Booz | Allen | Hamilton

delivering that endure

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

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













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contents

a letter from our chairman

Booz Allen Hamilton year in review

helping clients meet their mission

examples of some of the most compelling engagements and powerful ideas from the past year

changing the world for the better

the people of Booz Allen draw on their heart, their intellect, and their spirit of service to make a difference

principal offices

leadership

the firm's board of directors, leadership team, executive vice presidents, and senior vice presidents



Booz | Allen | Hamilton

delivering results that endure

A great story unfolds on the pages that follow. It is a story about growth, impact, value, and values.

Booz Allen Hamilton is a trusted long-term partner for clients seeking expertise, objectivity, and enduring results. As I look back on the firm's 95th year as a leader in the consulting profession, I couldn't be more proud of the strength of our business today, our enduring legacy, and our outlook for the future. Revenues increased to more than \$5 billion for fiscal year 2010 (April 1, 2009–March 31, 2010), and our total backlog of work now exceeds \$5.3 billion. Our clients' satisfaction is extremely high—evidenced by our follow-on work, past performance ratings, and award fees. And I'm proud that Booz Allen has provided

"As I look back on the firm's $95th\ year$ as a leader in the consulting profession, I couldn't be more proud of the strength of our business today, our $enduring\ legacy$, and our outlook for the future."

rewarding careers for more than 22,000 talented employees across the United States and worldwide, and that we supported jobs for thousands of others among our subcontractors and vendors.

More than a year has passed since Booz Allen changed its course by separating its US government and commercial consulting businesses into two indepen-

dent companies. The true test of such a major transaction is how a company performs in the aftermath, and Booz Allen has reached new heights in reputation and revenue. In fact, we are generating more revenue today than before we spun off the commercial business in July 2008. We have sharpened our focus, providing mission-critical professional services primarily to US government clients in the defense, security, and civil sectors. Our expertise and services are also in demand from selected corporations, institutions, and not-for-profit organizations.



A consulting heritage sets us apart

While embracing the future, we're convinced that our past—our management consulting heritage and legacy of client service—sets us apart. We don't have customers, we serve clients. This is a key distinction for us. We look beyond the requirements of a single contract to address the broader context of our client's mission. And the evidence of our clients' satisfaction is this: We have relationships that go back an average of more than 20 years with our 10 largest client organizations.

Our ability to meet and exceed client expectations originates in a well-established collaborative culture uniquely supported by the firm's operating model. Incentives that reward firmwide success and cooperation reinforce this culture, as does our financial structure, which has a single profit and loss center. As a result, we can draw upon a wide pool of expertise to serve clients, rapidly deploying talent and resources as market needs and opportunities arise.

Clients face tremendous demands, limited resources

In today's environment, our clients face huge demands from citizens, businesses, local governments, and global allies and adversaries. Federal government agencies must meet these great challenges, while doing more with less. Booz Allen helps clients anticipate changing demands, evaluate and respond rapidly to problems and opportunities, and establish priorities to ensure that the most important objectives are met.

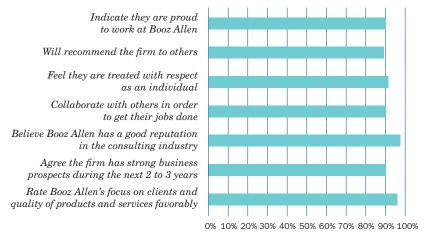
As an institution, we've learned to foresee and embrace change—not resist it. We scan the horizon to imagine what the future will bring. Then we invest what it takes to develop the ideas and services that will help our clients succeed in a changing world.

Leading ideas make an impact

For a professional services firm like Booz Allen, a commitment to developing innovative ideas and embracing the latest technologies is paramount—and another factor that sets

Booz Allen people survey responses*

Percentage of survey respondents who...



*data from 2009 internal staff survey that realized an 84% response rate

us apart. For example, we began building cyber-capabilities years ago, and we've established our own Cyber University to equip our staff with credentials and expertise. We've honed cutting-edge ideas and methodologies to assist clients facing new challenges in finance, healthcare, energy, the environment, and transportation.

We are a leader and innovator in cloud computing, and our groundbreaking megacommunities™ approach continues to shape public response to society's most complex problems. In the past year, as a sponsor of the Aspen Ideas Festival, we were again at the forefront of discussions about vital, emerging issues. Our thought leadership on cybersecurity, healthcare issues, environmental sustainability, and other compelling

topics reached broad audiences through conferences and major media outlets, including the *Wall Street Journal*, the *Washington Post*, and CNN.

Our people and culture rate an A+

Booz Allen people hold client service as their highest calling and conduct business with uncompromising integrity, guided by the firm's 10 Core Values. We build our teams with individuals who are experts and leaders in their fields, and provide them with the work experiences, training, and support to ensure that they continually grow both professionally and personally.

We're justifiably proud of our people, and we foster a culture that demands and rewards high performance. In 2009, Booz Allen once again was named a best company to work for

by Fortune, Working Mother, Business Week, and many other third-party organizations. An overwhelming majority of respondents to an internal employee survey reported their pride in Booz Allen and said they would recommend the firm to others (see chart at left).

We care about our communities and the planet

Beyond serving as a valued client partner, we take seriously our responsibilities as citizens of the world. The spirit of service runs deep in our firm. Last year, we supported more than 500 charitable organizations and community outreach programs through volunteerism, community partnerships, philanthropy, and pro bono work. When we at Booz Allen step in to help, we do more than send a check; we give of ourselves.

In January 2009, Booz Allen began a partnership with Ocean Conservancy and its International Coastal Cleanup effort to develop a three-year strategy to improve the health of the world's oceans and waterways. In September, more than 200 Booz Allen volunteers across the nation took matters into their own hands, removing trash from oceans, bays, and local waterways, from the Atlantic to the Pacific.

Earlier this year, we also raised more than \$75,000 in staff contributions within 24 hours for the American Red Cross Haiti Relief Fund, helped young people develop science and technology skills through our partnership with For Inspiration and Recognition of Science and Technology (FIRST), donated programs and services to the USO, and supported the North American Aerospace Defense Command's Web site and social media campaign called NORAD Tracks Santa.

Booz Allen is proud to sponsor the Smithsonian American Art Museum's upcoming exhibition "Telling Stories: Norman Rockwell from the Collections of George Lucas and Steven Spielberg." Offering the public a view of more than 50 rarely seen Rockwell paintings and drawings, the exhibition will run from July 2, 2010, through January 2, 2011.

We're ready for what's next

The future can be a scary place, because human nature naturally fears the unknown. But the future is also our greatest gift, and we have the responsibility to envision and work toward creating the best future possible. When government and society reach critical junctures that make change essential, Booz Allen does its finest work. With fresh thinking, practical strategies, and keen technology insights, we will continue to do what we do best: deliver enduring results that help clients succeed. We are confident that the year to come will bring great value to those we serve, and as a result, continued great success for Booz Allen.

Ralph W. Shrader, Ph.D.

Chairman & Chief Executive Officer

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year in review



"Growth provides opportunities for our people and reflects SUCCESS in serving clients.

Booz Allen has an unrivaled track record of over~15~years of double-digit, organic growth."

—Samuel R. Strickland

Chief Financial and Administrative Officer

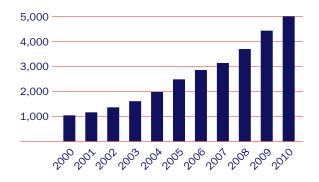
Booz Allen Hamilton occupies a *premier position* in professional services. No other company in our industry has such a track record of client impact and business success, as evidenced in *sustained double-digit growth* over the past 15 years. In 2009 alone, our revenue was up 16 percent, profitability was solid, and we had a total backlog of work in excess of \$5.3 billion. Our performance enables us to take a commanding position in our profession, while our people bring the *passion and integrity* that have been the firm's signature for close to a century.

Today, Booz Allen has more than 22,000 talented professionals focused on delivering results to its clients. Our firm's unmatched history and promising future are based on the value we bring to developing our people, building the future of our institution, and helping clients succeed.

total revenue

for fiscal years ending March 31

\$ in millions; excludes commercial business, which was spun off in July 2008



Booz Allen has achieved a compound annual growth rate of 17% over the past decade.

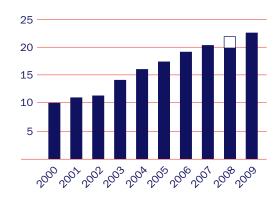
Booz Allen has served its 10 largest client organizations an average of more than 20 years, and it has served the US Navy for more than 65 years.

As of December 31, 2009, Booz Allen had a total backlog of work valued at \$5.34 billion, which represents a 19.4% year-over-year backlog growth rate.

total employees

at end of calendar year in thousands

employees of commercial business, which was spun off in July 2008 $\hfill\Box$



cyber technologies organization & energy security grants infrastructure operations defense technology aerospace health civil government

helping clients

meet their mission

The year 2009 marked Booz Allen Hamilton's 95th anniversary of serving as a trusted partner to clients. Today, the firm is a leading provider of professional services, primarily to US government agencies in the defense, security, and civil sectors, as well as to corporations, institutions, and not-for-profit organizations.

During the past year, the firm realized two additional milestones: Booz Allen achieved record revenues of \$5 billion in fiscal year 2010, which ended March 31, 2010, and counted more than 22,000 staff at the end of calendar year 2009, continuing more than a decade of uninterrupted growth.













As Booz Allen itself has grown and prospered, the world at large has changed. Our clients today face such complex and pressing challenges as protecting the homeland, combating global terrorism, providing vital citizen services, and improving cybersecurity. With changes in budgets, policies, and priorities often compounding these issues, today's leaders need a consulting partner that can help shape and execute their strategies and achieve results.

Providing integrated capabilities

To help clients address these and other challenges in ways that will endure for years to come, Booz Allen leverages its deep functional knowledge—which spans strategy and organization, technology, operations, and analytics—and its specialized expertise in clients' mission and domain areas. We have an unrivaled ability to look at problems holistically to understand our clients' real needs and develop effective solutions. The result: We help our clients achieve mission success and seize opportunities.

For example, with Booz Allen's assistance, clients are building better submarines at lower cost to taxpayers, developing innovative communications devices for soldiers in Iraq and Afghanistan, and implementing new safeguards to secure the nation's bank-

With Booz Allen's help, clients are $building\ better$ subs at lower cost to taxpayers and implementing new safeguards to secure against cyber-attacks.

ing, power, and air transportation systems against cyber-attacks. Every day, we have a powerful impact on the lives of US citizens, because our work helps government provide healthcare, education, transportation, and income security. We are also helping the government explore new sources of energy and work toward a sustainable environment.

Trusted partner, honest broker

Clients today rely on a firm like ours, which offers advice and counsel, to see around the corner for them so they can anticipate needs and opportunities. Because we support so many different government sectors, it is more than likely that we have already identified, and resolved, an issue for one client that is similar to a scenario that





another client may soon face. Given our broad frameworks and extensive client experience, we are able to help our clients envision forward-looking strategies.

What's more, in an era of increasing scrutiny of organizational conflicts of interest, we are able to serve our government clients with the highest levels of objectivity and integrity because we are a professional services provider that does not have the additional goal of selling products or equipment.

When we step in to design and implement custom technology systems or new strategies to advance an emerging objective, our focus is to find solutions that will provide enduring results long after our contract ends. Clients such as the US Navy, with which we have been working for 65 years, trust that we will provide the right skills and offer the best solutions—time and time again. As a result, a vast majority of our revenue is derived from repeat business.

Leading through innovative thinking

Booz Allen continually develops groundbreaking ideas across the critical sectors of defense, security, and civil government on such topics as cloud computing, cybersecurity, and health reform. These insights inform our daily work and benefit our clients.

Our megacommunities™ approach, for instance, brings the government, business, and nonprofit sectors together to combat society's largest, most complex problems. The firm's work in mission integration contributes to whole-of-government responses to natural disasters and other crises, including irregular warfare and health preparedness. Many of our emerging ideas align with the concept of smart power, in which the US government brings together military, diplomatic, development, economic, and cultural resources to create a new approach to achieving strategic objectives.

Booz Allen's management consulting heritage, which dates to the firm's founding in 1914, is the basis of its unique collaborative culture and operating model, which enable

Clients today rely on a firm like ours, which offers advice and counsel, to $see\ around\ the\ corner$ for them so they can anticipate needs and opportunities.

Booz Allen has an $unrivaled\ ability$ to look at problems holistically to understand its clients' real needs and develop effective solutions.

the firm to anticipate needs and opportunities and rapidly deploy talent and resources. Unlike many other large businesses that serve varied markets, Booz Allen accounts for profit and loss as a single business firmwide, not on the basis of each separate unit. Furthermore, our people are free to work together and direct resources wherever they are needed most to achieve the best results for our clients and the firm overall, without regard to internal competition.

Preparing for what's next

We recognize that to continue to grow we must constantly look ahead and invest in the firm to meet the needs of our clients—especially the needs that may not yet be apparent. To prepare for future challenges, for many years we have been building capabilities in cybersecurity, which we see as an area that holds important threats to our nation.

Another concern on which we have been proactively focusing our efforts is finance reform. More than two years ago, as a global economic crisis revealed weaknesses in national and international financial systems, we marshaled our capabilities to assist clients across the US Department of the Treasury and the Internal Revenue Service; regulatory, housing, and insurance organizations; and commercial financial cybersecurity operations.

We are also investing resources in helping civil government protect essential infrastructures affecting energy, transportation, health, and the environment. In these and other areas, we continue to devote the leadership attention and research needed to help our clients be ready for what's next.

As these examples and others on the pages you are about to read demonstrate, our most important work is helping our clients recognize and embrace the need for change, and helping them both achieve their most important goals and sustain those results over the long term.



army air force

defense

navy g marine corps joint chiefs



Since 1940, when Booz

Allen Hamilton helped the Navy prepare for World War II, the firm has been supporting national defense. Today, the Department of Defense is one of Booz Allen's largest clients, and the firm works with the Office of the Secretary of Defense, the Air Force, the Army, the Navy and Marine Corps, and the joint staff directorates and combatant commands.

Booz Allen offers defense clients services that range from high-level strategy to implementation support for next-generation technical systems. We also provide military clients with finance and budgeting programs, modeling and simulation expertise, intelligence and operations analysis, and assistance with supply chain and logistics.

With extensive capabilities in information technology and systems engineering and integration, we are assisting defense and aerospace clients with their specialized needs for advanced communications and other complex systems. And our work with the joint commands brings independent organizations together to share vital information and align operations to confront increasingly complex and nuanced conflicts.

Since 2005, Booz Allen has been supporting dozens of defense and intelligence organizations as they carry out the ongoing Base Realignment and Closure program, while also assisting affected communities with such issues as infrastructure, workforce, and sustainability planning.

As the long wars in Afghanistan and Iraq continue and budget pressures increase, we are working with clients on programs to sustain and refurbish existing equipment. More important, our work devising strategies for irregular warfare and mitigating improvised explosive devices helps protect the lives of US troops and their allies.



How Booz Allen helps clients do more with shrinking budgets



Q: How is Booz Allen positioned to help clients meet today's challenges and be ready for what's next?

It's a complex time for our nation. We're facing the ongoing threat of terrorism, growing federal budget pressures, war, an economic crisis. From every vantage point, though, Booz Allen's place in the world is significant and secure.

Our people and our institution are anchored in core values that will not change. At the same time, we are operating from a position of strength that enables us to invest in building advanced capabilities in cyber-consulting, counterterrorism, major program acquisitions, and other critical areas to better serve our clients and help them be prepared to address future challenges.

Q: Why do you believe clients choose Booz Allen over other consulting firms?

Because of our people. Booz Allen is an extraordinary place to build a career. We're committed to the personal and professional development of our staff and offer them opportunities to grow and excel. The result is a talented, diverse workforce that understands clients' challenges and has the vision to offer creative, holistic solutions—backed by the full capabilities of the firm. Year in, year out, if you have the best people, you are always going to be ahead of your competitors.

Q: What do you see in the future for the defense business?

The government is looking for more value in the dollars it spends on defense products and services. This falls right into our strike zone because we have a comprehensive understanding

of our clients' evolving mission requirements, and we're able to match our capabilities against those requirements.

One example is the sustainment and refurbishing of weapons systems. The US has been at war for a number of years. Much of the equipment is getting worn out, and the strained economy is putting pressure on budgets. We bring together services in acquisitions, logistics, systems engineering and integration, and advanced information technology to address the challenge of doing more with less.

Q: What personally impresses you most about the firm?

has something to contribute. I have seen the most junior staff—in level or tenure—bring an observation or opinion to the table, and their idea gets as much respect as a senior leader's does. Great ideas spring up across all levels. And with that, you quickly learn you have to share credit because it's a team sport.

Karen Dahut / Senior Vice President

"Booz Allen takes a holistic, multidisciplinary approach to change so that organizations can better achieve their objectives.



This is the kind of work we're doing with DFAS, the Defense Finance and Accounting Service. More than three years ago, DFAS asked Booz Allen to help it transform from a check-paying organization to one that offers broader support and advisory service to its clients. And as part of BRAC, DFAS is also downsizing from 26 to five sites and reducing staff from 13,000 to around 10,000. This is a massive change for the largest organization of its kind, and Booz Allen is uniquely qualified to assist. We excel in bringing the talent necessary to tackle myriad programmatic and technical issues."



unmanned and robotic warfare

"Unmanned and robotic warfare systems...are essential to our national security," says Booz Allen Hamilton senior vice president Art Fritzson in "Unmanned and Robotic

Warfare: Issues, Options, and Futures," a report published by Booz Allen and Harvard University's John F. Kennedy School of Government. The report explores how to best harness this technology, summarizing a June 2008 Harvard Executive Session sponsored by Booz Allen and attended by military luminaries.

A key point from the report—that an integrated concept of operations (CONOPS) for unmanned and robotic weapons is overdue—garnered further study by Booz Allen principal Howard "Buck" Adams (USAF, ret.) in "Integrating CONOPS into the Acquisition Process." Cowritten with General John P. Jumper (USAF, ret.) and US Air Force lieutenant general David A. Deptula in the Joint Force Quarterly, the article explores the future strategic purchase of unmanned systems.

Adams and Deptula also teamed to write "Joint's True Meaning," an article in Armed Forces Journal that looked at the use of unmanned equipment to strengthen interdependency among the military services.

In his article "Stopping Innovation Evaporation" in the defense journal C4ISR, Fritzson wrote that creating online communities of unmanned warfare experts and users to exchange ideas in real time will help accelerate the evolution of unmanned systems.

improving efficiencies in support of the international space station



Floating 200 miles above the earth, the International Space Station (ISS) is one of the most complex engineering systems under development anywhere. Since its construction began in 1998, more than 850,000 pounds of equipment have been delivered by crews from the United States, Russia, Europe, and Japan.

Booz Allen Hamilton has been guiding decisions about the ISS at the highest levels of the National Aeronautics and Space Administration (NASA) since the program started in 1993. "Our team has been contributing systems engineering and integration services for the assembly and operation of the International Space Station and analysis of key systems, including power, thermal, communications, and robotics," says Bill Bastedo, a Booz Allen senior vice president based in Houston.

Booz Allen has performed more than 2,000 technical and cost assessments for the ISS program. For example, as part of the firm's Program Integration and Control (PI&C) contract with NASA, which began in 2004, Booz Allen helped calculate an optimal repositioning of solar power arrays—which are unneeded as the space station passes through the dark side of its orbit—thus reducing aerodynamic drag and orbital decay and requiring less "reboost" propellant. As a result of this technical innovation, NASA is expected to save more than \$100 million over the life of the program. Booz Allen also developed an external active thermal control system that reduces nitrogen requirements and devised a plan to reduce consumption of high-pressure gas, leading to total savings of more than \$40 million.

The ISS is a scientific and technical achievement, but it is also a breakthrough venture in international cooperation. "Technically speaking, we grew up separately from the Russians and never shared information. What has been interesting to me is that, because we do things very differently, there is much that we can learn from each other," says Gary Brown, a Houston-based Booz Allen principal who is an ISS project leader.

As a result of Booz Allen's award-winning work on the ISS, the firm earned a second PI&C contract from NASA to work on the International Space Station through 2015.



tackling the BRAC mission continuity challenge—workforce

The Government Accountability Office has called it the "biggest, most complex, and costliest Base Realign-

ment and Closure (BRAC) round ever." In all, more than 125,000 military and civilian positions at more than 800 defense locations throughout the US and its territories will be relocated. The massive project, scheduled to be completed by September 15, 2011, will involve closing 22 major bases and enlarging or shrinking 33 others.

In their report "Tackling the BRAC Mission Continuity Challenge-Workforce," Booz Allen executive vice president Joseph Mahaffee and principals William Rowe Jr. and Elizabeth Miller describe the challenge this way: "Military organizations are expected to operate at peak performance during the transition, but experience shows that on average, only 25 to 30 percent of Department of Defense (DoD) civilian employees will move with their jobs." In other words, mission continuity is the critical obstacle.

The solutions offered by the authors are as varied as they are critical: Create incentives to relocate; attract and develop skilled workers in new locations through partnerships with local and state governments; take advantage of talent pools in other locations through an integrated delivery approach; reassess and restructure business processes so the new locations perform as efficiently as possible; capture the knowledge of existing work functions and processes in order to transfer them to the new workforce; and communicate transition plans and opportunities to keep employees engaged throughout the move.

Relocation incentives and programs must be carefully designed and systematized, but they need not be complex or expensive. For example, the Defense Information Systems Agency is considering providing commuter bus services to and from a new facility in Fort Meade, Maryland. The agency can also provide retention bonuses of 25 percent of basic pay for a subset of skilled information technology or engineering specialists to entice these professionals to stay on. Similarly, tuition subsidies for adults and children, and professional license reciprocity for teachers, doctors, and others are easy inducements.

But the authors also point out that the military should fully consider implementing an integrated delivery strategy, one that allows organizations to perform their work using distributed assets and to access mission-critical capabilities—regardless of location via updated operations and processes. The authors note that the DoD could tap talent and skills in remote locations, including retirees, ensuring that the bestqualified people are in place to fill organizational gaps.

In practice, no BRAC effort, with all its personnel and moving parts, is simple. Everything including new housing and job titles, technology, systems, and processes must be developed and secured. But through creative and efficient planning, this much is known: Continuity, the lifeblood of any organization, is achievable.

providing soldiers advanced networking capabilities



Soldiers in remote regions of Afghanistan and Iraq, where there are no cell towers or high-speed Internet connections, have been relying largely on hardware-based radio frequency technology that has changed little since World War II.

But now the Joint Tactical Radio System (JTRS) provides the joint forces with new software-enabled networking radios that can transmit high-bandwidth voice, data, and video through a secure interoperable network. These radios allow members of different US fighting forces to carry their wireless network with them and upgrade capabilities faster, enabling them to better confront increasingly sophisticated and mobile adversaries.

Since 2005, Booz Allen Hamilton has served as a strategic partner for the suite of JTRS programs, which is transforming military communications and shaping a new standard for joint acquisition within the Department of Defense (DoD). "JTRS will transform the way our nation goes to war," says Dave Karp, a Booz Allen senior vice president based in San Diego. "The networking capabilities JTRS provides enable service members to fight as an integrated team regardless of battlefield conditions, while our adversaries are fighting as individuals."

With the program on the brink of cancellation because of technical difficulties, high costs, and challenges in integrating the system across the services, the newly created Joint Program Executive Office (JPEO) for JTRS called on Booz Allen in 2005.

The Booz Allen team helped assess and rebaseline the programs, as well as define a new joint acquisition and business strategy. This strategy has helped the DoD shift from using a closed, proprietary business model that encouraged costly sole-source procurements to using a more open process that emphasizes government data rights for software, software reuse, and increased competition during production—all designed to reduce program costs over their full life cycle.

For example, with Booz Allen's help, JTRS has fielded more than 100,000 handheld radios to all four services operating in Afghanistan and Iraq. In addition, the radios were procured through a single DoD-wide contract that saved more than \$450 million compared with the cost of purchasing the radios using existing acquisition approaches.

Today, JTRS capabilities are being integrated into several advanced tactical aircraft, and the JPEO is working with the DoD to extend the capabilities to several US allies.

Next, JTRS capabilities will be incorporated into Army and Marine Corps ground vehicles and manned and unmanned systems. Booz Allen will continue to help test and evaluate JTRS as the programs complete development and continue fielding networking capabilities, providing the DoD with an interoperable networking foundation for its tactical forces.

reducing costs by \$3.8 billion with "design for affordability"



When the first VIRGINIA-class submarine was launched in 2004, it cost more than \$3.2 billion—well over the budget estimates given to US Navy officials for the planned procurement of 30plus SSN-774-class boats through

2020. The Office of the Chief of Naval Operations subsequently announced its goal for the program to step up production from one submarine a year to two starting in 2012, and also mandated a cost target of \$2 billion (in 2005 dollars) per submarine—a 20 percent reduction beyond efficiency gains made on SSN-776, the last boat delivered to the Navy, in 2005.

The cost reduction mandate was more complex than usual because of the unique submarine construction arrangement between the two prime contractors, the General Dynamics Electric Boat division and Northrop Grumman Newport News Shipbuilding. According to their agreement, each shipyard would build specific boat components, and they would take turns assembling the final boat.

Electric Boat brought on Booz Allen Hamilton to help develop a comprehensive strategy for permanently reducing acquisition costs.

"Fresh perspectives and innovative thinking were needed to develop an approach that went beyond traditional cost cutting," says Booz Allen senior vice president Mike Jones, who is based in McLean, Virginia. "We worked with the Navy and Electric Boat to develop a methodology called Design for Affordability."

A key aspect of Design for Affordability is Booz Allen's proprietary process called ISSR, which assesses inherent, structural, systemic, and realized cost drivers. Development of the ISSR approach drew on the firm's experience in numerous industries of driving down inherent and structural program costs, including design, cycle time, acquisition component sourcing, organizational structure, and labor.

Booz Allen consultants worked on joint teams drawn from the Navy, Electric Boat, and Newport News Shipbuilding to conduct the ISSR analysis. Booz Allen also helped Electric Boat with its supplier relationships, moving away from a model of continuous rebidding based solely on price and toward a model built on joint cooperation with valued suppliers.

In 10 months, the Booz Allen team helped transform the entire submarine acquisition process, from design to sea trials. The improvements resulted in a net reduction in total program acquisition costs of \$3.8 billion and enabled the Navy to accelerate its plan to double the construction rate to two boats per year by 2011—one year ahead of schedule.

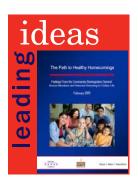
"As the Department of Defense focuses more on total ownership costs, Design for Affordability will help other programs realize significant cost savings," says Jim Beggs, a Booz Allen senior associate based in McLean.

Angie Messer / Senior Vice President

"Booz Allen brings a commitment and partnership to each engagement that's truly about helping clients be successful, and to me, that's the bottom line.

I am a former US Army officer; my father was in the Army, and my grandfather was in the Army. What attracted me to Booz Allen—similar to what inspired me to go to the military academy—was the acknowledgment and reinforcement that selflessness, a higher calling, and the good of the broader team are most important and ultimately rewarded. The firm's commitment to teamwork, excellence, integrity, and ethics were very important to me, and that, too, mirrors the military profession. At Booz Allen, 'making a difference' is the mantra. As the world becomes ever more complex, it takes a company like Booz Allen to help clients address their toughest, most intricate challenges."





healthy homecomings for veterans

To address the complex reintegration issues that American service members and veterans face after returning from war, a joint team from Survivor Corps, the Veterans'

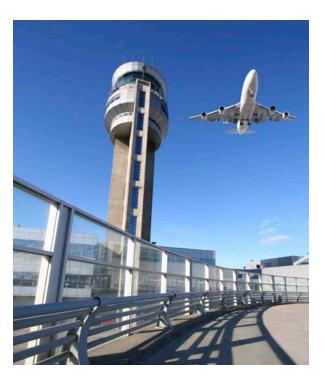
Coalition, and Booz Allen Hamilton convened a diverse megacommunity™ of organizations representing government, business, nonprofit organizations, academia, and veterans and their families.

The team first conducted interviews with leaders from 21 organizations engaged in reintegration, which led to the identification of five key issue areas: reuniting with family; returning to work and school; accessing services, benefits, and information; rehabilitation; and rejoining the community.

To broaden the community of stakeholders working on these reintegration issues, the team then held two conferences: the Initiators Conference on the Community Reintegration of Service Members and Veterans, in October 2008, and the Community Reintegration Summit, in January 2009. At the second event, which lasted two days, Booz Allen led an interactive simulation exercise that allowed the 150 participants to identify ways to ease the transition.

"The Path to Healthy Homecomings—Findings from the Community Reintegration Summit: Service Members and Veterans Returning to Civilian Life" summarizes the insights learned from the interviews and events and recommends steps that stakeholders can take to ease the reintegration process.





As the federal government sharpens its focus on the domestic agenda, Booz Allen Hamilton is helping civil government agencies grapple with such challenges as energy, environment, finance, health, international development and diplomacy, law enforcement, benefits, and transportation. Providing management and technology consulting services, Booz Allen helps federal, state, and local agencies as well as not-for-profit organizations improve the

services they deliver to citizens and build better systems to support their missions.

Booz Allen's consulting experience supporting many different government agencies, NGOs, and commercial enterprises gives it insights that cannot be provided by typical systems integrators, accounting firms, or implementation firms. Our prior work for the IRS and the US Treasury has helped us support change in the financial regulatory system. In health, we have expertise in security and IT that will be crucial in building a national system of electronic medical records, as called for in the American Recovery and Reinvestment Act of 2009.

With capabilities in science, technology, R&D, and innovation, we are contributing to work now under way in government laboratories to create alternative energy sources. We support the development and security of transportation systems, and we provide services to the Department of Homeland Security, including emergency management and response planning.



Q: What are the greatest opportunities for Booz Allen in the civil market?

Right now, we have the opportunity to work on some of the most critical domestic issues and challenges of a generation. There has been a distinct, increased focus on tackling issues in finance, in the care of the environment, in energy reform, in containing health costs and providing services to citizenry, and in infrastructure needs. Domestic issues are being addressed directly across the board, so to speak.

Q: How is Booz Allen positioned to help clients address these challenges?

We not only have the functional expertise required, but we also have great consultants. Good consultants get the job done and they meet their contractual terms. Great consultants "get into the heads" of their clients;

q a

Jimmy Henry, Executive Vice President

What makes a *great consultant* and what that means for Booz Allen's clients

they think a few steps ahead. Great consultants provide extreme value and leave their clients wanting more.

Q: What larger trends are affecting the government consulting industry?

ability mean consultancies are facing increased scrutiny. And with the increased visibility into both public and private institutions comes an increased focus on ethics and regulatory compliance. We're in a good spot.

Q: What does that mean for Booz Allen?

Booz Allen has always been a strong values-based organization. We develop strong ethical leaders—not simply rule followers—and we hold ourselves to a higher standard than simply complying with "bare minimum" requirements. Our clients know and expect this. Doing the right thing for the right reason matters to us; it always has.

Q: What was your best day at work?

a: Well...I've had several. But to pick one. I'd have to say it was one day in the late 1980s when I was called out of the blue to meet a new client. At the meeting I was introduced to a Navy admiral and a senior Booz Allen person and another senior civil servant. We sat down to chat, and I noticed pictures on the admiral's wall of a man in a NASA spacesuit. Then I realized it was the admiral, Ken Mattingly, an Apollo astronaut. The person from Booz Allen was Vice President Dr. Bill Lenoir, another Apollo astronaut. It took me about five minutes to realize we probably had two or three of the people on the planet who knew the most about communication satellites. It was a fascinating couple of hours, and within about three months we created and executed a strategy that allowed the Navy to buy about a dozen UHF communications satellites in a way that had never been done before and has not been done since. What an incredible learning experience for me!



what it takes to change government

To determine the attributes of leaders able to transform government—in part by examining those who fail at it—Booz Allen Hamilton teamed with Harvard Univer-

sity professor of public management Steven Kelman on an 18-month study that focused on 11 federal executives and their agencies; eight were deemed successful; three were not. The aim was to find out precisely how successful agency leaders initiate and execute change.

Also written by Booz Allen senior vice president Dave Mader and senior associate Jeff Myers, the study, "What It Takes to Change Government," identifies the best leadership practices used by successful government executives. "We also found [that] leaders who

are able to spur important transformation were not only good at directing change, but also used solid, dayto-day management techniques," the authors wrote.

The study offers advice to incoming public executives, including limiting goals, planning deliberately, collaborating with stakeholders and employees, and using metrics to evaluate success.

This study is gaining currency in Washington, DC, as indicated by the comments of Washington Post staff reporter Joe Davidson in a June 2009 article. He remarked that studies on government efficiency often cross his desk, but this one inspired further investigation because it not only detailed activities that worked, but also highlighted leaders who have failed.

Lloyd Howell / Executive Vice President

"As chair of Booz Allen's Ethics Committee, I especially understand the importance of trust in our business relationships. our personal lives, and now, increasingly, in the use of social media.



The Internet and trusted networks are changing the way the federal government does business. Government can now interact individually with each citizen, and that exchange of ideas will effect change. Booz Allen understands that adapting to change may require more efficient processes, better human resource management, or renewed emphasis on learning and strategic communications, and we have worked as a trusted partner with hundreds of clients across all of these dimensions."

transforming how the US government accounts for over 300 million people



Every 10 years, by law, the US government sets out to count every person living in the nation and its territories. By the time the 2010 Census is complete, the US Census Bureau expects to have hired as many as 1.2 million temporary workers to account for more than 300 million people in 134 million housing units—and it's critical that the bureau get the numbers right.

Ever since the first census was conducted by US marshals on horseback in 1790, census data has played a critical role in the government's ability to decide on matters of consequence to us all. The census drives Congressional apportionment, the process of dividing the 435 memberships, or seats, in the US House of Representatives among the 50 states. Census results also inform the annual distribution of more than \$400 billion of federal aid to state. local, and tribal governments for roads, hospitals, schools, emergency services, and senior centers, as well as decisions for government programs such as Medicaid. The census provides insights into how Americans live—and how the government might serve them better.

Continuing a successful partnership that began in the mid-1990s, Booz Allen Hamilton and the US Census Bureau are working together to increase the efficiencies and transparency of the 2010 Census budgeting process. To support this goal, while meeting the country's need for increasingly accurate and less-costly census data, Booz Allen designed and implemented innovative budget strategies that would simplify the cost estimation process for the decennial census. By involving a range of experts in cost accounting, business intelligence, and executive reporting, Booz Allen helped the bureau transform a collection of complicated spreadsheets into a more systematic, dynamic approach to budgeting and cost estimation. For example, to help the bureau monitor the various budget elements and their effect on the overall decennial budget, Booz Allen developed the Decennial Budget Integration Tool (BDiT).

"Article I of the Constitution requires the bureau to count every person in America, an undertaking made more expensive with every unreturned census form. Unreturned forms require census takers to make repeated household visits to collect the data. In fact, an increase in responses of just 1 percent can lead to taxpayer savings of up to \$90 million. As a result, response rate assumptions remain a key driver in census budget planning," says Don Sova, a Booz Allen senior associate based in McLean, Virginia. "When it comes to the census, every person counts."

helping hospitals, schools, and other buildings "go green"



By setting up groundbreaking partnerships to explore new ways to construct and operate energyefficient schools, hospitals, commercial properties, and homes, Booz Allen Hamilton is helping the US Department of

Energy (DOE) Office of Energy Efficiency and Renewable Energy (EERE) work toward its goal of creating financially viable commercial buildings with net-zero energy consumption by 2025.

"Working with EERE's Building Technologies Program, which funds research and technology development to reduce building energy use, we're helping advance the adoption of highperformance energy-efficient designs, technologies, and processes that make sense in the marketplace," says Michael Miller, a Booz Allen senior associate based in Washington, DC.

Booz Allen has already helped launch the DOE's Commercial Building Energy Alliances. This set of public-private partnerships brings government and industry leaders together to improve the nation's energy efficiency. With our help, the DOE has expanded membership in the partnerships to include more than 15 percent of the retail property market and 23 percent of all commercial building owners, as well as leaders in hospital energy technology.

Booz Allen is also working with the DOE's National Laboratories and Technology Centers and manufacturers and alliance members to facilitate connections between relevant stakeholders so they can all work toward the adoption of energy-efficient technologies and practices.

In support of the DOE's EnergySmart Hospitals program, which aims to promote 20 percent improved efficiency in existing hospital buildings and 30 percent in new construction over current standards. Booz Allen has developed technical tools and materials for both new and existing hospitals, including a training curriculum for existing facilities that addresses program planning, solutions, and renewable-energy opportunities.

The DOE's EnergySmart Schools program seeks to catalyze improvements in the energy efficiency of the nation's new and existing K-12 schools, thereby improving indoor environmental quality, optimizing school building operations, and saving as much as \$2 billion annually. For this sector, Booz Allen developed two publications, the Guide to Financing EnergySmart Schools and the Guide to Operating and Maintaining EnergySmart Schools.

Booz Allen is also supporting development of the DOE's Builders Challenge, a voluntary public-private effort intended to increase demand for energy-efficient homes.



greening enterprises

As organizations develop their sustainability strategies, they're encountering some hard questions:

What sustainability best practices should we follow?

What returns will we get on our investments?

 Which approach should we take, and where should it start?

In "Greening Enterprises: How to Assess and Develop Your Organization's Drive Toward Sustainability," Booz Allen Hamilton principal Alan Falk and senior associates Stephen Buchanan and David Erne detail exactly how organizations can establish a successful sustainability program.

By pairing a free Booz Allen–developed diagnostic, the Green Pulse Check (www.greenpulsecheck. com), with the firm's Sustainable Green Enterprise Framework, organizations can rapidly evaluate their own sustainability programs, compare them with the programs of other organizations within their sectors and those of the federal government, and then use the four-step enterprise framework to develop their own sustainability programs.

Together, the diagnostic and enterprise framework provide the holistic approach organizations need to create a truly successful sustainability program.

Pat Peck / Executive Vice President

"Addressing *cybersecurity* cannot be a piecemeal process. It is too large and complex for any one authority to handle alone and is much broader than a technology issue—it is a mission integration challenge.



Federal agencies today often share overlapping mission responsibilities, not just with each other, but increasingly with other public and private entities. Against this backdrop, cyber-attacks continue to grow more sophisticated, targeted, and serious. We bring to bear on this issue a very deep knowledge of our clients' missions and the challenges they face. Part of Booz Allen's success has been its distinctive ability to bring together the best minds in industry and government to connect cybersecurity efforts with broader mission efforts. Cybersecurity goals can be met only through a comprehensive and synchronized approach that integrates technology, operations, culture, management, and policy change."



Jack Mayer / Executive Vice President

"In ways that we could not have imagined before 9/11, $homeland\ security$ is an area critical to Booz Allen and its clients.

On that day, our firm lost three valued colleagues who were helping Army clients with a soldier benefits program at the Pentagon. Because of that I, along with many of my colleagues, have a very personal connection to our work with the Department of Homeland Security (DHS). We've been working with the agency since its inception seven years ago, and today we're supporting DHS in all of its basic mission areas. It is a privilege for Booz Allen to work with DHS toward the greater good of protecting our citizens and the nation."



toward health information liquidity

People may disagree on the details of healthcare reform, but there's little argument that medical costs are rising, communication between providers is limited, and ba-

sic standards of care vary widely across regions and economic levels. A Booz Allen Hamilton study, "Toward Health Information Liquidity: Realization of Better, More Efficient Care from the Free Flow of Information," offers one way to improve healthcare and reduce its costs: encourage the system-wide exchange of health information, allowing it to flow faster and more freely.

"Health IT gives us the opportunity to make improvements in health quality, efficiency, convenience, and outcomes, while encouraging innovation and providing a foundation for a new standard of patient-centered and team-oriented care," said Booz Allen senior vice

president Susan Penfield, one of the study's authors, at a National Press Club gathering.

The study emphasizes, however, that health IT alone will not improve healthcare. The authors—Booz Allen vice president Kristine Anderson and alumni Margo Edmunds and Mark Belanger, in addition to Penfield note that the paperless system needs a supporting national infrastructure, including health IT standards and policies that are monitored on a national level.

Advances in US electronic health record systems have been made, primarily in the Department of Defense and Department of Veterans Affairs, but adoption remains low. Fortunately, as the report makes clear, in a healthcare system informed by a national health IT strategy, the underperformance of the past does not have to stand as a guide for the future.

establishing an integrated healthcare system



Since 2005, Booz Allen Hamilton has been helping multiple defense clients respond to the recommendations of the Base Realignment and Closure (BRAC) Commission to shut down more than 20 Army, Navy, Marine Corps, and Air Force installations and move personnel to other existing facilities. One such client is the Joint Task Force National Capital Region Medical (JTF CapMed), which was established in September 2007 to oversee the creation of a single military healthcare system for the nation's capital region that will ensure the best care possible for wounded warriors.

Booz Allen is helping JTF CapMed manage the enormously complex, \$2.4 billion transition, which includes closure and consolidation of the historic Walter Reed Army Medical Center and the establishment of world-class facilities at Walter Reed National Military Medical Center on the campus of the current National Naval Medical Center, in Bethesda, Maryland, and the new Fort Belvoir Community Hospital in Virginia. In all, 160 clinical services will move from the old Walter Reed institution to the new facilities, which are required by BRAC law to be fully operational by September 15, 2011.

"This effort goes well beyond implementing BRAC mandates to create a model for joint military health," says Regina Little, a Booz Allen senior associate based in Rockville, Maryland. "We're helping JTF CapMed create a model for the future of military medicine."

Since 2007, Booz Allen has been supporting JTF CapMed across all dimensions of change—people, process, technology, and physical infrastructure—spanning program management, design and construction management, clinical and workforce planning, information management, and other services.

In addition, Booz Allen's health team is engaged in healthcare planning, creating a concept of operations for the new hospital system. Because the project includes the relocation of nearly 8,000 personnel and patients and an unprecedented joint staffing approach, with a mix of Army, Navy, and Air Force medical professionals, Booz Allen experts in strategy and organization are working through personnel and culture change initiatives.

To help JTF CapMed reveal any unforeseen concerns, Booz Allen conducted a four-day wargame simulation with more than 130 participants, including clinicians, base transition managers, and warrior families. The session evaluated three courses of action for moving patients, staff, and equipment and helped identify next steps to ensure quality healthcare and patient safety—and avoid costly mistakes.

"Booz Allen's strength in this 'first of its kind' challenge is our ability to bring forth experts from all capabilities across the firm," says Robert Silverman, a Booz Allen vice president based in McLean, Virginia. "Our success will be measured by our client's legacy in the delivery of world-class medicine at the new hospitals for years to come."

strategic a planning intelligence

security

mission support

program management



BOOZ Allen Hamilton partners with clients to support their vital security missions, bringing to each assignment an in-depth understanding of the client organization, a consultant's problem-solving orientation, and expertise that includes strategic planning, program development and execution, information technology, allsource intelligence analysis, and more.

The world's growing reliance on information technology has introduced a level of real-time connectedness that has made the US much more effective in the mission of intelligence, but it has also introduced increased vulnerability that must be mitigated. As a leading provider of innovative

solutions in cybersecurity, Booz Allen offers sophisticated analytical services as well as planning, policy development, assurance and risk assessments, and other consulting services to help safeguard networks crucial to the public and private sectors.

Drawing on its management consulting experience and broad functional expertise, Booz Allen helps security clients in the intelligence community develop forwardthinking approaches to mitigate evolving risks and think through issues related to strategy, organizational design, and culture change, supporting mission success.

Booz Allen is also helping implement intelligence community reform initiatives related to the Intelligence Reform and Terrorism Prevention Act. In our work for joint staff directorates and unified combatant commands, we provide all-source intelligence analysis, collection management, and open source intelligence conducted in fast-breaking situations. We also provide assistance with analytical systems and intelligence training, and help our security clients develop and execute a vision for their organizations.



Q: How do you describe Booz Allen to someone who is unfamiliar with the firm?

We are problem solvers. When a problem is too complex for government to address on its own, Booz Allen assembles capabilities, insights, and understandings from experts in a variety of fields to shape the thinking about the issue and help define and implement lasting solutions.

Q: What makes Booz Allen different from other places you've worked?

are I've held positions in the Navy, in the National Security Agency, and on the Joint Chiefs of Staff. Of all the places I've worked, Booz Allen is unique in the way it has embedded collaboration in its culture. I'm a collaborative person by nature. Having a collaborative style is good, but working in an institution that's collaborative is great because it leads to better results.

q a

Mike McConnell, Executive Vice President

How Booz Allen's *collaborative culture* translates into better results for clients

Q: How is the security market changing?

a. Like the rest of government, the intelligence community is continually seeking ways to be more efficient, more capable, and more enabled. Although information technology has introduced a level of connectedness that increases effectiveness in the mission of intelligence, it has also introduced levels of vulnerability that increasingly must be mitigated across all of government. The fact that you are exchanging information on the global infrastructure means others could interfere with the exchange of information or your capabilities, or even attack the country.

Q: What's unique about Booz Allen's approach to risk mitigation?

We are very entrepreneurial in how we address the problem. Booz Allen helps large institutions think through the strategy, the culture change, and the organizational approach, as well as the technical aspects. We benefit from our heritage as a commercial consulting company in helping government think through and mitigate risk holistically.

Here, too, our collaborative environment is a differentiator. If you understand how to protect top-secret war-planning efforts, you also have insight into how to harness technology in other areas, such as getting the benefits of using electronic databases in the medical community while ensuring the integrity of health-care records and protecting patients' privacy. The thinking is transferable.

Q: What impact do you see Booz Allen leaving on the world?

Booz Allen makes a difference.
We are improving our clients'
ability to accomplish their mission, whether it's the National
Security Agency, the US Navy, or
the National Park Service. And
by helping clients meet their
challenges, with solutions that
save lives, make our nation safer,
and protect the environment,
we're having a positive impact
on the world. Our legacy has
been one in which our people, our
clients, and our work matter.



cyberpower: the key to economic growth, civic empowerment, and national security

History, we've learned again and again, is prologue. Booz Allen Hamilton principal Patrick Gorman believes that

policymakers who are hesitant to craft a broad-based national cyber-strategy wrongly view the cyber-revolution as unprecedented, with no historical parallels. In "The Road to Cyberpower: Seizing Opportunity While Managing Risk in the Digital Age," Gorman connects the cyber-revolution to historic breakthrough technologies, from the rise of manufacturing in the 1770s to the dominance of oil and autos in the 20th century. He further provides a framework for success in the cyber-age, offering recommendations that include:

· Balance cyberspace investments across government, business, and civil sectors. To show how each sector complements the others' growth, Gorman cites the advances achieved when the heavily subsidized railroads first crisscrossed the US in the 19th century.

- Build trust in cyberspace and establish standards for cybersecurity. The historical record shows that government rules and regulations, despite arguments that they are anathema to the Internet's openness, are consistent with previous eras. If public trust is undermined, organizations and people will not use new technologies, preventing them from maturing.
- Encourage a megacommunity[™] of stakeholders to address problems and adopt a comprehensive approach. Governing the Internet, which isn't solely technical in nature, requires the collective efforts of public, private, and civil organizations. Making automobiles safer, for example, has included the development of antilock brakes, safety legislation, and campaigns to change attitudes about infant seats.

"In reality," Gorman writes, "the cyber-age is not as unique as many would believe. We have been here before." And therein lie the lessons.



Joe Mahaffee / Executive Vice President

"It's critical for our firm and the nation that we growand develop the next generation of cyber-experts.

We have created our own Cyber University to train analysts, engineers, computer scientists, and other network security and IT professionals in cyber-related technologies and have formed partnerships with Johns Hopkins University and the University of Maryland to help prepare talented young men and women for careers in this vital field."

tapping student interns to drive innovation



A wikimap application compiles layers of maps in real time to be able to show roadblocks and collapsed bridges

A partnership between Booz Allen Hamilton and the National Geospatial-Intelligence Agency (NGA) InnoVision Directorate overcame one of the biggest challenges of innovation: turning novel ideas into usable solutions. The real-world solution Booz Allen and the NGA developed focuses on placing geospatial intelligence (imagery and maps) into the hands of US soldiers on the ground.

"To realize the NGA's long-term goal for improving the situational awareness of soldiers in the field, Booz Allen and the NGA came up with a new way to create an environment in which innovation could flourish," says Jack Welsh, a Booz Allen senior vice president based in Herndon, Virginia. "The plan involved bringing together young minds unencumbered by the knowledge of existing NGA applications to work with experienced soldiers."

Booz Allen recruited and hired eight student interns with backgrounds in software development, mobile handheld devices, and systems engineering from five colleges and a high school. Their assignment was dubbed Project ARIES (for advanced real-time integrated execution system).

Working closely with the NGA, Booz Allen defined four battlefield scenarios that would occur in remote locations that might or might not have wireless connectivity to a network. The interns collaborated with three soldiers from the Wounded Warrior Project at Walter Reed Army Medical Center for 10 weeks.

Guided by the soldiers' experience and Booz Allen's technical expertise in security and IT, the team developed a working prototype to address the four scenarios. Built around a mobile ad hoc network of devices that could communicate without routers, the prototype includes:

- Voice over IP, text twittering, and a panic button that can alert soldiers of an urgent situation, offering situational awareness.
- A wikimap application that compiles layers of maps in real time, and a battle drawing board application that allows soldiers to mark targets or routes, providing up-to-date information on unfamiliar terrain.
- A virtual reality graphical representation, giving soldiers a 360-degree field of view.
- An infrared 2-D mapping function, allowing soldiers to navigate areas where there is no GPS signal, such as caves.

After Project ARIES ended, the NGA awarded each intern a certificate of appreciation thanking them for their contributions to "reducing future combat casualties." Moreover, the NGA is considering a follow-on program to build on the interns' work and further develop the most promising applications in the prototype.

"Project ARIES demonstrated an effective approach for delivering innovative solutions to clients," says Gary Craig, a Booz Allen principal based in Herndon. "It's not surprising the applications have also captured the attention of government agencies outside of NGA and the intelligence community."

creating a geospatial concept of operations for improved disaster response



Many of the most complex problems facing the US national security and intelligence communities today have to do with finding new ways to combine and share information. Consider the immediate aftermath of a natural disaster or terrorist attack, when emergency responders and their coordinators need a clear sense of what is happening where.

To create a common approach for choosing which information source to use in a natural or other disaster. Booz Allen Hamilton is working with the Department of Homeland Security's Geospatial Management Office to document authoritative sources of geospatial information at the federal level for use in homeland security and emergency management activities. The multiyear project is creating a federal interagency geospatial concept of operations (GeoCONOPS) to reduce redundancy, confusion, and delay in times of crisis.

"Essentially, we're creating a very detailed plan so that geospatial analysts who are providing key mission support can readily get geospatial information that's accurate," says Noah Goodman, a Booz Allen associate based in McLean, Virginia, who notes that the team interviewed 46 federal entities over the past year.

The effort also complements the National Response Framework, which establishes a national all-hazards approach to domestic incident response. The GeoCONOPS provides guidance to align the geospatial resources needed to support federal responsibilities under the Stafford Act, which describes the programs and processes by which the federal government provides disaster and emergency assistance to the nation.

Booz Allen has completed the project's first phase, which defined which federal authorities to reach out to during non-catastrophic local events, such as a small flood. The Booz Allen team is now establishing this same information for catastrophic natural disasters on the scale of Hurricane Katrina or a devastating earthquake. Next, the firm will approach geospatial mapping in the event of a terrorist attack or another non-natural disaster.

As an outgrowth of this work and based on Booz Allen's efforts, the GeoCONOPS will be included for the first time in 2011 in the National Level Exercise, the annual preparedness planning scenario ordered by the Federal Emergency Management Agency.

"Beyond drafting the concept of operations itself, we are also helping foster a more collaborative environment for the many professionals whose work touches on geospatial technology," says Anne Miglarese, a Booz Allen principal in McLean, Virginia. "As they work with us to designate appropriate mapping sources, they are building relationships and sharing best practices that will not only advance the federal government's coordination of disaster response, but also help save lives."

Joan Dempsey / Senior Vice President

"I'm proud to have spent 25 years in the government, and proud that I can continue to contribute to the nation's security at Booz Allen.

I see firsthand the quality and caliber of the people we hire. They bring critical, innovative thinking to the big problems our clients face. Our security clients have told us that we understand their challenges as well as we understand them and their mission. We don't have a learning curve; our clients don't need to educate us about what they need. That means that we can help them find solutions fast and provide a higher quality of delivery. Booz Allen gets it right the first time so that clients save money over the long run."





new thinking takes the guesswork out of managing change

As government programs become more complex, agency leaders need proven change management techniques. But

there aren't any established or widely accepted standards for what change management is and can do.

Booz Allen Hamilton conducted an in-depth study of competency standards, education programs, tools, and methods and determined the need for a new, interdisciplinary approach to change management.

Partnering with Georgetown University's McDonough School of Business, Booz Allen has created a graduate-level certification program for change management advanced practitioners, the first of its kind. The intensive five-month program brings together Georgetown's faculty and Booz Allen change management experts

in a curriculum that combines theoretical models with practical approaches and real-world government experience. The program, which will have certified 400 Booz Allen employees by the time it opens to the public in spring 2011, helps inform industry standards, establishes a formal training curriculum, and requires skills demonstration, testing, independent evaluation, and continuing education.

"This program will help our government clients verify that they have access to leading-edge change management skills from certified experts who can help them effectively implement major change, mitigate risk, and protect their investments," says David Humenansky, a Booz Allen senior vice president based in McLean, Virginia.

trust gentrepreneurship respect client service

core values integrity diversity

professionalism excellence

changing the world for the better

advancing sustainability and social responsibility

For 95 years, Booz Allen Hamilton has served as a trusted and long-term partner to clients, conducting business with integrity and adherence to the highest ethical standards.

Although our primary goal is to help clients be successful, we never forget that our work can also help make the world a better place.

Our people owe their success—and the firm its longevity—to the 10 Core Values that they uphold: client service, diversity, excellence, entrepreneurship, teamwork, professionalism,













"Booz Allen's ability to make a difference for clients and the world comes directly from the way our people live the firm's $Core\ Values.$ "

—Ralph W. Shrader

Chairman and Chief Executive Officer

fairness, integrity, respect, and trust. These values guide how we conduct business and how our company and people operate in all dimensions—with clients, in pro bono engagements, and in volunteer efforts—to create results.

Booz Allen's ability to make a difference originates with its dedicated professionals. We attract the best and the brightest and provide challenging work experiences, ongoing learning opportunities, flexible working arrangements, and a strong, values-based culture to develop our staff's talents—and exceed client expectations.

Booz Allen people make a difference beyond the walls of their clients' offices, too. In ways as varied as incorporating eco-friendly practices and policies into the arts, helping young people learn science and math skills, and developing a long-term program to prevent marine debris from entering the earth's oceans, the people of Booz Allen contribute to creating a sustainable environment in others' communities, workplaces, and lives.

Because Booz Allen believes in applying a broad range of attitudes and resources to every endeavor, the firm cultivates a pluralistic culture where all can contribute. Our grassroots diversity forums—including those for women, former members of the armed services, people with disabilities, administrative professionals, African-Americans, Asian Pacific Americans, Latin Americans, flex workers, parents, multinationals, and gay, lesbian, bisexual, and transgender employees—help our staff grow personally and professionally.

On the following pages, read more about how Booz Allen's people are helping communities and institutions thrive.



een taking action to support environmental stewardship and sustainability



Booz Allen Hamilton's sustainability effort is a multifaceted campaign to protect the environment that begins with internal operations and extends well beyond the firm's walls.

Booz Allen is committed to limiting the environmental footprint of its internal operations. The Sustainability Steering Committee, made up of officers, and the Sustainability Committee, composed of senior employees, ensure that sustainability concepts are fully incorporated into facilities infrastructure, procurement, travel, human resources, and information systems.

In 2009, as a testament to the work of the Sustainability Team, the McLean, Virginia, campus

As Booz Allen grows, it seeks environmentally friendly offices. In Rockville, Maryland, the firm leases 48,137 square feet in the Tower Building, which is LEED Silver certified

received the Fairfax County Business Recycling Award for the second year in a row, while the Herndon, Virginia, office garnered the prize for the first time.

In addition, most Booz Allen offices have established employee-led Green Clubs that develop sustainability programs unique to their locations, offer up new ideas for the Sustainability Committee to consider, and coordinate pro bono environmental activities in their regions.

Supporting clients' drive to sustainability

The firm's sustainability campaign also involves work with clients. Booz Allen is heavily invested in delivering groundbreaking solutions for clients that address global environmental challenges while promoting responsible consumption of resources. For example, Booz Allen and the US Green Building Council published the "Green Jobs Study," which analyzed how green buildings support the economy and found that developments hewing to sustainable design and construction practices will support 7.9 million US jobs and add \$554 billion to the American economy over the next four years.

pounds of electronic equipment (computers, monitors, printers, copiers) was decommissioned and recycled by Booz Allen in 2009 In addition, Booz Allen has helped prepare a pathway for the New York Metropolitan Transportation Authority to quantify the benefit to the region's greenhouse gas emissions when people use mass transit instead of personal vehicles.

Booz Allen has also created a methodology to help organizations design and implement effective environmental strategies. The process begins with a Green Pulse Check (www.green-pulsecheck.com), offered free of charge, which lets organizations evaluate their own current sustainability programs. A more detailed framework defines the specific steps that an organization can take to improve its sustainability profile.

Pro bono environmental efforts

The degree of Booz Allen's commitment to sustainability principles is perhaps best exemplified by its many pro bono efforts. The most prominent over the past few years has been the firm's partnership with the Wolf Trap Foundation for the Performing Arts. The firm helped the foundation develop a plan for achieving its goals of becoming carbon neutral, generating zero waste, and motivating other arts institutions to adopt environmental practices. Booz Allen's work with Wolf Trap has also involved evaluating the emissions that occur when audiences come to performances and conducting cost-benefit analyses for energy efficiency opportunities. In February 2009, Booz Allen and Wolf Trap were honored by PR Newswire with a Corporate Social Responsibility Award in the Environmental Stewardship category for the Go Green with Wolf Trap initiative.

David Erne, a Booz Allen senior associate in McLean who has volunteered hundreds of hours to work on the Wolf Trap campaign, says, "Our support is critical to our belief that we must be proactive and generous to make real change in environmental attitudes and conditions."

Booz Allen Hamilton Statement of Commitment

Environmental Stewardship and Sustainability

Booz Allen Hamilton is committed to creating significant and lasting improvements to the sustainability of our world—through the work we do for our clients and in the way we work.

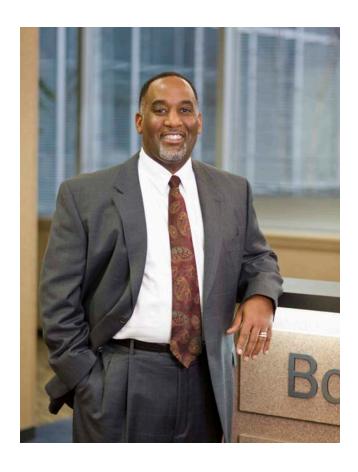
We develop innovative and sustainable solutions for our clients to help address global challenges, while promoting responsible consumption of resources in operating our business.

Our sustainability commitment is further strengthened by our partnerships and philanthropy in the communities in which we live and work.

By taking actions within our company to operate responsibly in all dimensions, we deliver on our responsibility to our employees, clients, and investors to be effective stewards of our resources.

This is in keeping with our commitment to exceptional people, excellence in our work, and a spirit of service in everything we do.

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



Willie McFadden /

From West Point to Booz Allen

Willie McFadden spent 23 years in the US Army, most recently as a full professor at the US Military Academy at West Point. He is a 1983 West Point graduate himself, and with a master's degree in operations research and a Ph.D. in engineering management, he could have written his ticket to anywhere when he retired from the Army. So why Booz Allen?

"It was the quality of Booz Allen's people, from the staff all the way up to leadership," says McFadden, a senior associate in Huntsville, Alabama, who specializes in modeling, simulation, wargaming, and analysis. "You get spoiled at West Point because you work with some of the best and brightest. I was impressed that I could work with the same caliber of skilled and talented folks here at Booz Allen."

One of McFadden's first assignments was to build a summer internship program to discover and groom new talent. "If we don't have strong junior staff, we're not going to grow," he says. "They bring new energy, ideas, and learning to our organization." He works with area universities to recruit interns, some of whom have since joined the firm. McFadden also serves as a board member of several nonprofit organizations related to his field, including the American Society for Engineering Management, where he served as president and is now a fellow.

One of McFadden's passions is gardening. "Being outside, mowing the yard, weeding and plantinggives me a sense of accomplishment because within hours, you can see the results of your work." He adds, "I feel the same way about my career at Booz Allen—I can see I'm making a difference."

employees have been with **Booz Allen for more than 10 years**

winning workplace an employer

of choice



Booz Allen Hamilton's commitment to its people and to continually enhancing its workplace environment is evident in dozens of awards from major publications and organizations over the past year, including:

"100 Best Companies to Work For"

- Fortune magazine

"Best Firms to Work For"

- Consulting Magazine

"Working Mother 100 Best Companies"

Working Mother magazine

"Best Places to Launch a Career"

- Business Week

"50 Best US Places to Work"

www.glassdoor.com

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

- Washingtonian magazine

"Best Places to Work in IT"

— Computerworld magazine

"Top 100 Military-Friendly Employers"

- G.I. Jobs magazine

"Ten Best Corporations for Veteran-**Owned Businesses**"

- National Veteran-Owned **Business Association**

"Top 50 Employers for Women Engineers"

- Woman Engineer magazine

"2009 Best Diversity Companies"

— Diversity / Careers in Engineering & Information Technology magazine

"Top 50 Employers of 2009"

- Careers & the disABLED magazine

"Most Admired Company for Minority Professionals"

Career Communications Group

"50 Best Fertility-Friendly and Adoption-Friendly Companies"

- Conceive magazine



Horacio Rozanski/ Executive Vice President, Chief Personnel Officer

"Leading as a Socially responsible organization requires creating significant and long-term improvements to the sustainability of our world. That's why we leverage our entire talentbase—in the work we do for our clients, in the way we operate as a business, in our community volunteer efforts to effect change that is **global** and lasting."

of entry-level hires participate in formal mentoring programs

Anne Miglarese /

Sharing Expertise for the Public Good



"It's estimated that about 80 percent of all data collected has a geographic component," says Anne Miglarese, an expert in geospatial mapping, which links three-dimensional views of the earth with analytical databases of historical and current information. "Government agencies and private industry rely on geospatial technology for such things as estimating crop yields, protecting wetlands, supporting warfighters, and modeling telecommunications infrastructures."

Miglarese, a principal in McLean, Virginia, was recently appointed to chair the National Geospatial Advisory Committee (NGAC), a public-private committee established to provide advice and recommendations for the national spatial data infrastructure. Booz Allen provides Miglarese's expertise to the committee on a pro bono basis.

Each year, a tremendous amount of data that can be mapped geospatially is collected. "The NGAC's mandate is to recommend policies and procedures for using that data," says Miglarese. "Having access to information is a key tenet of our society, but at some point, all this unclassified data can be assembled into a rich presentation of reality that could pose a security risk. Where do we as a society draw the line?"

A member of the firm's security team, Miglarese also advises others across the firm about using geospatial technology to address client needs. "I love the environment at Booz Allen," she says. "I work with very smart people who embrace collaboration, and I find that exceptionally refreshing."

embracing diversity

a culture where everyone's perspective is valued



Senior Associate Cheryl Johnson, one of 15 Booz Allen employees who received a 2009 Women of Color Technology Award

Booz Allen Hamilton believes that an environment that fosters respect, inclusion, and opportunity for all employees results in the delivery of stronger solutions to clients.

The firm launched the Board Diversity Initiative in 2003, setting benchmarks for embedding diversity throughout Booz Allen. The firm's corporate training and mentoring opportunities, diversity awards program, and partnerships with community- and minority-based organizations only reinforce the more than a dozen employee forums, including the African American Forum, the Armed Services Forum, the Disability Forum, and the Parents Forum, among others, in which employees have a voice.

One of the firm's oldest employee forums is GLOBE (supporting gay, lesbian, bisexual, and transgender staff), which celebrated its 10th anniversary in November 2009 with a gala; it has grown into an organization with 11 chapters in offices across the country.

"Because we have a welcoming environment, it allows us to attract people who will strengthen our team," Chairman and CEO Ralph Shrader told the GLOBE gala. "It allows us to build a stronger family. It allows us to have a better Booz Allen."

Workplace recognition

One of many accolades (see page 45) that Booz Allen received over the year for its commitment to diversity was the firm's inclusion—for the 11th consecutive year—on *Working Mother's* list of best places to work.

The accomplishments of 15 Booz Allen women also earned them individual Women of Color Technology Awards, and the Society of Women Engineers recognized a Booz Allen man, Executive Vice President Neil Gillespie, for his advocacy in placing women in leadership positions throughout the firm.

Such third-party validation is rewarding, but it's not a surprise:
Booz Allen has continually built on its commitment to the development and promotion of women of all backgrounds.

A supportive environment

Today, the firm is reinforcing that commitment through its Women's Agenda, established in the fall of 2008, Women's Forum, and other programs. In 2009, the Women's Agenda team conducted a firmwide survey as the first step in providing a systematic approach for the ongoing advancement of women at the firm. In part as a result of the survey, new mentoring and development programs are playing an increasing role at Booz Allen.

Senior Vice President Susan Penfield, who co-leads the Women's Agenda with Senior Vice President Betty Thompson, says, "We fundamentally believe in bringing diverse skill sets and experiences to help solve our clients' challenges—and in sustaining an environment in which women and all diverse populations can succeed."

thought leadership

applying firm knowledge to help shape the national agenda



A 2009 Aspen Ideas Festival panel with (R to L) Booz Allen executive vice president Jack Mayer; David Kennedy, head of Stanford's Bill Lane Center for the American West; Alan Greenspan, former Federal Reserve Board chairman; and T. Alexander Aleinikoff, dean of Georgetown University Law Center

With a 90-plus-year history of helping public and private organizations implement innovative strategies, Booz Allen Hamilton is well positioned to contribute insights, help shape solutions to some of the world's most pressing problems, and ultimately take part in the evolution of the nation.

Aspen Ideas Festival

For the fifth consecutive year, Booz Allen sponsored the annual Aspen Ideas Festival, attracting global leaders in government, science, business, and the arts, such as US Secretary of Education Arne Duncan; former director of national intelligence and Booz Allen executive vice president Mike McConnell; Google CEO Eric Schmidt; former Federal Reserve chairman Alan Greenspan; Pritzker Prize-winning architect Frank Gehry; a leader of the Human Genome Project, Eric Lander; and a pair of former US secretaries of state, Madeleine Albright and James Baker.

Innovation and change in governments and economies were a continuing

theme during the 2009 sessions. Booz Allen senior vice president Joan Dempsey moderated a panel called "Digital Democracy," focused on whether social media plays a different role in totalitarian regimes such as Iran than it does in demo-

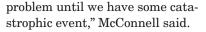
cratic nations. Another panel, led by Booz Allen senior vice president Gary Labovich and made up of Washington Post columnist Michael Kinsley and other journalists, painted a picture of an American labor landscape

without the Detroit automakers. And in still another discussion, Booz Allen senior vice president Donald Pressley led a panel that explored the merits of building integrated and wide-ranging economies in the Middle East.

Cyber-issues

In November, appearing on the TV show 60 Minutes, Booz Allen's Mike McConnell (pictured below, left, with 60 Minutes correspondent Steve Kroft) shed light on the increasingly dangerous prospect of cyber-warfare—attacks on digital infrastructure, including oil, gas, financial, and transportation systems. McConnell warned that such an attack by cyber-terrorists could

> render the most critical sectors of the nation inoperative. "And what I'm worried about is, because of so many competing priorities, we...will not get focused on this



A Booz Allen study developed in conjunction with the Partnership for Public Service, "Cyber In-Security: Strengthening the Federal Cybersecurity Workforce," backed up McConnell's concerns. The report



Tricia Ward /

Women as Security Leaders



In 2008, when **Tricia Ward** was elected vice president of the San Diego chapter of Women in Defense (WID), a national organization that supports the advancement and recognition of women in national security, she was already leading Booz Allen's multimillion-dollar Space and Naval Warfare Systems Command account. "I wondered if I would have enough time, but I was very interested in getting involved with Women in Defense at that level," she says.

A retired US Navy senior chief who is a senior associate in San Diego, Ward was the founder and chairperson of a local WID Symposium featuring prominent women from the military, the government, private industry, and academia. "The agenda addressed a range of leadership challenges," says Ward, whose goal for the event was threefold: to increase awareness of WID, to grow and diversify the chapter's membership, and to raise money to start a mentoring program and establish a scholarship fund. Booz Allen was the title sponsor.

She accomplished all three objectives, and February 2010 marked the event's second year. Today, Ward is vice president of WID's national board of directors.

found that national capabilities to fight or prevent a cyber-attack are significantly lacking. Although the threat of such an attack is intensifying, the report notes, the information technology talent needed to combat it is inadequate. The study recommends, among other things, the naming of a White House cybersecurity coordinator and federal funds for cybersecurity training throughout the government.

Government workforce

Booz Allen and the Partnership for Public Service, which promotes improvements in the government workforce, also teamed up on the study "Unrealized Vision: Reimagining the Senior Executive Service," or SES. The research found that the 7,000-strong SES, made up of elite career executives who are supposed to rotate among government agencies and bring their leadership skills to the supervision of 1.9 million civilian employees, has been in large part a failure. The study recommends ways to ensure that SES members renew their attention to strategic leadership.

san antonio otlight an expanding presence

to enhance client service



Staff from the San Antonio office volunteer at Fisher House, which provides lodging to the families of hospitalized service members

About 15 years ago, an engagement with the United States Air Force Center for Engineering and the Environment drew Booz Allen Hamilton to San Antonio,

Texas. Since that beginning, the office has grown steadily to more than 800 people who support a wide range of clients.

A broad client base

"We serve a broad and diverse set of clients," says Senior Vice President Paul Doolittle. "Most of our business involves support to Department of Defense clients, in areas including environment and infrastructure, military healthcare, cyber, intelligence, and program management and acquisition."

In addition, the San Antonio team along with other Booz Allen offices is helping clients plan and implement transitions associated with the 2005 Base Realignment and Closure Act.

When the realignment is completed, 125,000 servicepeople will have been transferred among more than 800 military locations throughout the US and its territories.

Supporting the community

The San Antonio office strongly champions local charities such as the South Texas chapter of the Leukemia & Lymphoma Society and the Boy Scouts of America. In 2010, San Antonio will host B'nai B'rith International's Diverse Minds Youth Writing Challenge, an annual contest sponsored in part by Booz Allen in which teens write tolerancethemed books for children.

Flush with work and deeply involved in their community, Booz Allen San Antonio staff are a satisfied group. Indeed, the San Antonio Business Journal named the San Antonio office to its "Best Places to Work" list for the fourth consecutive year in 2009.

The activities in the office certainly merit such an accolade, but it doesn't hurt that San Antonio itself has so much to offer, says Doolittle. There's the River Walk and the Alamo and Sea World and Fiesta. And, adds Doolittle, "you can't beat 300 days of sun a year."

of Booz Allen employees volunteered with a nonprofit organization in the past year

Lindsay Hemphill's primary Booz Allen client is the Centers for Disease Control and Prevention (CDC), a fact that dovetails perfectly with her passion for public health and the factors that influence it. "Like many families, mine contends with illness and chronic disease," says Hemphill, a senior consultant in Atlanta. "I wanted to understand the causes. Was it environmental? Was it genetic? I stumbled upon public health to help answer some of my questions, and I hope that one day I can answer these questions for someone else."

One of her CDC projects is the Healthy Communities Program, which brings together community leaders from across the country for three-day seminars called Action Institutes. "The participants receive tools and resources they can use back home to mobilize their communities to live healthier lives," Hemphill says.

Hemphill also serves her own community as a volunteer. As a leader of the Atlanta office's community relations activities, Hemphill helps organize her co-workers to participate in such activities as walking to raise money for breast cancer and AIDS and building homes for Habitat for Humanity.

With such a busy schedule, Hemphill really appreciates the firm's work-life balance policy, which offers telecommuting, flexible work hours, paid time off, and leave of absence options to create the right balance for employees' personal needs.

Booz Allen's Atlanta office was recognized with an Alfred P. Sloan Award for Business Excellence in Workplace Flexibility. Says Hemphill, who telecommutes once a week to spend more time with her family, "To me, the award is a testament to Booz Allen's commitment, not only to its clients, but also to its employees."



Lindsay Abraham Hemphill /

A Healthy Passion

Tamiko Pickering, Ben Judd, Barney Martin, Melissa Martinez, Lee Roth /

Teamwork Leads to Excellence in **Industrial Security**



Many of Booz Allen's government clients have intensified their requirements for securing people, information, and facilities. In turn, Booz Allen has increased its own rigorous security measures throughout its operations. A case in point is the Colorado Springs office, where Associate Tamiko Pickering (pictured far left, seated), a facility security officer, leads a team that is part of the larger firmwide Security Services Team.

"The Security Services Team helps manage the cleared personnel, facilities, and computer systems Booz Allen needs to support classified contracts," says Pickering. Together, the members of the Colorado Springs team—(pictured left to right)

> Consultant Ben Judd, Senior Consultant Barney Martin (seated), Senior Consultant Melissa Martinez, and Associate Lee Roth (not pictured)—represent more than 30 years of experience in the security field and rely on one another for expertise, advice, and help. "We demonstrate the firm's Core Values every day," says Pickering. "Take teamwork. Except for a few limitations, we are all as interchangeable in the tasks we perform as we can be."

> In June 2009, the Colorado Springs Security Services Team received the Cogswell Award from the Defense Security Service (DSS), the Department of Defense agency that audits government contractors' procedures for managing cleared personnel and cleared facilities. This is the highest honor DSS can bestow upon contractors for their security standards; fewer than 1

percent of the nearly 12,500 cleared contractors in the US receive this award annually.

Says Pickering, "We're excited about earning the award because of what it says about the strength of the Security Services Team across the firm."

environmental Causes

cleaning up the world's waterways



Booz Allen volunteers clean up the banks of the Anacostia River in Washington, DC, as part of the International Coastal Cleanup

Protecting and improving the environment has long been a passion at Booz Allen Hamilton. Indeed, in the 1970s, the US government called on the firm to help lay the groundwork for agencies dealing with new problems such as energy policies and environmental legislation. And during subsequent decades, the firm has helped many environment-focused organizations achieve their goals.

In January 2009, Booz Allen began a partnership with Ocean Conservancy (OC) and its International Coastal Cleanup (ICC) effort. The *pro bono* project developed a three-year strategy to increase the ICC's contribution to promoting the health of the world's oceans and waterways.

Dianne Sherman, ICC director at the time, says, "We identified key challenges and opportunities, and a year-by-year, tactic-by-tactic plan to reach our goals. The plan was as practical and comprehensive as it

was visionary and ambitious.... It would have been extremely difficult to accomplish this work without Booz Allen."

Hands-on help

Booz Allen was also a national sponsor of the 2009 International Coastal Cleanup, which took place September 19. During this event, hundreds of Booz Allen volunteers from across the nation removed trash from waterways of all sorts.

Booz Allen's Leavenworth and Kansas City offices combined forces to clean Indian Creek in Overland Park. "It feels good to make a difference, one piece of trash at a time," says Senior Consultant Joni Smith of Leavenworth, Kansas.

In California, Senior Associate Neil Poling joined colleagues to clean the shores of Mission Creek, a tributary of San Francisco Bay. "I share Booz Allen's dedication to improving our environment and am proud of the firm's participation," says Poling.

In Honolulu, Associate Stephanie Batzer and a team of co-workers focused their efforts on Magic Island, a peninsula adjacent to Ala Moana Beach Park. "On two dives, we brought up 20 pounds of trash," Batzer says. "Our efforts helped provide a safer place for children to play."

spirit of service making an impact

for the greater good



Booz Allen Hamilton understands that effecting far-reaching change that can make the world a better place often begins at home. Building on programs that originate at the grassroots level and engage the skills and passion of its people, the firm goes beyond providing funds to charitable organizations to help improve the communities where its employees live and work.

Booz Allen's association with charitable organizations frequently comes from a place very close to home. Ten years ago, when Senior Associate Craig Miller was diagnosed with the neurodegenerative disease amyotrophic lateral sclerosis (ALS)—better known as Lou Gehrig's disease-Booz Allen engaged in critical ALS Association fund-raising efforts. This year, the ALS Association awarded Booz Allen its inaugural Partnership for Success Award for the firm's ongoing financial backing and its groundbreaking pro bono work with the association's signature fund-raising event, the Walk to Defeat ALS.

Exemplifying Booz Allen's commitment to local communities, each year the Colorado Springs office sponsors the Pikes Peak or Bust Rodeo, which benefits local military charities

With Booz Allen's help since 2000, the walk has become an annual \$18 million enterprise involving 150,000 people in 150 cities.

"For us, this is personal, and a way to honor Craig, who passed away in late 2007. Craig's Crusaders has been our team since the first walk," says Executive Vice President Ken Wiegand, who is based in Herndon, Virginia. "ALS is like the tough challenges we undertake for our clients; it's one of the toughest health problems out there. But we will stay the course until there's a cure."

Assisting military personnel

Booz Allen's connection to the military also runs deep. For decades, Booz Allen staff have donated funds to the United Service Organizations (USO), a group that provides moral support to US military families throughout the world. The firm has also contributed its consulting expertise on a pro bono basis to develop a new strategic, focused approach for managing the USO's future growth. Having launched the plan, the USO is now making significant progress toward its long-term goals.

Since 2007, Booz Allen has further provided financial and planning support—and more than 1,200 volunteer hours—for the National Disabled Veterans Winter Sports Clinic and the National Veterans Summer Sports Clinic. These organizations teach adaptive adventure sports to veterans with spinal cord and traumatic brain injuries, amputations, and visual impairments.

At the winter clinic in Snowmass, Colorado, hosted by the Department of Veterans Affairs (VA) and Disabled American Veterans, Booz Allen

staff served as ski buddies for veterans, who learned cross-country or downhill adaptive skiing on mono- and bi-skis. And each year, some 100 Booz Allen employees from San Diego volunteer to handle logistical and administrative tasks for the area's VA Summer Sports Clinic.

Encouraging future talent and innovation

Booz Allen is committed to helping young people learn the science, technology, engineering, and math skills necessary for next-generation success.

In 2009, the firm sponsored the inaugural Washington, DC, Regional event of the For Inspiration and Recognition of Science and Technology (FIRST) Robotics Competition, in which teams of high school students design and build robots for competition in a short six weeks. Booz Allen also supports FIRST competitions in Hawaii, Maryland, and Virginia.

Booz Allen's involvement is bolstered and made especially meaningful by the participation of hundreds of Booz Allen volunteers—including Dayton, Ohio, associate Andy Stelmack and Atlanta associate Kyle Sloan.

"FIRST prepares students—our nation's future workforce—to compete in the global market-place," says Stelmack, who has mentored FIRST teams in business, strategic, and capabilities-

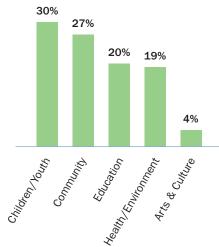


based planning. He adds, "It positions them to become tomorrow's entrepreneurs."

Sloan's volunteer work complements his career choices, both past and present. A former infantryman with the US Marines, Sloan supports a mili-

tary client who has partnered for years with the local robotics team. "I applied my experience in developing tactics, techniques, and procedures for unmanned ground vehicles—and our team won the Rookie Inspiration Award," he says.

helping many causes



Assisting more than 500 nonprofit organizations, Booz Allen's people support a variety of missions, with children as the top interest

Sustaining partnerships nationwide

Booz Allen has a long-standing partnership with Special Olympics Virginia and its Winter Games. Since 2003, Booz Allen volunteers have helped with every aspect of the event, providing athletes who have intellectual disabilities the chance to compete at a high level of athletics.

Booz Allen staff from Atlanta; Dayton, Ohio; Honolulu; Lexington Park, Maryland; Norfolk, Virginia; Seattle, and other offices participated in Special Olympics events throughout the year. Booz Allen also supported the 2009 Special Olympics World Winter Games in Boise, Idaho.

In all, Booz Allen provided more than 700 philanthropic donations to hundreds of nonprofit organizations in 2009, such as the American Cancer Society, Girl Scouts and Boy Scouts, Leukemia & Lymphoma Society, National Center for Missing and Exploited Children, National Institutes of Health's Children's Inn, Neediest Kids, Rebuilding Together, So Others Might Eat, the US Marine Corps Toys for Tots Foundation, and the Virginia Hospital Center Medical Brigade Remote Village Project.

Bob Seitz /

Helping Wounded Soldiers

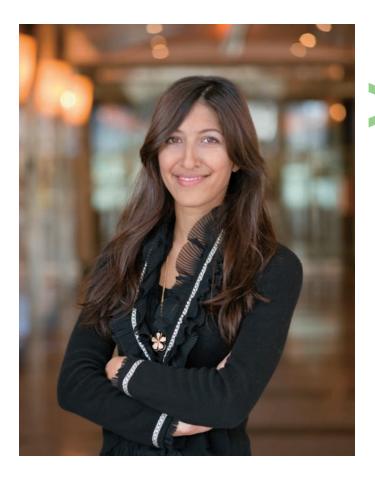


Bob Seitz, a senior associate in McLean, Virginia, served in the US Army's 101st Airborne Division in the Vietnam War four decades ago, and he still feels a strong affinity with his unit. Seitz, a wounded veteran, turned this sentiment into a vital service. Since 2003, he has visited Walter Reed Army Hospital several times a month to lift the spirits of gravely injured soldiers from the 101st Airborne who served in Iraq and Afghanistan. He has also reached out to other 101st Airborne Division veterans and created the 101st Airborne Division Visitation Program, a nonprofit organization.

For his devotion to these soldiers, Seitz was awarded Booz Allen's 2008 Involvement and Impact Award, the firm's highest recognition of staff members' commitment to community service.

"When these young men and women arrive at Walter Reed, they need to know that other veterans care about them and their recovery," says Seitz. First, he gives the wounded soldiers 101st Airborne Division gifts, such as unit hats, T-shirts, and regimental flags and pins, "which lets them know they are still part of the unit," says Seitz. Support for their families is also provided, with such items as toys, books, and games for visiting children. The Army flies in immediate family members, and Seitz helps find funding for the travel costs of other relatives who want to visit.

Booz Allen backs Seitz's efforts with Volunteer Service Grants. Worth up to \$750 a year, the grants go directly to nonprofit groups with which the firm's employees are involved. "Thanking a soldier is not enough," says Seitz. "Booz Allen has helped us fulfill our commitment to our soldiers and their families who have so selflessly served our nation."



Parwana Ashari /

Realizing Her Lifelong Dream

"I always felt the need to pursue something bigger than myself, something that could benefit other people, and I felt science was the best way to achieve that goal," says **Parwana Ashari**, a senior consultant in Rockville, Maryland.

Today, with undergraduate and graduate degrees in neuroscience, molecular biology, and biochemistry, Ashari is satisfying her long-held dream of becoming a scientist. At Booz Allen, she applies her scientific expertise to help healthcare clients with intricate scientific challenges. Currently supporting a US Food and Drug Administration project, Ashari has worked on studies of drug safety and efficacy, as well as risk evaluation and mitigation strategies.

Ashari—as a mentor and role model to young people in the local Afghan community—also gives of herself outside the office. Born in Kabul, Afghanistan, Ashari moved to the United States with her parents when she was 2 years old and knows firsthand about the challenges that young, first-generation Afghan-Americans face. "They want to adopt the American lifestyle, but their parents and grandparents don't always understand," Ashari says. "I try to help the teens I mentor to incorporate the positive aspects of both cultures."

With an active professional and personal life, Ashari appreciates the firm's commitment to employees. "Booz Allen has a deep concern for the well-being of its employees," she says.

employees took advantage of Booz Allen's internal education and training courses in 2009

art's sake enriching communities and inspiring individual achievement



Norman Rockwell, Shadow Artist, 1920, oil on canvas

Booz Allen Hamilton actively promotes the arts, the humanities, and the vibrancy of the national culture. The firm donates both financial support and consulting expertise to cultural organizations and programs that showcase paintings, music, scientific discoveries, and more.

Booz Allen's sponsorship of the Smithsonian American Art Museum exhibition "Telling Stories: Norman Rockwell from the Collections of George Lucas and Steven Spielberg" will offer the public a view of more than 50 rarely seen Rockwell paintings and drawings. The exhibition will be held from July 2, 2010, through January 2, 2011. This is the first major exhibition to explore the connection between Rockwell's iconic images of American life and the movies.

The ingenuity and innovations of another great artist will be highlighted at the Strategic Air & Space Museum in Ashland, Nebraska, from January 23 through May 9, 2010. Booz Allen is a patron sponsor of the exhibit "Leonardo da Vinci: Machines in Motion." In this show, the public can examine up close the early, life-

sized, fully operational forms of 40 of Leonardo's machines.

Educating worldwide audiences

To solve a 17th-century murder mystery, Booz Allen and the Smithsonian Institution National Museum of Natural History combined science and fiction into an awardwinning program. As part of a pro bono project, the firm developed an interactive Webcomic, "The Secret in the Cellar—A Written in Bone Forensic Mystery from Colonial America" (http://writteninbone. si.edu/comic), that helps users interpret forensic information.

The Webcomic—just one aspect of the exhibition "Written in Bone: Forensic Files of the 17th-Century Chesapeake," on view through January 6, 2013—won the 2009 Best Practices in Distance Learning

Programming Gold Prize from the US Distance Learning Association. Booz Allen is the lead sponsor for this exhibition.

Deepening national pride

For four years, Booz Allen has partnered with the Music Center at Strathmore and Marvland Public Television to air a star-studded concert on PBS stations nationwide, part of a Veterans Day salute to all women and men who serve in the US armed forces. The 2009 concert. "America's Veterans: A Musical Tribute," began airing on November 11 and featured the US Air Force Symphony Orchestra and the Singing Sergeants, along with a variety of guest artists.

Booz Allen was also a lead sponsor of "George Washington & His Generals: Highlighting Excellence in Leadership and Innovative Military Strategy," which offered unprecedented revelations into America's dramatic past and drew crowds to the new Donald W. Reynolds Museum and Education Center at historic Mount Vernon.

staff members have accessed Booz Allen's award-winning enterprise 2.0 tool, hello.bah.com, to blog, create wikis, share expertise, and collaborate with colleagues

Jose Moreira /

Engineering Miracles



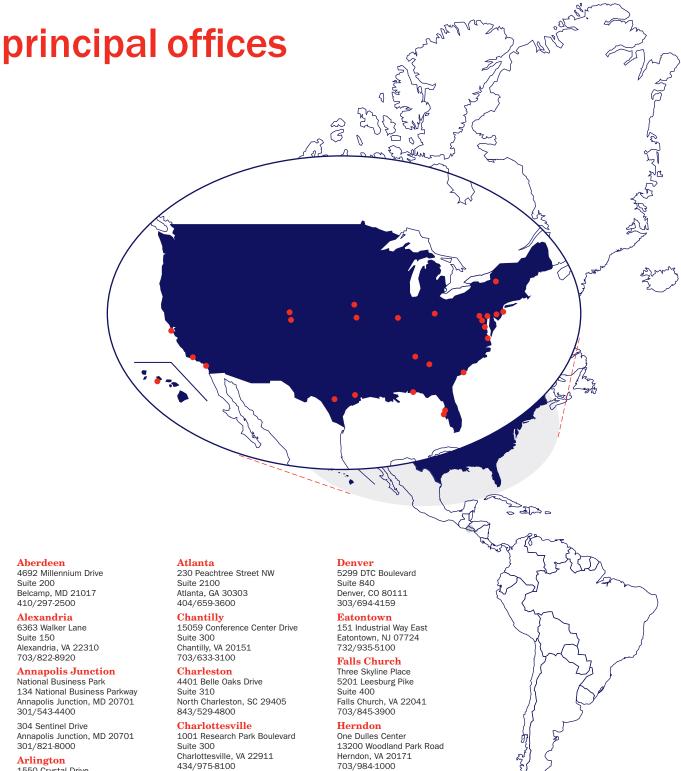
"Whenever I see somebody in need, if there's something I can do to help, I want to do it, even if it takes my time or my money," says Jose Moreira, an associate in Houston. Moreira has given a lot of both—in his current hometown and in El Salvador. For his commitment, Moreira was given Booz Allen's highest honor for community service: a 2009 Booz Allen Excellence Award.

In Houston, Moreira organized a group of Booz Allen colleagues to participate in Rebuilding Together, a national nonprofit organization that repairs homes for those without enough money to do so themselves. The team spent three weekends refurbishing the home of an elderly widow. "We fixed siding, repaired the roof, replaced doors and windows, and made her house safe and sound again," says Moreira. "She called us her little angels."

In a small community in El Salvador, the needs are even more dire—and Moreira tackles them as president of the Houston chapter of Engineers Without Borders, which provides *pro bono* engineering services to communities in the developing world.

"The community's well had become contaminated, so they needed a new source of drinking water," says Moreira. The Houston chapter's engineers visited numerous times and worked alongside community leaders to assess requirements, take surveys, and set up contacts with local engineers.

"The day the drilling contractor hit water, I got a call in Houston," he says. "They said water was spurting out of the borehole, and folks were so excited they were playing in the water-filled streets."



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

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

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

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

Colorado Springs

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

Dayton

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

Honolulu

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

Houston

2525 Bay Area Boulevard Suite 400 Houston, TX 77058 281/280-5800

Huntsville

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



Leavenworth

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

Lexington Park

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

Linthicum

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

Los Angeles

5220 Pacific Concourse Drive Suite 200 Los Angeles, CA 90045 310/297-2100

McLean

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

Norfolk

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

O'Fallon

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

Omaha

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

Pensacola

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

Philadelphia

1818 Market Street 27th Floor Philadelphia, PA 19103 267/330-7900

Rockville

One Preserve Parkway Suite 200 Rockville, MD 20852 301/838-3600

1101 Wootton Parkway 8th Floor Rockville, MD 20852 240/314-5500

Rome

500 Avery Lane Suite C Rome, NY 13441 315/338-7750

San Antonio

700 North St. Mary's Street Suite 700 San Antonio, TX 78205 210/244-4200

4241 Piedras Drive East Suite 200 San Antonio, TX 78228 210/736-0163

San Diego

1615 Murray Canyon Road Suite 140 San Diego, CA 92108 619/725-6500

San Francisco

101 California Street Suite 3300 San Francisco, CA 94111 415/391-1900

Sarasota 1990 Main Street

Suite 750 Sarasota, FL 34236 941/309-5390

Stafford

25 Center Street Suite 103 Stafford, VA 22556 540/288-5000

Tampa

4890 West Kennedy Boulevard Suite 475 Tampa, FL 33609 813/281-4900

Washington, DC

700 Thirteenth Street, NW Suite 1100 Washington, DC 20005 202/508-6500

955 L'Enfant Plaza North, SW Suite 5300 Washington, DC 20024 202/406-3900

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