

## LEADERS & SUCCESS

# How An Intern Became CEO Of A \$12 Billion Consulting Powerhouse

### Heed: Horacio Rozanski puts principles above profits

BY ADAM SHELL

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Horacio Rozanski rose from intern to CEO by sticking to his values and doing the right thing.

Once, after making a “big mistake” early on at consulting firm **Booz Allen Hamilton**<sup>BAH</sup>, he went to then-CEO Ralph Shrader to resign. Instead of losing his job, he made a connection with a life-long mentor.

“I was completely candid and honest,” Rozanski, 52, said. “That built a relationship based on trust that lives to this day.”

Another time, he lobbied top execs to drop a \$50 million business. Why? The safety of workers in troubled parts of the world, he argued, counted more than money.

“Can we keep them safe? It wasn't clear to me that we could,” Rozanski said. When the firm exited the lucrative business, Rozanski was proud of himself — and the firm. “I felt like I belong here,” Rozanski said. “I can be who I am ... and live my values at work.”

● **Create value from your values.** Linking personal values to financial value drives Rozanski.

He joined Booz Allen in 1992. On Jan. 1, 2015, he be-



**Booz Allen Hamilton CEO Horacio Rozanski, 52, ended up at the top by making learning his top priority.** (Booz Allen Hamilton)

came CEO of the consulting firm, whose biggest client is the U.S. government. Since then, the stock has climbed more than 230%, vs. a 71% gain in the S&P 500. Sales have risen steadily, from \$5.5 billion in 2014 to north of \$7.5 billion for the past 12 months. Booz Allen is also a member of the IBD Long-Term Leaders watchlist, reserved for companies with solid and durable performance.

As CEO, he's accelerated the firm's push beyond traditional “strategy consulting” to high-tech advice. The new focus: helping the government (where Booz Allen gets 96% of its revenue), and also Fortune 500 clients, become more digital. Booz Allen and its 27,000-plus employees assist the Air Force with 3D war-gaming. It helps Veterans Affairs detect identity theft. And a leader in cyber-

security, it protects clients from digital threats.

We knew “innovation and technology were going to be the big levers of change in the future. We could be the disruptor or the disrupted,” he said. “Being a disruptor gives you an edge. You are defining your destination. You are setting the pace.”

● **Have a plan, but adapt.** Rozanski grew up in Argentina amid a military dictatorship.

The ongoing economic and social unrest shaped his views on leadership. It taught him the importance of adapting to an uncertain world.

"I lived my whole life as a kid watching my parents sort of looking to survive and not get swept under the tide of the latest and greatest crisis," he said.

His dad saved half of his pay. But socking money away wasn't just about survival. "It was also about building something" for the future, Rozanski said. Having a plan, but also being willing to change course if needed, stuck with Rozanski.

"Sometimes, you're going to have to adapt pretty drastically to new circumstances," he said. When the Covid-19 crisis hit earlier this year, for example, Booz Allen went to a "90% telework plan almost overnight," he said. It also set up a \$100 million-plus fund to support employees.

Shrader, now Booz Allen's chairman, says Rozanski's "intellectual horsepower" and "ability to think strategically" shined when Covid-19 hit. "Horacio came up with not just fixes for today ... but plotted a course to get there," Shrader said. Rozanski's focus was taking care of the firm's people. He told Shrader, "We'll worry about the numbers later."

● **Know the power of learning.** At age 19, Rozanski came to the U.S. from Argentina to attend college. Later he joined Booz Allen.

Initially, he drove for promotions. Eventually, he realized that constantly learning new things, being curious and opening himself up to co-workers are what catalyze a career.

"I shifted my focus to learning," he said. As a result, work was more fun, more fulfilling. And success came even faster.

"I'm constantly scanning. I'm naturally curious."

He credits Thomas Friedman's book, "Thank You for Being Late: An Optimist's Guide to Thriving in the Age of Accelerations," for helping him embrace change. It's a big reason why Rozanski listens to tech podcasts on topics like artificial intelligence (AI). "They talk about stuff that half of the time is over my head," he said. "But that makes me want to know more."

● **Build knowledge and effectiveness.** And the more you know, the more effective you can be, he says. Understanding AI and new technologies is part of the job. The federal government has mountains of data to process. "We've been working on that problem with them," he said. "We went from statistics to data science to Big Data to AI in a span of a half a dozen years."

Listening to AI podcasts wasn't a waste of time. In November, Booz Allen entered a new line of business involving AI called Modzy. "It's a marketplace for artificial intelligence algorithms," he said. "Think of it as an AI app store for our clients."

Shrader says Rozanski's willingness to learn pays off in many ways.

"He (always) challenged me ... to keep moving in new directions. He's able to see the future, where things are going," Shrader said.

● **Remember there's more to life than work.** Rozanski's the boss at work. But that's not the case when he returns home to his wife and his two teenage daughters.

A healthy work-life balance and maximizing family time are critical to success, he says. Shrader recalls the time Rozanski asked for a new position in the firm

that required less travel. He wanted to spend more time with his family.

"After a long day of work as CEO, I am the last person on the totem pole (at home)," Rozanski said. "Everyone except for the dog is trying to boss me around."

And sometimes the family talk gets intense. But he learns a lot from how his family views world events. "It helps me crystallize (my thinking)," he said. "Family time helps me see problems and helps me see myself with much more perspective."

● **Connect with others by being yourself.** At work, when employees view a CEO as just the boss, barriers to communication go up.

To truly build trust, Rozanski learned it's better to let colleagues get to know him as a person. And for him to get to know them. "I try to understand them as who they are, not what they do," Rozanski said.

He figured that out as a senior executive more than 15 years ago when his oldest daughter was born. "I was coming to work, and my body language was all off," Rozanski said. "People started to get worried that something really bad was happening within the firm. And it wasn't. (It was because) I only slept two hours the night before."

Just telling people he simply didn't get enough sleep "put everything in context. I think I generated a different level of trust because people began to know me," he said.

And since the Covid-19 crisis struck, and during the Black Lives Matter protests, Rozanski runs weekly online town halls for up to 1,000 employees.

"I open it up to whatever people want to talk about — what worries them or concerns them or what needs to

## Rozanski's Keys

■ Rose from intern to CEO of top-performing consulting firm Booz Allen Hamilton in 2015.

■ Overcame: A challenging and disruptive childhood growing up under a military dictatorship in Argentina.

■ Lesson: "If we know there is a problem, I am confident we can fix it. But if we don't find out about the problem until too late, we might not be able to fix it."

change," he said.

● **Open doors with trust and integrity.** Being a successful CEO isn't just about posting strong earnings or closing another deal. It's about dealing fairly, honestly and ethically with all.

A winner of the 2020 Horatio Alger Award, which honors successful leaders who have overcome adversity, Rozanski was cited for his "integrity." Rozanski says it's easier to do business with people who trust you.

"As you get older, there are fewer people at your level, and you end up either knowing all of them directly or through reputation," Rozanski said. "If you have a reputation as someone that can be trusted, that will ultimately open a lot of doors. If you have a reputation as somebody that is transactional, then I think it's much harder to build trust."