

## Innovative Business Practices

November 2-6, 2009

Washington, DC

### Agenda

#### Monday, November 2, 2009

**8:00 – 8:30 a.m. Registration and Breakfast**

*Somers Room*

*The Brookings Institution*

*1775 Massachusetts Ave., N.W.*

**8:30 – 9:30 a.m. Welcome, Introductions and Preparation for the Week**

*Somers Room*

- Jackson Nickerson, Professor of Organization and Strategy, Olin School of Business, Washington University in St. Louis; Non-Resident Fellow, Governance Studies, Brookings Institution;
- Peter Schoettle, Senior Staff, Brookings Executive Education; and
- Ari Witkin, Program Associate, Brookings Executive Education

**9:30 a.m. Depart via Bus for AMTRAK Headquarters**

**10:00 a.m. – 12:00 noon Visit AMTRAK: National Railroad Passenger Corporation**

Union Station

60 Massachusetts Ave., N.E.

- Joseph H. Boardman, President and CEO, Amtrak

The creation of Amtrak in 1971 resulted from the Rail Passenger Service Act of 1970, which authorized the company to operate a nationwide system of passenger rail transportation. In FY 2008 Amtrak welcomed aboard more than 28.7 million passengers, representing an increase of 11.1% over the previous fiscal year, the sixth consecutive year of increased ridership. The percentage of seats occupied has also been rising. However, the company has a history of recurring operating losses and is dependent on subsidies from the federal government to operate the national passenger rail system and maintain the underlying infrastructure. The company ended FY 2008 with an operating loss of \$394 million. At the beginning of FY 2009, Amtrak's overall indebtedness is just under \$3 billion, the majority of which relates to equipment acquisitions. The average age of an Amtrak car is now 25 years.



**5:05 p.m.**                      **Depart Lockheed Martin and Return via Bus to Brookings Institution**

**Tuesday, November 3, 2009**

**7:45 – 8:45 a.m.**                      **Breakfast and Discussion**  
*Somers Room*  
*Brookings*

**9:00 – 12:30 p.m.**                      **Problem Formulation and Problem Solving: The First Steps of Innovation**  
*Somers Room*

- Jackson Nickerson, Olin School of Business and Brookings

**12:45 – 1:45 p.m.**                      **Lunch**  
*Saul Room*

**1:50 p.m.**                                      **Bus Departs for Red Cross National Headquarters**

**2:30 p.m. – 4:30 p.m.**                      **Visit Red Cross National Headquarters**  
*Red Cross National HQ*                      ▪ Gregg O’Ryon, Vice President for Readiness and  
*Conference Room SW2 158*                      Capacity Development  
*2025 E St. NW*  
*Washington, D.C.*

The Red Cross helps people prevent, prepare for and respond to emergencies. In 2006 almost a million volunteers and 35,000 employees assisted the victims of almost 75,000 disasters. Almost 4 million people donated blood through the Red Cross, the largest supplier of blood and blood products in the US. The Red Cross is not a government agency, but its authority was formalized in 1905 in a congressional charter to “carry on a system of national and international relief in time of peace and apply the same in mitigating the sufferings caused by pestilence, famine, fire, floods, and other great national calamities, and to devise and carry on measures for preventing the same.” In the wake of Katrina, the Red Cross was overwhelmed. New national leadership has taken over, and was again changed last year, and is addressing some organizational challenges. Like some federal agencies, the Red Cross has a decentralized organization, with state chapters have great autonomy, complicating national leadership.

Gregg O’Ryon will discuss the changes in the wake of recent Gulf Coast disasters regarding relief efforts, roles of federal and state governments, comparing performance against expectations, and FEMA and perceptions related to emergency management in the United States.

**4:35 p.m.**                                      **Bus Returns to Brookings Institution**

## Wednesday, November 4, 2009

**7:45 – 8:45 a.m.**

*Somers Room  
Brookings*

**Breakfast and Group Discussion**

**8:45 a.m.**

**Bus Departs Brookings for Discovery Communications**

**9:30 – 11:30 a.m.**

*One Discovery Place  
Silver Spring, MD*

**Visit Discovery Communications**

- **Taking Charge and Leading a New Organization: Suggestions for Success**
  - Ed Hersh, Senior Vice President for Strategic Planning, Investigation Discovery; founder and Chief Creative Officer, StoryCentric LLC; and former Executive Vice President, Court TV;
  
- **Fostering Creativity and Innovation:**
  - TBD, Discovery Communications

Discovery Communications is the 18<sup>th</sup> largest company in the Washington area, with \$3.4 billion in revenue last year, and 4,000 employees, of whom 1,700 work in this area. Discovery became a publicly traded company last year. Discovery Communications is an international media company owning more than 100 networks, with worldwide viewers numbering 1.5 billion people in 170 countries, and broadcasting in 35 languages. Its most popular cable channels include the Discovery Channel, the Learning Channel, Animal Planet, Discovery Health, and the Science Channel.

In addition to going public, major organizational changes affected Discovery in recent years. A new President took over, who removed and reshuffled key executives. Discovery is shifting attention to internet video and high-definition digital TV programming. On the horizon is a partnership with Oprah Winfrey. Discovery and Hasbro's joint venture is scheduled to debut in 2010. After retail stores were closed, more than 12 million online visitors went to [Discoverystore.com](http://Discoverystore.com).

In past years Discovery Communications made *Working Mother Journal's* list of the 100 best companies for "working mothers," and received special recognition as "Best in Industry."

**11:35 p.m.**

**Bus to Lunch Restaurant**

**12:15 p.m.**

*8484 Westpark Drive  
McLean, VA*

**Lunch: McCormick and Schmick's Seafood Restaurant**

**1:30 p.m.**

**Bus Departs Restaurant for Gannett Comp.**

## Wednesday, November 4, 2009 (cont.)

**2:00 – 4:00 p.m.**

### **Visit Gannett Publishing Co.**

*7950 Jones Branch Dr.  
McLean, VA*

- Jennifer Carroll, Vice President and Senior Editor, Content One, Gannett Inc.;
- Mackenzie Warren, Director of Content, Content One; and
- Reggie Murphy, General Manager for Audience, Content One, Gannett Inc.

Gannett Co., Inc. is a leading international news and information company that publishes 84 daily newspapers in the USA, including USA TODAY, the nation's largest-selling daily newspaper (at 2.3 million). The company also owns nearly 850 non-daily publications in the USA and USA WEEKEND, a weekly newspaper magazine. Gannett subsidiary Newsquest is the United Kingdom's second largest regional newspaper company. Newsquest publishes 17 daily paid-for titles, approximately 200 weekly newspapers, magazines and trade publications, and a network of award-winning Web sites. Gannett also operates 23 television stations in the United States (including Washington's WUSA Channel 9) with a reach of 20 million households. It is an Internet leader with sites sponsored by its TV stations and newspapers including USATODAY.com, one of the most popular news sites on the Web, and CareerBuilder.com.

With revenues of \$6.8 billion in revenue last year, and 41,500 employees nationwide (2,200 in the Washington area), Gannett is the region's largest media company, and the 13<sup>th</sup> largest company in the Washington region. However, the decline in the newspaper business has hurt Gannett, with revenue down 18% this year, and classified ad revenue dropping 34%. Company-wide one week furloughs have been imposed, while 1,000 newspaper division jobs were cut last year, and more than 1,000 this year.

Gannett has advanced its digital strategy with some key acquisitions, including CareerBulder.com, and ShopLocal LLC. Ripple6 is a leading provider of technology platforms for social media services. Partnerships with Classified Ventures, Metromix, Topix.net, and others have also helped.

The Gannett team will describe some of the innovative leadership and management practices, particularly regarding the Internet, that the company is employing in order to combat the technical, demographic, and economic challenges facing the newspaper and media industries.

**4:10 p.m.**

### **Bus Departs and Returns to Brookings Institution**

## Thursday, November 5, 2009

**7:45 – 8:30 a.m.**

*Somers Room  
Brookings*

**Breakfast**

**8:30 a.m.**

*1150 15<sup>th</sup> St, N.W.*

**Walk from Brookings to Washington Post**

**9:00 – 11:00 a.m.**

*1150 15<sup>th</sup> St, N.W.*

**Visit the *Washington Post***

- Gerald M. Rosberg, Senior Vice President – Planning and Development, Washington Post Company; and
- Christopher Ma, Senior Vice President Washington Post Company, and Publisher, *Washington Post Express*

The Washington Post Company is the 15<sup>th</sup> largest company in the DC area, with \$4.5 billion in revenue, and 20,000 employees, of which 1,030 are local. Among the Washington Post Company's most well-known print publications are *The Washington Post*, *Newsweek*, and the free commuter paper *Express*; however, more than half its comes from Kaplan Inc., which provides test preparation courses and other educational services. Newspaper circulation continues to decline, leading to the fourth round of staff retirement buyout packages. The Post also owns Cable One, a cable firm in the South and Midwest, six TV stations, Washington Post – Newsweek Interactive, which is the home of its website --Washingtonpost.com, the on-line magazine *Slate* and the Spanish language paper, *El Tiempo Latino*. The newspaper division of the *Washington Post* lost \$24.9 million in 2008, and the company lost \$143 million the first half of this year. The magazine division (largely *Newsweek*) lost \$16.1 million in 2008. The Post Company is considering various strategies for enhancing revenue, including a partnership with Bloomberg News, ending its news service with the Los Angeles Times, folding the Business Section into the main paper, integrating the washingtonpost.com website with the main paper, and more.

Gerry Rosberg and Chris Ma will describe how the Washington Post Company is grappling with the changing business and economic conditions affecting the newspaper and communications industries. The focus will be on how to make the business remains profitable in the face of strong market pressures, including changing tastes among the reading public, changing demographics, and the development of new technologies.

**11:10 a.m.**

**Bus to Lunch Restaurant**

**11:50 a.m.**

**Lunch**

*Meritage Restaurant, Marriott Hotel  
North Bethesda Conference Center  
Marinelli Rd. and Rockville Pike  
Rockville, MD*

**12:50 p.m.**

**Bus Departs for Sodexo US Headquarters**

**1:15 – 2:45 p.m.**

Conference Rm. 4

Sodexo Corp.

9801 Washingtonian Blvd.

Gaithersburg, MD 20878

**Visit Sodexo USA**

- 1:15 – 1:45   ▪ Creating a Culture of Inclusion at Sodexo: A Sustainable Strategy for Organizational Success – Texanna Reeves, Vice President Corporate Diversity;
- 1:45 – 2:15   ▪ Transparent, Hot and Hungry: How Climate Change and a Wired World are Changing the Nature of Business -- Rachel Sylvan, Director of Engagement;
- 2:15 – 2:45   ▪ Insights on Leadership: Change Leadership and Change Management -- Michael Montelongo, Senior Vice President and Chief Administrative Officer

Sodexo USA is the leading provider of food and facilities management in the United States, with \$7.7 billion in annual revenue and 120,000 employees, including 4,000 locally. It offers innovative outsourcing solutions in food service, housekeeping, grounds keeping, plant operations and maintenance, asset management, and laundry services to more than 6,000 corporations, health care, schools, college campuses, and military organizations in North America. Sodexo serves more than 10 million customers daily at 6,000 sites, and manages the facilities at 700 sites. It is also the official food service provider for the U.S. Marine Corps.

Sodexo USA is a subsidiary of the Sodexo Group, headquartered in France, with 320,000 global employees and revenue in 2005 totaling \$14.9 billion. Sodexo Group ranks #473 in *Fortune's* list of Global top 500 companies.

Sodexo will highlight (a) change leadership and management, (b) corporate social responsibility, and (c) their diversity and inclusion programs, which have recently received high ratings, including the "50 Best Companies for Latinas to Work For," "Top Company for African Americans," "15 Best Companies for Workforce Diversity," and "Top Ten Companies for Executive Women," among others.

**2:50 p.m.**

**Bus Departs for Goodwill Industries International Headquarters**

**3:15 – 5:15 p.m.**

15810 Indianola Dr.

Rockville, MD 20855

**Visit Goodwill International Headquarters**

- Jaqueline Hamp, Director of Leadership

Goodwill is North America's leading nonprofit provider of education, training, and career services for people with disadvantages, such as welfare dependency, homelessness, and lack of education or work experience, as well as those with physical, mental and emotional disabilities. Goodwill's global presence extends to five continents, with 183 full member organizations in the United States and Canada. In addition, there are 15 organizations affiliated with Goodwill Industries International, Inc. in 14 countries. On the occasion of its 100th anniversary in 2002, Goodwill Industries launched an international workforce development initiative designed to get millions of people into the workplace and up the career ladder by the year 2020.

Goodwill generates income from 2,324 stores and by helping businesses fill gaps caused by labor shortages, time constraints and limited space or equipment. In 2008, the total revenue generated by Goodwill Industries was \$3.28 billion, with \$2.1 billion from retail sales, \$597.2 million from industrial and

## **Thursday, November 5, 2009 (cont.)**

service contract work, \$61.1 million from donations and \$392.49 million from government support. More than 84 percent of Goodwill's total revenues are used to fund education and career services, and other critical community programs. In the same year, local Goodwill stores collectively provided employment and training services to more than 1.525 million individuals, provided workforce development services to 10.49 million, and placed 172,317 people in competitive employment.

Ms. Hamp will discuss Goodwill's recent effort to revamp and change their promotion criteria and process for senior executives.

**5:15 p.m.**

**Bus Departs and Returns to Brookings**

## Friday, November 6, 2009

- 7:30 – 8:30 a.m.**  
*Somers Room*      **Breakfast and Group Discussion: Lessons from the Private Sector**
- 8:30 a.m.**      **Depart via Bus for General Dynamics**
- 9:30 – 11:30 a.m.**  
*2941 Fairview Park Dr.*  
*North Fairview Park*  
*Falls Church, VA*      **Visit General Dynamics, Inc.**  
**Corporate Decision-making: Central HQ vs. Departments?**
- Gerard J. DeMuro, Executive Vice President, Information Systems and Technology

General Dynamics is a market leader in business aviation; land and expeditionary combat vehicles and systems; armaments and munitions; shipbuilding and marine systems; and mission-critical information systems and technologies. General Dynamics' revenues topped \$29.3 billion in 2008. As the second largest company in the Washington area, it has 92,300 global employees, including 7,015 in this region. *Fortune Magazine* has ranked General Dynamics as # 83 in its list of the top 100 US companies.

One of the nation's largest defense contractors, General Dynamics operates through four business groups: Aerospace, Combat Systems, Marine Systems, and Information and Technology. Company products include: M-1 Abrams tanks, Stryker wheeled vehicles, Virginia-class submarines, Arleigh Burke-class guided missile destroyers, and Gulfstream aircraft. GD has already delivered over 2000 Stryker vehicles to the U.S. Army as part of a contract valued at \$4.5 billion.

The Information Systems and Technology group is the company's revenues and earnings leader, and is the product of 24 acquisitions since 1997, including the purchase of Anteon International Corporation for \$2.2 billion. Since it was created, the group has grown into a business that provides systems integration expertise, hardware and software products, and engineering, management and support services.

This session will highlight General Dynamics' complex corporate and decision-making structures and its business strategy. Mr. DeMuro will explain the allocation of decisions between corporate headquarters and business units, as well as the techniques for promoting cross-fertilization and synergies among these business units.

- 11:40 a.m.**      **Bus Departs and Returns to Brookings**
- 12:30 p.m.**  
*Somers Room*      **Working Lunch and Concluding Discussion: Lessons from the Private Sector for Federal Agencies**
- Jackson Nickerson, Olin School of Business and Brookings
- 2:30 – 3:30 p.m.**      **Seminar Wrap-Up, Evaluation and Awarding Certificates**
- Jackson Nickerson, Olin School of Business and Brookings;
  - Peter Schoettle, the Brookings Institution;
  - Ari Witkin, the Brookings Institution