

Creating Better Citizens' Services

An Interview with Albert J. Edmonds, Vice President, Global Sales and Client Solutions – U.S. Government, EDS, Plano, Texas



Albert J. Edmonds

EDITORS' NOTE Assessing the increasingly important role of EDS's U.S. Government group, Vice President of Global Sales and Client Solutions Albert Edmonds asserts that his team serves as "the single point of contact for U.S. government business at the state, local, and federal levels." As such, he continues, "we serve all levels of the business, from top to bottom and end to end," which, after all, is "the way our customers want it: they want to define their requirements, then leave it to us to deliver the best solutions." Of course, at EDS "we've been delivering solutions to U.S. government business for nearly 40 years" - a proud legacy that "gives us a big advantage today in terms of our ability to deliver," the VP relates. For, whether the focus is health care, egovernment, Homeland Security and public safety services, or enterprise-wide solutions, "our customers can see our track record, which gives them a great deal of confidence in us." And from there, Edmonds concludes, "we deliver service excellence, as well as a partnership that goes far beyond bidding."

Prior to assuming his present post in August of this year, Edmonds served as president of U.S. Government Accounts for EDS's Operations Solutions division, VP of its Government Global industry group, VP and COO of EDS Federal, and president of the firm's Military Systems strategic busi-

ness unit. Before that time, he was president of TRI-COR Industries, director of the Defense Information Systems Agency, manager of National Communications Systems, and director of the U.S. President's National Security Telecommunications Advisory Committee. Edmonds holds a B.S. from Atlanta's Morris Brown College and an M.A. from Hampton University in Hampton, Virginia.

COMPANY BRIEF Ranked 80 on the Fortune 500, EDS (www.eds.com) is a premier global outsourcing-services company, with a core portfolio comprising information-technology and businessprocess outsourcing services, as well as information-technology transformation services. EDS's two complementary, subsidiary businesses are A.T. Kearney, a leading management consultancy firm, and PLM Solutions, a leader in product data management, collaboration, and product design software. With reported 2002 revenue of \$21.5 billion, EDS's stock is traded on the New York and London stock exchanges (NYSE: EDS).

You joined EDS in 1998, and since that time, you've held several positions across the firm. Can you describe your new role as VP of Global Sales and Client Solutions – U.S. Government?

At EDS's U.S. Government group, we consider ourselves the single point of contact for U.S. government business at the state, local, and federal levels. So we serve all levels of the business, from top to bottom and end to end. That's the way our customers want it; they want to define their requirements, then leave it to us to deliver the best solutions.

Is it difficult to differentiate those solutions in such a competitive marketplace?

One thing that differentiates EDS in this space is the fact that we've been delivering solutions to U.S. government business for nearly 40 years. The infrastructure we've created over the past four decades gives us a big advantage today in terms of our ability to deliver, and our customers

can see our track record, which gives them a great deal of confidence in us.

For example, right now there's a great demand for our Homeland Security outsourcing services. That business is very strong, we have people with excellent capabilities, and we've been delivering results for years. We have extensive security services, our infrastructure is protected, and our clients know that. And as such, our competitors aren't making much of a dent in this space.

The fact is, our core capabilities, teams, best practices, and services serve the government very well. In addition, our practices are global, so we have the ability to leverage our solutions from one situation to another. At the same time, however, we have excellent thought leadership, and we innovate as we go. Our rivals might be bidding on the next deal, but we're always looking at how we can innovate that deal to make it better for the client. Then, we deliver service excellence, as well as a partnership that goes far beyond bidding.

You mentioned EDS's Homeland Security services. Can you describe some of the successes that business has had?

Even before 9/11, we had a lot of experience in homeland security, working with the INS [Immigration and Naturalization Service] as well as other organizations. In fact, we still have several original contracts from agencies that are now part of the Homeland Security Department. We don't necessarily label a lot of the work we're doing as homeland security per se, but one large task we've recently undertaken is the Command Communications Survivability program for the Department of Defense. Through that project, we're helping to renovate the Pentagon to make its IT more survivable. In fact, after 9/11 many of our clients asked us to help them become more secure, reliable, and robust. And, about two weeks after 9/11, we rolled out our first biometric-chip Smart Card for the Department of Defense. Now we're issuing more than a million of those cards, and the demand for them is growing.

At the state and local levels, we're helping local governments and law-enforcement organizations, like police departments, to improve their performance and enhance public safety by leveraging information technology.

You've also been very focused on what you call e-government.

Yes. One of the best aspects of e-government is something I like to call better citizens' services, which comprises various aspects, including e-logistics, e-taxation, elearning, e-documentation, e-voting, and e-licenses and -fees. Today, we're handling all those aspects because governments around the globe are trying to serve their citizens better, even with tight budgets. Nowadays, citizens can simply go online to see all of the services companies are offering. If they can get online self-service from Federal Express or UPS, for example, they want online self-service from their governments as well. They want to be able to access services through a variety of mediums - when it is convenient for them and without a lot of red tape. That's the ultimate goal of e-

Another growing segment is government health care. What's your outlook for growth in this area?

In my opinion, and with the exception of defense, health care will be the largest domestic area for growth over the next three to five years. As people become more informed about themselves and their surroundings, they want to be able to access the best health care. Meanwhile, nearly every government is trying to find ways to reduce health-care costs. Of course, the best way to reduce those costs is to keep people healthy, which involves increasing awareness. This is where e-government comes into play: People can now find a wealth of information online about the things they need to do to stay healthy. Along these lines, we've been involved with the Medicaid process space for a long time, as well as with the variety of services associated with that, including pharmaceuticals, children's immunizations, and so forth. In fact, it extends to other eligibility programs that are designed to help citizens to stay healthy and live longer, such as food stamps. These programs, of course, require privacy and security, which brings us back to the Smart Cards. So we provide a total package for health care, from e-government to security and beyond.

EDS is, of course, a global company. Are its U.S. Government services similar to those provided in other regions of the world, and is there close coordination within EDS's various government sectors?

Absolutely. In fact, I was in charge of EDS's Global Government group, and governments around the world often look at what the U.S. Government group is doing because they want to have the same

capabilities. When I worked for the U.S. Defense Department, it was the same way: Allies wanted the same airplanes, tanks, technology, and support systems that the United States had. So a lot of what EDS' U.S. Government group does is replicated in Britain, Canada, and Australia, and vice versa

In addition, we're often able to leverage knowledge among different countries because governments basically do the

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same things, regardless of their structure or location: They care for their people, they protect their people, and then, of course, they tax their people. Meanwhile, citizens around the world are demanding better, faster, and more affordable services from their governments. What we try to do is maximize the value of the taxpayers' dollars, and that's a universal goal, regardless of budgets or how the economy is doing.

When you provide those services to governments, whether at the state, local, or federal level, who is your typical point of contact? How high up within these organizations are decisions regarding your services being made?

The way I look at it, everyone in government is our boss, so we must always treat everyone with respect and dignity, whether it's a contract officer or a governor.

In some cases, I might initially see the governor of a state, then return the next week to see the secretary of the cabinet. To be successful in government business, you have to work very effectively at all levels of the infrastructure. Along these lines, it's also very important that we have a diverse workforce that reflects America's diversity.

Earlier in your career, you worked on the government side. How important has that experience been to the work you're doing now?

I wouldn't trade that experience for anything in the world. It's one of the biggest advantages I have in this space. In addition, I spent 33 years in the U.S. Air Force, working in different capacities and leveraging a lot of commercial IT services. My last government job involved buying information-technology services from industry at about \$4 billion a year, which taught me a lot about contracting, ethics, and proposals. So when I look at proposals today at EDS, I understand what our customers need and how we're going to provide our services.

Beyond that, I should mention that I was very fortunate to come into EDS – a company that has the same high ethical standards as the groups I worked with in government. Both the company and the U.S Government group have unwavering standards when it comes to integrity, honesty, delivering on their promises, and always being there for the customer. I've also had some wonderful mentors who have given me the chance to grow.

So I'm fortunate to be the person leading our work with government at EDS right now. In fact, I'd like to find someone with my same characteristics so when I decide to retire and go play with my grandchildren, there's someone else at the company to replace me.

Along these lines, have you been pleased with your ability to attract and retain talented people within EDS's U.S. Government group? Do young people see this as an exciting part of the business, and are you happy with the way your employees interact with clients on a personal, one-to-one basis?

I can tell you this: I'm absolutely ecstatic about the people we've attracted and retained at EDS's U.S. Government group. I think we have some of the best minds in the IT-services space. In fact, I believe our people could compete and win against any company's people in any country. We have some absolutely superb, topnotch talent, as well as many excellent young people whom we mentored right out of college. They just don't make them any better than these folks, and at EDS we certainly know how to pick them. We have very low turnover rates. In fact, the only turnover we really have is when companies offer our people loads of money to leave. So I'm truly ecstatic with the people here; we have a very talented workforce. •



Bridging the Public-Private Divide

An Interview with William R. Sweeney Jr., Vice President, Global Government Affairs, EDS, Plano, Texas



William R. Sweeney Jr.

EDITORS' NOTE As policy makers continue to "set the rules of the game in an ever-changing environment," William R. Sweeney Jr., vice president of EDS's Global Government Affairs practice, asserts that his team is "engaged in the advocacy of" both EDS's and its clients' "business-policy" positions to political leaders around the world." As such, the Global Government Affairs practice serves as the bridge to explain corporate policy and direction to the public sector. Furthermore, public-private partnerships present an opportunity for growth, he relates, as "the movement of goods, information, and people in the digital economy depends on information services and global-oriented government frameworks." As the service and revenue demands on governments by citizens and businesses continue to grow "in just about every country today," Sweeney concludes, "our role is to minimize" the direct [taxation] and indirect [regulatory] "burden placed on corporations."

Prior to joining EDS in 1991 and assuming his present post in 1999, Sweeney founded Washington Resources and Strategy, Inc.; was deputy chairman of the Democratic National Committee; and served as executive director of the Democratic Congressional Campaign Committee. A graduate of the American University, he is also a cofounder and former director of that institution's Campaign Manage-

ment Institute, coauthor of Campaign Groundwork: Strategy Planning and Management, and former senior adviser to Senator Albert Gore's 1988 presidential campaign. In addition, the Joint Congressional Committee on the Presidential Inauguration engaged Sweeney in the inaugurations of Presidents George H.W. Bush, Bill Clinton, and George W. Bush; and he has served as an international election observer in the Philippines, Jamaica, Russia, and Nicaragua.

What are the key policy issues facing U.S. corporations today, and how is EDS helping its clients to meet those challenges?

The overarching issue is security – both physical and cyber. Today, corporations must have the very best security in order to achieve productivity and maintain a competitive advantage. Security is becoming the rationale for information policies affecting the movement of goods, information, and people in the global digital economy. Parallel to security is privacy of information. Finally, who pays? With a difficult global economy for businesses and governments, the fees and taxes necessary to provide security are an emerging burden on global commerce, employment, and productivity.

Can you describe the objective for EDS's Global Government Affairs practice, and do you see that role changing in the foreseeable future?

As the vice president of Global Government Affairs, I'm EDS's lobbyist, and this team is engaged in the advocacy of our business-policy positions to political leaders around the world. We serve as the interface, explaining corporate policy and direction as policy makers set the rules of the game in an ever-changing environment. We anticipate growth in this area because regulatory efforts will increasingly be combined with information services. As our business world connects, converges, and combines, the laws that regulate trade and business become increasingly important. The movement of goods, information, and people in the digital economy depends

on information services and global-oriented government frameworks. The public sector is in dire need of additional revenue and needs to figure out how to raise taxes, either directly or indirectly. That government-sector challenge is growing in just about every country today, and our role is to minimize the burden it places on corporations.

In the United States, do those challenges exist at all levels of government – federal, state, and local?

Yes, the challenges of homeland security, privacy, and revenue are issues confronting all levels of government in the United States. EDS Global Government Affairs has professionals focused on our relations with the federal and state governments. As a corporate citizen in locales with a large employment presence, we interact with mayors and local officials as well.

At what levels within the government do you generally work? To be successful, must you build relationships with top-level policy makers?

To be successful, we have to build and maintain strong, effective working relationships at all levels of government. In fact, Michael Jordan [chairman and CEO of EDS] meets with President Bush a few times a year as a member of the Business Roundtable and other business organizations. Further, given our global presence, he also visits with other heads of state around the world. Nowadays, interacting with the public sector worldwide is an important part of any global corporate leader's job description. At the same time, EDS's leaders and members of our team meet with federal, state, and local officials, including mayors and leaders of various local communities, particularly in cities and countries where EDS is a substantial employer. Relationships with those people are essential to our success.

EDS is, of course, a global company, that offers a broad range of services. How closely does your team interact with the firm's other divisions?

Internal communication and coordination are critical to our success. Global Government Affairs exists to promote

EDS, EDS's people, and their offerings and services to the public sector, not the reverse. We continually try to improve upon those practices, so we can better leverage our capacities across all areas of the company. A priority for us is to provide timely information about potential governmental actions – good or bad – so we can protect our current business, as well as be in a favorable position to pursue new business opportunities.

The post-9/11 security and fiscal demands we're all facing have resulted in an enhanced public-private partnership.

In your opinion, is the relationship between the public and private sectors an effective one? Given all of the new legislation affecting corporations today, are business leaders being adequately represented?

The relationship between the public and private sectors remains a work in progress. But having said that, I do think business leaders are having more of an impact in the dialogue today, and their needs and views are being solicited more frequently than ever before. The post-9/11 security and fiscal demands we're all facing have resulted in an enhanced public-private partnership.

EDS has been a leader in providing e-government solutions. How important is this area to the future of EDS and governments around the world?

Like e-business, e-government is going to play a major role in every information company's future. E-government is an effort to make public-services information available over the Internet, rather than making citizens wait in line for hours or travel to government offices to conduct simple paperwork. EDS has been involved in the formation and development of egovernment at both the conceptual and practical levels. More specifically, we've been very active in the provision of Web services to various states and municipalities. We've also been effective in taking business processes from the manufacturing and retail sectors and applying them to the public-services arena to help government better serve people around the world. As citizens of the United States and the world become more and more wired and dependent on their personal computers, e-government will become increasingly important – both to EDS and governments worldwide.

The use of technology is, of course, increasing, but at the end of the day, yours is a people business, in which relationships with leaders play the most important role. How is technology affecting the way the Global Government Affairs practice does business?

As a people business in a digital environment, we have to provide information more quickly to a greater number of people to secure "consensus," and of course, nothing moves faster than e-mail. It's also important that we be able to communicate in an almost broadcast setting, as we work on some policies that cross various geographies, national borders, and time zones and involve a number of multinational organizations. So the personal and institutional relationships are fundamental, but in today's world, they can only be maintained and enhanced through the use of technology.

Are you happy with your ability to attract and retain talented people in the Global Government Affairs practice? Is this an area that excites young people who are just coming into the business today?

Technology and technology policy are of interest to some of the best young minds in the world today. The fact is, if you're engaged in policy formation and information technology, you're at the cutting edge of some major economic and political issues that will truly shape the future for the first time and result in a whole new world. For example, post-9/11 security and privacy concerns have forced national governments to look at how they can protect their citizens while also preserving their sovereignty and fully participate in the global economy. Issues such as these present fascinating challenges and, in my opinion, attract some of the best, most talented people in the private

During your 12 years at the company, there have been a number of changes across the organization. What initially excited you about the opportunity to join EDS, and why have you decided to stay with the firm?

EDS is a company that's very focused on defining the future in a way that harnesses technology, engages people and businesses, and ultimately maximizes opportunities. We try to do those things in a positive fashion, with an emphasis on our strong culture of teamwork. Particularly as we're growing our presence around the world, that mission serves as an exciting reason to show up for work every day.

The world of public policy functions 24 hours a day, seven days a week. As a busy executive – and with communications technologies such as e-mail, voice mail, and cell phones –

can you ever really get away from the business and just relax? In general, how do you budget your time?

I can very rarely get away from the business. In fact, even if I'm at the beach, I'll pick up a newspaper and read about the day's events. And in most cases, those events affect our business in some way, so it's very hard for me to tune them out. As far as budgeting my time, I just try to do the best I can.

Can you plan a year or two ahead in your business, or is global public policy changing so rapidly that you have to take it day by day?

There are tools that enable us to plan ahead. Of course, there's a pace to the public-policy process that's dictated by annual and quarterly governmental processes and legislative sessions, which affect the budget and so forth. Further, that pace goes beyond the United States or any one nation because there are quarterly meetings of global organizations such as OECD [Organization for Economic Cooperation and Development], APEC [Asia-Pacific Economic Cooperation], and others. So, from a planning perspective, we have to have a framework, but it must be a flexible one because the details can change rather dramatically.

E-government will become increasingly important – both to EDS and governments worldwide.

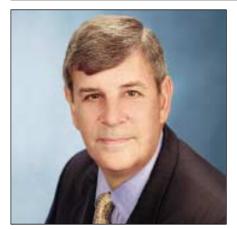
During your time at EDS, you've worked with a number of people at various levels throughout the organization. If I asked them what it's like to work for Bill Sweeney, what do you think they would say? How would they describe your management style?

I think they would say I try to empower each person to do the very best job he or she can do. The fact is, we have way too much ground to cover for people to constantly check back with the home office. Because our people have a strong sense of what we're trying to do, they can mobilize themselves as professionals to go and do it. This kind of culture empowers the folks in our team to represent the corporation, advocate our positions, and if need be, come to the compromises necessary to keep the process in motion and the ball in play.



Applications Delivered

An Interview with Dan Zadorozny, Vice President, Applications Delivery, EDS, Plano, Texas



Dan Zadorozny

EDITORS' NOTE The recipient of a bachelor's degree in statistics from the Pennsylvania State University, Zadorozny began his career with EDS in 1972 as a systems engineer. He has since risen through the ranks, assuming his present position in 2002.

There has been a lot of discussion about offshore outsourcing. What is the EDS strategy in this area?

Offshore outsourcing is perhaps the most emotionally charged but least understood practice in the world today. EDS created its "best shore" strategy and delivery model to address global market changes. This strategy allows us to provide better quality in shorter times at lower costs. Global businesses are looking, and will continue to look, for competitively priced sources of quality and innovation. If they don't find them in the United States, they'll find them in other countries. Thus, clients take advantage of our "follow the sun" capabilities and bring their projects to completion faster to be competitive in their markets.

About 20 percent of our business is currently in our best-shore centers – the "best" being defined by the needs of each individual client. Most people automatically equate "offshore" with India because it's the largest region for applications development and maintenance, but only 1,000 of our 7,000 people are there. The

rest are in Brazil, Argentina, Ireland, South Africa, Egypt, New Zealand, and other lower-cost countries where we've built centers of expertise.

How does your approach to applications delivery differ from those of your competitors?

The value proposition EDS offers in the applications-outsourcing environment is manifold. Over the years we've invested heavily in a common tool kit, a common set of processes, and a common business model. As a result, we serve our clients to a level that, more often than not, exceeds their expectations. We transition their work and oftentimes their people into our environment to gain efficiencies, which is the first part of our applications-delivery approach.

The second part of it is applications development, which includes everything from city Web portals to complex systems for large, multinational corporations. We do a lot of custom work for governments and private enterprises, while also maintaining legacy and enterprise systems such as SAP, PeopleSoft, and Oracle. The delivery mechanism is a very important part of the value proposition, so in addition to investments in tools and processes, we've invested heavily in locations that offer lower-cost alternatives, as I mentioned.

Do the applications-delivery services benefit companies in all sectors, or are they more suitable for firms in particular industries?

Our services cross all industry lines. We've established a strong common infrastructure, so all of our 35,000 applicationsdelivery employees use the same basic technology base and project-management systems. We believe those fundamentals should remain the same, regardless of the industry sector or company we're serving. From there, we address those differences that can vary greatly from client to client, such as different technologies. For example, the knowledge an applications programmer must have to deal with a cargo system is substantially different from the knowledge needed to deal with a banking system. For this reason, we've made significant investments in technologies that are prevalent in particular industries. We've

also invested heavily in the human capital: our industry experts who bring everything together and make it happen for the benefit of our clients.

Given the current proliferation of new technologies, what's hot today is often obsolete tomorrow. How difficult is it to stay on top of these changes?

It's definitely a challenge, and as we move forward in the applications space, it continues to be critical that we remain ahead of the curve. But having said that, it's not always about the next killer application; oftentimes, it's more important that companies leverage those systems they've already invested in to their advantage. Nowadays, most firms aren't willing to spend a lot of money to build new applications. For this reason, we have an offering called Applications Rationalization, which helps clients consolidate their applications. If a company has 10 systems, it may be able to consolidate down to four to achieve significant long-term savings. However, that consolidation will require immediate changes in both business processes and applications. To address this need, we use a patented tool called Right Step. When combined with Applications Rationalization, Right Step enables companies to standardize their business processes and create tremendous efficiencies.

EDS, of course, is a global company, serving a host of clients around the world. Where do you foresee the strongest opportunities in the applications-delivery arena?

I see our growth coming in two ways: from an increasing demand among our existing clients and by building relationships with new ones. The applications space isn't growing as quickly in the United States as it is in Europe and Asia Pacific, largely because of the current economic climate. But having said that, this business is growing in almost every country around the world. Delivery options are also growing. We've developed relationships with local providers in many markets, and we continue to explore new delivery options, locations, and ways to provide our clients with the best service for the best price. •