business or IT leaders consider a change, New York Life can study the potential outcome.

The same dedication to detail filters into financial planning. The IT department breaks potential projects into tactical and strategic components and works with finance to conduct a cost-benefit analysis. IT is tuned into budgets, spending, and the use of resources required to build and operate IT systems. A resulting scorecard guides decision making and adoption.

"It provides a gut check and allows us to understand what's cost-effective and viable, and what we can support," Slevin says. "It gives us a balanced perspective that spans the organization."

Make no mistake, New York Life's IT department drives strategic policy across the company. With an understanding of how separate but connected constituencies—customers, partners, agents and employees—interact, it's able to devise solutions that best fit the needs of the business.

What's more, the process is ongoing. The company is currently mapping out next-generation mobility solutions, social networking tools and expanded e-capabilities. "We're looking to handle all forms, payments, self-service components and other transactions electronically," Toffolo notes.

New York Life's success is based, in large part, on IT's ability to understand and deliver solutions that support business needs in the most efficient, cost-effective way possible. The IT department has adopted best practices in strategic governance, investment planning and system design. "The goal is to maximize results by making business data available and actionable 24 hours a day, seven days a week," Slevin says. ◀

BASELINE/BTM 500: BUSINESS-TECHNOLOGY CONVERGENCE



TOP 100 COMPANIES

The goal of this year's Baseline/BTM 500 was to build on the findings from last year's survey by improving the level of granularity of the data and broadening the participation within each organization surveyed. The survey, which was conducted over the course of five months in the spring and summer of 2009, utilized the BTM Fusion 360 online assessment tool. The data were then compared with a five-year performance profile for each company and its industry group.

The following list represents the top 100 companies assessed in all four functional areas of the BTM Framework (governance and organization, strategic investment management, strategy and planning, and strategic enterprise architecture), and then analyzed against the financial indicators outlined in the BTM Institute report. (To view all lists in the Baseline/BTM 500, go to www.baselinemag.com.)

COMPANY NAME	INDUSTRY	2008 REVENUE (MILLIONS)
Abbott Labs	Pharmaceuticals	\$29,527
ACS Healthcare Solutions	Information Technology Services	6,160
Aetna	Health Care: Insurance and Managed Care	30,950
AIG	Insurance: Property and Casualty	11,104
Alcatel-Lucent	Communications Equipment	25,982
Alcoa	Metals	30,748
Amdocs	Industrial Services	2,836
American Electric Power	Energy	14,442
AON	Diversified Financials	7,471
Applied Materials	Semiconductors and Other Electronic Components	9,734
AT&T	Telecommunications	124,028
Bank of America	Commercial Banking	113,106
Boeing	Aerospace and Defense	60,909
BP America	Energy	284,365
Brinker	Food Services	4,235
Campbell Soup	Consumer Food Products	7,867
Cardinal Health	Health Care	91,091
Caterpillar	Construction and Farm Machinery	51,324
Chevron	Petroleum Refining	263,159
Cisco	Network and Other Communications Equipment	39,540
CIT	Commercial Banking	6,228
Citigroup	Commercial Banking	112,372
Comcast	Telecommunications	34,256
Consolidated Edison	Utilities: Gas and Electric	13,120
Conoco Phillips	Petroleum Refining	187,437
Cooper Tire	Motor Vehicles and Parts	2,881
Costco Wholesale	Specialty Retailers	72,483
Cummins	Construction and Farm Machinery	14,342
Darden Restaurants	Food Services	6,747
Dell	Computers and Office Equipment	61,101
Delphi	Motor Vehicles and Parts	20,383

COMPANY NAME	INDUSTRY	2008 REVENUE (MILLIONS)
Dollar General	General Merchandisers	\$10,457
Dow Chemical	Chemicals	57,514
DTE Energy	Utilities: Gas and Electric	8,861
Eastman Kodak	Scientific, Photographic and Control Equipment	9,416
eBay	Internet Services and Retailing	8,541
EG&G	Aerospace and Defense	2,400
Eli Lilly	Pharmaceuticals	20,378
EMC	Computer Peripherals	13,230
Emerson	Electronics and Electrical Equipment	22,572
FedEx	Mail, Package and Freight Delivery	37,953
Ford Motor	Motor Vehicles and Parts	146,277
General Electric	Diversified Financials	172,738
General Mills	Consumer Food Products	13,652
General Motors	Motor Vehicles and Parts	148,979
GMAC	Commercial Banking	35,445
Hewitt	Diversified Outsourcing Services	3,227
Hewlett-Packard	Computers and Office Equipment	118,364
Honeywell	Aerospace and Defense	36,556
Humana	Health Care: Insurance and Managed Care	28,946
IBM	Information Technology Products and Services	103,630
Intel	Semiconductors and Other Electronic Components	37,586
John Deere	Machinery	25,803
Johnson Controls	Motor Vehicle Interiors and Parts, Building Products	34,624
JPMorganChase	Commercial Banking	101,491
KPMG	Accounting, Auditing and Bookkeeping	7,170
Lennar	Home Builders	4,575
Lockheed Martin	Aerospace and Defense	42,731
Medtronic	Medical Products and Equipment	13,515
Merck & Co.	Pharmaceuticals	23,850
Microsoft	Computer Software	60,420
Motorola	Network and Other Communications Equipment	30,146
NCR	Computers and Office Equipment	4,970
New York Life	Insurance: Life and Health	31,416
Newmont Mining	Mining and Crude-Oil Production	6,199
Northwestern Mutual	Insurance: Life, Health (mutual)	21,734
Oracle	Computer Software	22,430
Pfizer	Pharmaceuticals	48,296
PPL	Utilities: Gas and Electric	8,206
Principal Financial	Insurance: Life and Health	9,935
Procter and Gamble	Household and Personal Products	83,503
Prudential Financial	Insurance: Life and Health	29,275
PSEG	Utilities: Gas and Electric	13,741
Qualcomm	Network and Other Communications Equipment	11,142
Qwest	Telecommunications	13,475
Raytheon	Aerospace and Defense	23,174
Rockwell Automation	Electronics and Electrical Equipment	5,697
The Home Depot	Specialty Retailers	71,288

TOP 100 COMPANIES

COMPANY NAME	INDUSTRY	2008 REVENUE (MILLIONS)
SAIC	Information Technology Services	\$10,078
Sanmina-SCI	Semiconductors and Other Electronic Components	9,004
Schering-Plough	Pharmaceuticals	18,502
Seagate Technology	Computer Peripherals	11,360
ServiceMaster	Diversified Outsourcing Services	3,362
State Farm Insurance	Insurance: Property and Casualty	61,343
Symantec	Computer Software	5,874
TIAA-CREF	Insurance: Life and Health	29,362
The Washington Post Co.	Publishing and Printing	4,461
Travelers	Insurance: Property and Casualty	24,477
Unilever USA	Food Processing	58,066
Unisys	Information Technology Services	5,233
UnitedHealth Group	Health Care: Insurance and Managed Care	81,186
United Parcel Services	Mail, Package and Freight Delivery	51,486
USAA	Insurance: Property, Life and Auto	12,912
USEC	Metals and Mining	1,928
Verizon	Telecommunications	97,354
Wal-Mart	General Merchandisers	405,607
Wells Fargo	Commercial Banking	51,652
WWE	Entertainment	485
Wyeth	Pharmaceuticals	22,833
Xerox	Computers and Office Equipment	17,608

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