

Secrets of Success

BY LESLIE MILK | PORTRAITS BY FORREST GREENE |

THEY CAME, they saw, they created. The five people who will be inducted into the Washington Business Hall of Fame on Tuesday, December 1, have built successful organizations that fill business and community needs—and then some. They may not all be household names, but their companies are.

Twenty-one years ago, *The Washingtonian*, the Greater Washington Board of Trade, and Junior Achievement of the National Capital Area created the Washington Business Hall

of Fame to recognize leaders who have made this area a great place to do business.

In 2007, Junior Achievement sent 1,600 volunteers into classrooms to teach 39,000 local students about financial literacy and entrepreneurship. This year, JA and Fairfax County Public Schools will open a “finance park” where eighth-graders can get hands-on lessons in money management.

For more information about the Hall of Fame dinner at the Washington Hilton, contact Junior Achievement at 202-777-4473.

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Ralph Shrader
Engineering a Consulting Colossus

RALPH SHRADER DESCRIBES himself as an introvert. But his father’s Navy career meant the family moved so often that Shrader changed schools a dozen times. He soon realized “you can’t afford to sit in the corner and wait.”

Getting out of his comfort zone has led the PhD in electrical engineering to the top of the consulting world as chairman and CEO of Booz Allen Hamilton, a strategy-and-consulting firm with 23,000 employees and annual revenue of nearly \$5 billion.

Shrader had never lived north of Norfolk when he accepted a scholarship to the University of Pennsylvania. It was the 1960s, and the urban landscape around Penn was bleak. “I thought I’d made a huge mistake,” he recalls.

But he discovered a far more diverse world than he had known in the South. His dormmates were from many cultures. “It’s as if somebody opened another door,” Shrader says. Looking back on his education at Penn and later at the University of Illinois, Shrader stresses that the “people you meet along the road” were more important than any of the technical material he mastered. Technology changes so fast, he says, that nothing he learned in school is relevant today.

Shrader started his career at RCA and moved on to Western Union when it launched its first communications satellite. Western Union was a very traditional company. “I thought I really needed something different, to apply my technical knowledge and skills in a way that got me out working with people,” he says.

He found that at Booz Allen. He wanted a company that allowed him to move up as fast as his abilities would allow. He found that, too. He started at Booz Allen before he was 30 and was a partner four years later. He was elected the seventh head of the firm in 1999.

Last year, Shrader presided over a corporate split that divided Booz Allen’s commercial and government-services branches. He remains CEO of the 95-year-old firm, focused on government clients. A separate entity, Booz & Company, now primarily serves commercial clients.

He counts strong mentoring as key to his success. First interviewed by Bill Stasior, who went on to head the firm, Shrader says: “I always tell people the real secret of success is to get yourself hired by the future chairman and CEO and then stick with him.”

Past Honorees 1988–2008

John Akridge III
Joe Allbritton
Alexandra Armstrong
Norman Augustine
Robert Baker

James Banks
Daniel Bannister
Sister M. Majella Berg
Donald Bittinger
Roger Blunt

Earle Palmer Brown
Morris Cafritz
William Calomiris
Elizabeth Pfohl Campbell
Oliver Carr Jr.

Steve Case
A. James Clark
Nehemiah and
Israel Cohen
Edwin Colodny

John Curley
John Derrick Jr.
Sidney Dewberry
Lloyd Elliott
Richard Fairbank

Raul Fernandez
George Ferris Sr.
Robert Fleming
P. Wesley Foster Jr.
Irving Goldstein

Donald Graham
Katharine Graham
Theodore Hagans Jr.
Stephen Harlan
William Harps

William Harris
John Hazel Jr.
Sidney Hechinger
Christian Heurich Sr.
Wilhelmina Holladay

IN 1979, 26-year-old David Bradley started the Research Council of Washington—later renamed the Advisory Board—offering research for any company on any subject. Four years later, he felt like a failure.

Bradley had a Harvard MBA and a law degree from Georgetown. His classmates were earning six-figure salaries. He was living in an apartment over the office. He had 200 clients, but he was clearing only \$25,000 a year.

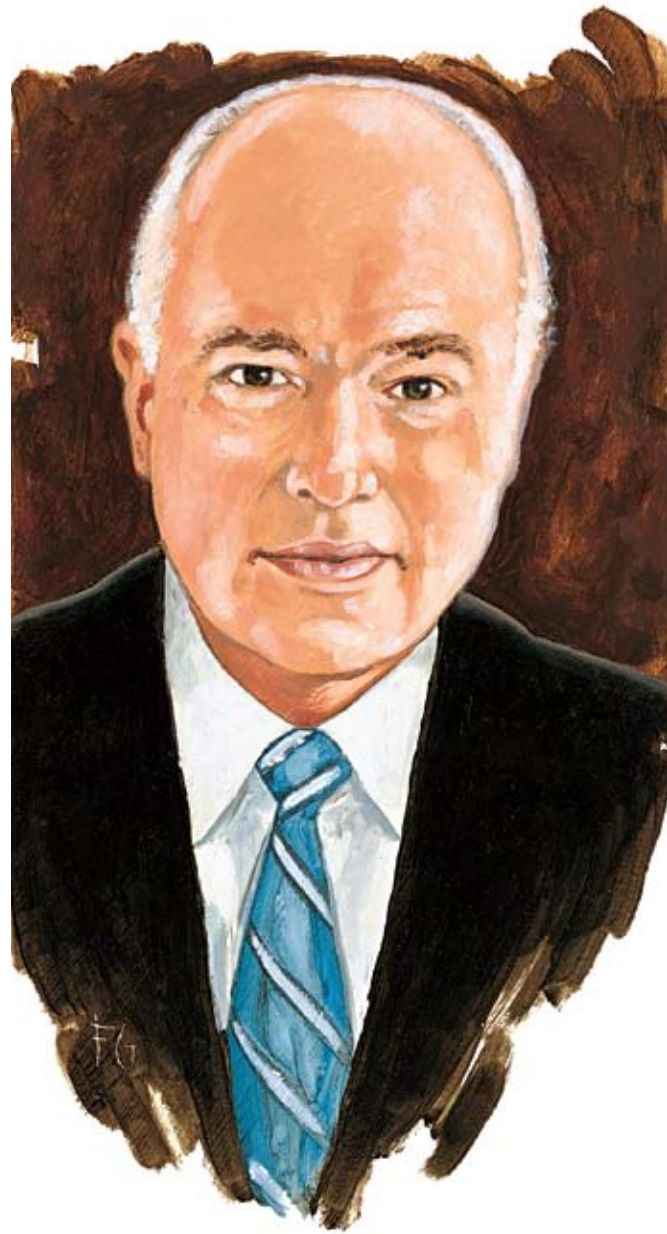
“We ran out of cash,” Bradley recalls. His father had begun to think the enterprise was doomed and asked a neighbor about getting David a job at a consulting firm. Bradley asked his parents if he could move back home for a weekend of a little TLC.

“My father went to Peoples Drug and bought me a Timex watch to make me feel better,” Bradley says.

Sixteen years later, the *Washington Post* ran a story with the headline **ENTREPRENEUR HITS IPO JACKPOT: RESEARCH FIRM HEAD DAVID BRADLEY NETS \$142 MILLION.**

The secret to his success was perseverance, Bradley believes: “You have to be willing to try a failed idea again and again and again.”

Bradley tinkered with his original concept. He retained the basic idea—pro-



David Bradley
From Corporate Guru to Media Mogul

viding research and analysis on an annual-subscription basis—but in 1983 began to target his services to the banking-and-finance industry, an endeavor that was to lead to the Corporate Executive Board. A few years later, the Advisory Board narrowed its focus to health care.

Taking his companies public and becoming wealthy did not move Bradley closer to his real dream—he had always wanted to be a US senator. Business was a means to that end, he says. But at age 40 he realized he’d never make it as a politician. “Being near journalism was second-best,” he says.

It took him only 24 hours to decide to buy the *National Journal* in 1997. “I thought the *National Journal* was such a pleasure, how hard can this business be?” Bradley says. Buying the *Atlantic Monthly* provided the answer. He moved it from Boston to Washington and worked to energize a magazine created in the gaslight era to reach the BlackBerry crowd.

“I’m really committed to journalism,” Bradley says. He and his wife, Katherine, are also committed to improving education in DC through their CityBridge Foundation. The Senate’s loss has been the city’s gain.

WHEN MARGERY KRAUS was growing up in the zinc-mining town of Franklin, New Jersey, her father owned the department store and outfitted local sports teams. When the mines closed in 1955, he took over the semiprofessional football team, the Franklin Miners, and built it into the league’s best team, she recalls. Young Margery worked the press, made sure the cash receipts didn’t get stolen, and occasionally bailed players out of jail. “Semiprofessional football prepares you for anything in life,” she says.

Kraus started out teaching civics. In 1971, she heard about a new organization, Close Up, that planned to bring young people to Washington to see government in action. She went to Close Up officials and offered them a money-back guarantee: If she didn’t succeed in helping develop the organization, it didn’t have to pay her.

To widen the impact of Close Up, Kraus worked with the fledgling television network C-SPAN. She used the satellite time C-SPAN wasn’t using to broadcast shows aimed at high-school students.

Arnold & Porter represented several cities negotiating with cable companies and heard about Kraus’s work. The law firm was interested in creating an affiliate group of non-lawyers to do consulting on non-legal issues. In 1984, Kraus became the only employee of the newly created APCO.

Today APCO Worldwide is a global consulting firm offering public-affairs, communications, and business consulting to multinational corporations. APCO guides a busi-



Margery Kraus
A Winning Strategy for Global Business

ness trying to get a foothold in a foreign market, helps manage a crisis, or helps create public-private partnerships. “We surround a problem,” Kraus says. “We’re like an embassy-in-a-box for business.”

When the Soviets asked Arnold & Porter to help rewrite laws to open Russia to outside businesses, Kraus shepherded a group of American businessmen on a visit. That trip resulted in the opening of APCO’s first international office, in Moscow. Today there are 29 offices in North America, Europe, Asia, and Africa.

By 1991, APCO had 20 employees. But the company no longer logically fit inside a law firm. Kraus negotiated to have Grey Group acquire APCO as an independent subsidiary. She continued to expand APCO’s reach, opening new offices, holding onto existing clients, and attracting new ones. In 2004, Kraus led a management buyout of APCO. Today the firm is a \$100-million enterprise, and some of the original 20 employees are still there. “We have a very unified vision and culture,” she says. “Passion is our secret sauce.”

Kraus continues to be deeply involved in Close Up, and she’s a trustee of her alma mater, American University. This year she was named to the Enterprising Women Hall of Fame.

She believes women in business can use being women to their advantage. Kraus never enters a meeting unless she is “more than prepared,” she says. “And I can’t begin to tell you the value of being underestimated all of the time.”

Past Honorees
1988–2008

Edwin Holland
Marie Johns
George Johnson
Robert Johnson

Vernon Jordan
Clifford Kendall
Jeong Kim
James Kimsey

Austin Kiplinger
Willard Kiplinger
David Lloyd Kreeger
John Lankford

Theodore Lerner
R. Robert Linowes
Louise Lynch
Fred Malek

Jane Marilley
J. Willard Marriott
J.W. Marriott Jr.
David Maxwell

Walter McArdle
John McDaniel
William McGowan
Eugene Meyer

Herb Miller
Edward Mitchell
Jesse Mitchell
Mario Morino

Allen Neuharth
Morgan O’Brien
Mandell Ourisman
Thornton Owen

BARBARA KRUMSIEK WAS headed for a career in theoretical mathematics when she went to work in the investment department of Equitable Insurance. Twenty-three years, a master's earned at night, and one merger later, she's still with the company doing work that's far from theoretical. "I liked helping real people buy a car, get a home-improvement loan, or decide how to invest," she says.

Krumsiek was part of the team that developed one of the nation's first 401(k) plans. The tax code allowed "pension" plans controlled by individual employees. Krumsiek realized how appealing "portable" retirement plans would be to baby boomers, who were less likely than their parents to stay in one job for an entire career. Before she knew it, she was heading marketing and development for Alliance Capital Management's 401(k) plan. (The company had purchased Equitable.) She went from working as an analyst to supervising 200 people.

"The key thing I did was ask an older operations officer to join me," she says. "Ten years later, he said that no one had done more for his career. I felt the same way."

When Krumsiek was approached about moving to Washington to head Calvert Investments, she didn't jump at the chance. Calvert's assets were close to \$5 billion, and she was running businesses in New York City with assets approaching \$17 billion. But the idea of being CEO of a company that was one of the first to divest itself of holdings in firms doing business in apartheid South



Barbara Krumsiek
Investing in People,
Ideas, and Community

Africa was appealing. Calvert's commitment to responsible investing made sense, she says.

Arriving in Washington in 1997, Krumsiek discovered that sales of Calvert products were low. She went on sales calls with Calvert reps and encouraged them to invite brokers and financial planners to meet with her.

"I brought some business blocking-and-tackling to the sales effort," she says. In fact, she reinvented Calvert's business. She has increased the firm's assets to more than \$14 billion and boosted its participation with major mutual-fund providers such as Fidelity and T. Rowe Price.

At the same time, Krumsiek led the way on board diversity, stronger corporate governance, and corporate responsiveness to issues ranging from global warming to human rights in Sudan. She has developed a strong management team and become a leader in the community. She is a past chair of the Greater Washington Board of Trade and is on the boards of the Economic Club of Washington, DC, and the Federal City Council.

One secret of her success: Girl Scouts. When she was growing up in Queens, she says, scouting introduced her to the world beyond city streets, encouraged her to take risks, and taught her to get along with different kinds of people. Selling Thin Mints and Do-Si-Dos taught her salesmanship. She's now on the Woman's Advisory Board for the Girl Scout Council of the Nation's Capital, helping Washington girls show that they, too, are smart cookies.

FOR KNOX SINGLETON, president and CEO of the Inova Health System, success started with the job he didn't get. Singleton was running a 300-bed hospital in Hershey, Pennsylvania, when he applied for the top position at the 600-bed Fairfax Hospital. The search committee turned him down for that job but offered him another one—as second in command to Frank Iams, head of the Fairfax Hospital Association, which included Fairfax, Mount Vernon, and Commonwealth Doctors' hospitals.

Iams planned to retire in two years and train Singleton to replace him. Illness forced Iams to leave sooner, and at age 35 Singleton found himself in charge. "One of my first assignments was getting a short-term line of credit to pay our employees and our bills," he recalls.

Singleton has grown that three-hospital consortium into the Inova Health System—six hospitals, a heart-and-vascular institute, stand-alone emergency and urgent-care centers, assisted-living communities, a home-health-care agency, and community clinics. Its flagship, Inova Fairfax Hospital, is ranked among the nation's top 50 hospitals, with Northern Virginia's only Level One trauma center.

Inova's growth followed the core principles established by Frank Iams, Singleton says. The name Inova stems



Knox Singleton
Creating NoVa's Medical
Powerhouse

from the system's commitment to innovations in diagnosis, treatment, and delivery. It will soon launch a new center for research on personalized medicine, using an individual's DNA to predict and possibly prevent serious illnesses.

The system serves all who need health care, regardless of their ability to pay—no easy task, according to Singleton, because Inova competes with investor-owned and for-profit medical centers. "We are their safety net," he says.

Singleton convinced the Inova board to open an HIV/AIDS program when there was still widespread fear about the risk of spreading the disease. "We were doing the right thing even when it wasn't popular," he says.

Knox Singleton backed into hospital administration. He grew up in a small North Carolina town where his father ran both a hardware store and an insurance agency. He studied business at the University of North Carolina and planned an insurance career, but "this was the late '60s and I was intent on something with more of a social mission," he says; hospital administration would enable him to use his business background for a "higher" purpose.

Both Singleton and Inova have piled up a stack of community honors. He appreciates the recognition but says: "No matter how good you are, you aren't as good as you need to be. We're proud, but we aren't satisfied." **W**

Past Honorees
1988–2008

Milton Peterson
Robert Pincus
Flaxie Pinkett
Abe Pollin

Thomas Pownall
Linda Rabbitt
Coleman Raphael
David Reznick

Joseph Riley
Benjamin Rome
David Rubenstein
Bernard Francis Saul

B. Francis Saul II
John Schwieters
Ivan Selin
Foster Shannon

Catherine Filene Shouse
Jean Head Sisco
Charles E. Smith
Esther Smith

Kenneth Sparks
John Stewart
W. Reid Thompson
Carmen Turner

John Tydings
Jack Valenti
Julia Walsh
Walter Washington

Earle Williams
Edward Bennett Williams
Robert Zalokar