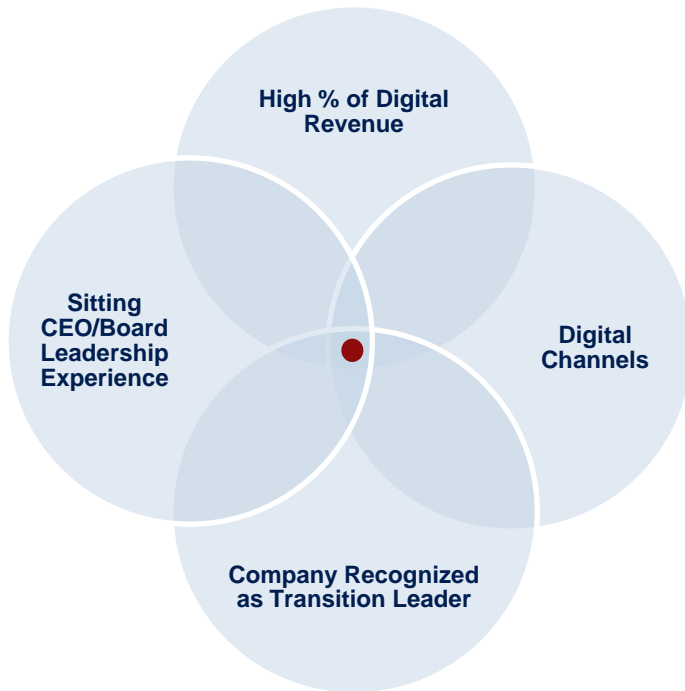


**Digit•it•al** [*dij-i-tl*] the translation of analog information (numbers, words, sounds, shapes, images, and more) into electronic data that can easily be stored and shared across networks and devices.

- **Market Disruption.** The digitization of information is upending traditional business models, changing the way people interact.
  - Publishing: ebooks replacing paper (Borders run out of business)
  - Retail: online purchasing lowering brick-and-mortar sales
  - Music: artists selling directly through iTunes
- **Universal Impact.** Every organization across every industry is impacted in some way.
  - Marketing: “mass customization” of advertizing
  - Operations: supply-chain optimization
  - Customer Service: self-service
- **Growing Expectations of Corporate Leaders.** Shareholders, employees and customers increasingly demanding that their leaders understand, leverage digital technologies effectively across the business.

# Got Digital?: “Highly Digital” Defined

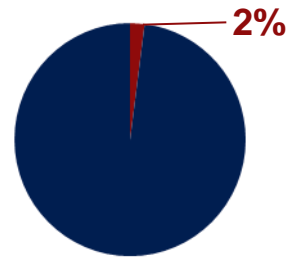
“Highly Digital” companies satisfy four criteria...



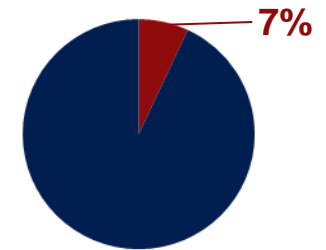
**Highly Digital Company Examples:** Amazon, Apple, Cisco, Dell, eBay, Google, Microsoft, Oracle, Yahoo, seven of which are in the F100.

...and are in short supply.

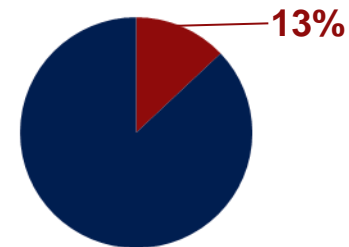
“Highly Digital” F500 Companies



“Highly Digital” F100 Companies



“Highly Digital” F100 Boards\*



## Highly Digital Board Examples:

- **Technology:** Apple, Cisco, Dell, Google, H-P, Intel, Microsoft, Oracle
- **Retail:** Amazon, Walmart
- **Financial Services:** Berkshire Hathaway
- **Consumer:** Procter & Gamble
- **Business Services:** FedEx

Source: Russell Reynolds Associates Analysis

## Got Digital?: Key Findings

---

- **Disruption and digital status linked.** For example, Technology and Retail well represented on the list.
- **“Non-digital” companies boosting digital board status.** For example, Berkshire Hathaway, Procter & Gamble and FedEx.
- **Digital Boards Have 3 Common Themes:**
  1. **Commitment:** most have 4-6 digital board members, not 1-2.
  2. **Digital Experience:** Experience with companies like Apple, Google, Intuit, Cisco, Amazon, e-Bay, Facebook and Microsoft is highly sought after.
  3. **CEO Experience:** Most digital board members have been CEOs
- **5-10 companies boosting digital board status:**
  - Ingram Micro, Sprint and Disney to American Express, Morgan Stanley, Coke, Pepsi, Sysco and Ford
  - 1-2 digital directors
  - Several CEOs who are now board members in highly digital companies: Bill Ford (eBay), Bob Iger (Apple)

## Got Digital: Trends and Implications for Recruiting Digital Leadership

---

- **The tide is turning.** Some of the largest and most successful companies are working to narrow the digital capabilities “gap”.
- **Some sectors moving faster than others.**
  - **Forerunners:** Consumer-facing businesses like technology, media & communications, retail, and financial services.
  - **Gradual Growers:** e.g., automotive (e.g. connected vehicles) to B2B markets and services.
- **Limited supply driving younger talent from unique sources.**
  - Non-CEOs: e.g. Katie Mitic (Facebook) to eBay and Marissa Mayer (Google) to Walmart
  - VC/PE backed companies: not just F500 digital companies
  - Related business that have been through digital transformations
- **More selective screening.**
  - Functional experience (e.g. Social media marketing, cloud, mobile)
  - Transformation experience (pure play versus established company transformation)
  - Culture fit (mandatory)
  - Shared vision of making a meaningful impact

## Got Digital?: Highly Digital Boards in the F100

Company	Industry	Board Members	Digital Credentials
Apple	Technology	<ul style="list-style-type: none"> <li>▪ Tim Cook</li> <li>▪ Arthur Levinson</li> <li>▪ Bill Campbell</li> <li>▪ Robert Iger</li> </ul>	<ul style="list-style-type: none"> <li>▪ IBM, Compaq</li> <li>▪ Google</li> <li>▪ GO Corp, Intuit</li> <li>▪ Walt Disney</li> </ul>
Cisco	Technology	<ul style="list-style-type: none"> <li>▪ John Chambers</li> <li>▪ Carol Bartz</li> <li>▪ Michael Capellas</li> <li>▪ John Hennessy</li> <li>▪ Arun Sarin</li> <li>▪ Jerry Yang</li> <li>▪ Steven West</li> <li>▪ Brian Halla</li> </ul>	<ul style="list-style-type: none"> <li>▪ Cisco</li> <li>▪ Yahoo!, Sun Microsystems, Intel, NetApp</li> <li>▪ HP, Compaq, First Data</li> <li>▪ Google, Atheros Communications</li> <li>▪ Vodafone, Infospace, Airtouch</li> <li>▪ Yahoo!</li> <li>▪ nCUBE, Entera, Hitachi Data Systems, EDS</li> <li>▪ LSI Logic, Intel, National Semiconductor</li> </ul>
Dell	Technology	<ul style="list-style-type: none"> <li>▪ Michael Dell</li> <li>▪ James Breyer</li> <li>▪ Shantanu Narayen</li> </ul>	<ul style="list-style-type: none"> <li>▪ Dell</li> <li>▪ Apple, Facebook, RealNetworks, HP</li> <li>▪ Adobe, Pictra, Silicon Graphics, Apple</li> </ul>
Google	Technology	<ul style="list-style-type: none"> <li>▪ Larry Page</li> <li>▪ Sergey Brin</li> <li>▪ Eric Schmidt</li> <li>▪ John Doerr</li> <li>▪ Diane Greene</li> <li>▪ Ann Mather</li> <li>▪ Ram Shirarm</li> <li>▪ John Hennessy</li> <li>▪ Paul Otellini</li> </ul>	<ul style="list-style-type: none"> <li>▪ Google</li> <li>▪ Google</li> <li>▪ Google, Novell, Siebel, Apple</li> <li>▪ Amazon, Move.com, Sun Microsystems</li> <li>▪ VMware, EMC Corp. Sybase, Intuit</li> <li>▪ GluMobile, Netflix</li> <li>▪ Amazon.com, Juggle, Netscape</li> <li>▪ Cisco Systems, Atheros Communications</li> <li>▪ Intel</li> </ul>

## Got Digital?: Highly Digital Boards in the F100

Company	Industry	Board Members	Digital Credentials
Hewlett-Packard	Technology	<ul style="list-style-type: none"> <li>▪ Meg Whitman</li> <li>▪ Marc Andressen</li> <li>▪ Raymond Lane</li> <li>▪ Lawrence Babbio</li> </ul>	<ul style="list-style-type: none"> <li>▪ eBay, Walt Disney, Zipcar</li> <li>▪ Netscape, Ning, America Online, eBay</li> <li>▪ Oracle, EDS, Quest Software</li> <li>▪ Verizon, Bell Atlantic</li> </ul>
Intel	Technology	<ul style="list-style-type: none"> <li>▪ Paul Otellini</li> <li>▪ Susan Decker</li> <li>▪ John Donahoe</li> <li>▪ David Pottruck</li> </ul>	<ul style="list-style-type: none"> <li>▪ Intel, Google</li> <li>▪ Yahoo!, Pixar, LegalZoom.com</li> <li>▪ eBay</li> <li>▪ Schwab</li> </ul>
Microsoft	Technology	<ul style="list-style-type: none"> <li>▪ Bill Gates</li> <li>▪ Steve Balmer</li> <li>▪ Reed Hastings</li> <li>▪ John Thompson</li> </ul>	<ul style="list-style-type: none"> <li>▪ Microsoft, Corbis</li> <li>▪ Microsoft</li> <li>▪ Netflix, Facebook</li> <li>▪ IBM, Virtual Instruments, Symantec</li> </ul>
Oracle	Technology	<ul style="list-style-type: none"> <li>▪ Larry Ellison</li> <li>▪ George Conrades</li> <li>▪ Bruce Chizen</li> <li>▪ Naomi Seligman</li> </ul>	<ul style="list-style-type: none"> <li>▪ Oracle</li> <li>▪ IBM, BBN, Akamai</li> <li>▪ Adobe</li> <li>▪ Akamai, D&amp;B</li> </ul>
Amazon.com	Retail	<ul style="list-style-type: none"> <li>▪ Tom Alberg</li> <li>▪ William Gordon</li> <li>▪ Blake Krikorian</li> <li>▪ Jonathan Rubinstein</li> <li>▪ Patricia Stonesifer</li> </ul>	<ul style="list-style-type: none"> <li>▪ Advanced Digital Information</li> <li>▪ EA, Zynga, Callaway Digital Arts</li> <li>▪ Sling Media, Telescript, Clicker Media</li> <li>▪ HP, Palm, Apple, FirePower Systems</li> <li>▪ Microsoft, Viacom</li> </ul>

## Got Digital?: *Highly Digital Boards in the F100*

Company	Industry	Board Members	Digital Credentials
Wal-Mart	Retail	<ul style="list-style-type: none"> <li>▪ James Breyer</li> <li>▪ Michele Burns</li> <li>▪ James Cash</li> <li>▪ Marissa Mayer</li> <li>▪ Gregory Penner</li> </ul>	<ul style="list-style-type: none"> <li>▪ Dell, Apple, Facebook</li> <li>▪ Cisco</li> <li>▪ Microsoft</li> <li>▪ Google</li> <li>▪ Baidu.com, 99Bill Corp.</li> </ul>
Berkshire Hathaway	Financial Services	<ul style="list-style-type: none"> <li>▪ Stephen Burke</li> <li>▪ Susan Decker</li> <li>▪ Bill Gates</li> <li>▪ Charlotte Guyman</li> <li>▪ Donald Keough</li> <li>▪ Thomas Murphy</li> <li>▪ Walter Scott</li> </ul>	<ul style="list-style-type: none"> <li>▪ Comcast, NBC Universal, Walt Disney</li> <li>▪ Yahoo! , Pixar, LegalZoom</li> <li>▪ Microsoft, Corbis</li> <li>▪ Microsoft</li> <li>▪ IAC/InterActiveCorp., Convera</li> <li>▪ DoubleClick, Walt Disney</li> <li>▪ Level 3 Communications</li> </ul>
Procter & Gamble	Consumer Goods	<ul style="list-style-type: none"> <li>▪ Scott Cook</li> <li>▪ Jonathan Rodgers</li> <li>▪ Meg Whitman</li> </ul>	<ul style="list-style-type: none"> <li>▪ Intuit, eBay</li> <li>▪ TV One, Discovery Networks, Comcast</li> <li>▪ eBay, Walt Disney, HP, Zipcar</li> </ul>
FedEx	Business Services	<ul style="list-style-type: none"> <li>▪ James Barksdale</li> <li>▪ John Edwardson</li> <li>▪ Shirley Ann Jackson</li> <li>▪ Gary Loveman</li> </ul>	<ul style="list-style-type: none"> <li>▪ Netscape</li> <li>▪ CDW</li> <li>▪ IBM, NYSE Euronext</li> <li>▪ Ceasars Entertainment</li> </ul>

## Got Digital?: F100 Boards Addressing the “Digital Gap”

Company	Industry	Board Members	Digital Credentials
Ingram Micro	Technology	<ul style="list-style-type: none"> <li>▪ John Ingram</li> <li>▪ Scott McGregor</li> <li>▪ Alain Monie</li> <li>▪ Linda Levinson</li> </ul>	<ul style="list-style-type: none"> <li>▪ Ingram Content Group, Ingram Digital</li> <li>▪ Xerox, Microsoft, Digital Equipment Corp.</li> <li>▪ Amazon.com</li> <li>▪ Connexus, American Express, Demandtec</li> </ul>
Sprint Nextel	Media & Communications	<ul style="list-style-type: none"> <li>▪ Daniel Hesse</li> <li>▪ Robert Bennent</li> <li>▪ Frank Ianna</li> <li>▪ William Nuti</li> </ul>	<ul style="list-style-type: none"> <li>▪ Sprint, ATT</li> <li>▪ Discovery, Demand Media, Liberty Media</li> <li>▪ Attila, AT&amp;T, Tellabs</li> <li>▪ NCR, Cisco</li> </ul>
Walt Disney	Media & Communications	<ul style="list-style-type: none"> <li>▪ Robert Iger</li> <li>▪ Judith Estrin</li> <li>▪ Sheryl Sandberg</li> </ul>	<ul style="list-style-type: none"> <li>▪ Apple</li> <li>▪ Cisco, FedEx</li> <li>▪ Facebook, Google, eHealth, Starbucks</li> </ul>
American Express	Financial Services	<ul style="list-style-type: none"> <li>▪ Peter Chernin</li> <li>▪ Ted Leonsis</li> <li>▪ Charlene Barshefsky</li> </ul>	<ul style="list-style-type: none"> <li>▪ News Corp, E*TRADE, Sky Global</li> <li>▪ Mobile Posse, America Online, LaunchBox</li> <li>▪ Intel</li> </ul>
Morgan Stanley	Financial Services	<ul style="list-style-type: none"> <li>▪ Roy Boystock</li> <li>▪ Erskine Bowles</li> <li>▪ Donald Nicolaisen</li> </ul>	<ul style="list-style-type: none"> <li>▪ Yahoo!, B/Com3</li> <li>▪ Facebook, Belk</li> <li>▪ Verizon</li> </ul>
Prudential Financial	Financial Services	<ul style="list-style-type: none"> <li>▪ Gordon Bethune</li> <li>▪ Gilbert Casellas</li> <li>▪ William Gray III</li> </ul>	<ul style="list-style-type: none"> <li>▪ Sprint Nextel</li> <li>▪ Dell, Q-Linx</li> <li>▪ Dell</li> </ul>



## Got Digital?: F100 Boards Addressing the “Digital Gap”

Company	Industry	Board Members	Digital Credentials
Coca-Cola Company	Consumer Goods	<ul style="list-style-type: none"> <li>Robert Kotick</li> <li>Barry Diller</li> </ul>	<ul style="list-style-type: none"> <li>Activision Blizzard</li> <li>IAC, Expedia, TripAdvisor, Live Nation</li> </ul>
PepsiCo	Consumer Goods	<ul style="list-style-type: none"> <li>Shona Brown</li> <li>Dina Dublon</li> </ul>	<ul style="list-style-type: none"> <li>Google</li> <li>Microsoft</li> </ul>
Sysco	Business Services	<ul style="list-style-type: none"> <li>Manuel Fernandez</li> <li>Jackie Ward</li> </ul>	<ul style="list-style-type: none"> <li>Gartner, Harris Corp. DataQuest</li> <li>Digg, Computer Generation, Sanmina SCI</li> </ul>
Ford Motor	Automotive	<ul style="list-style-type: none"> <li>William Clay Ford. Jr.</li> <li>William Helman</li> <li>Ellen Marram</li> </ul>	<ul style="list-style-type: none"> <li>eBay</li> <li>ZipCar</li> <li>Fedex, NYTimes</li> </ul>

\*Based on RRA analysis of F100 boards ranking by digital operating experience on individual board members.