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CEO's**

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CEO and President  
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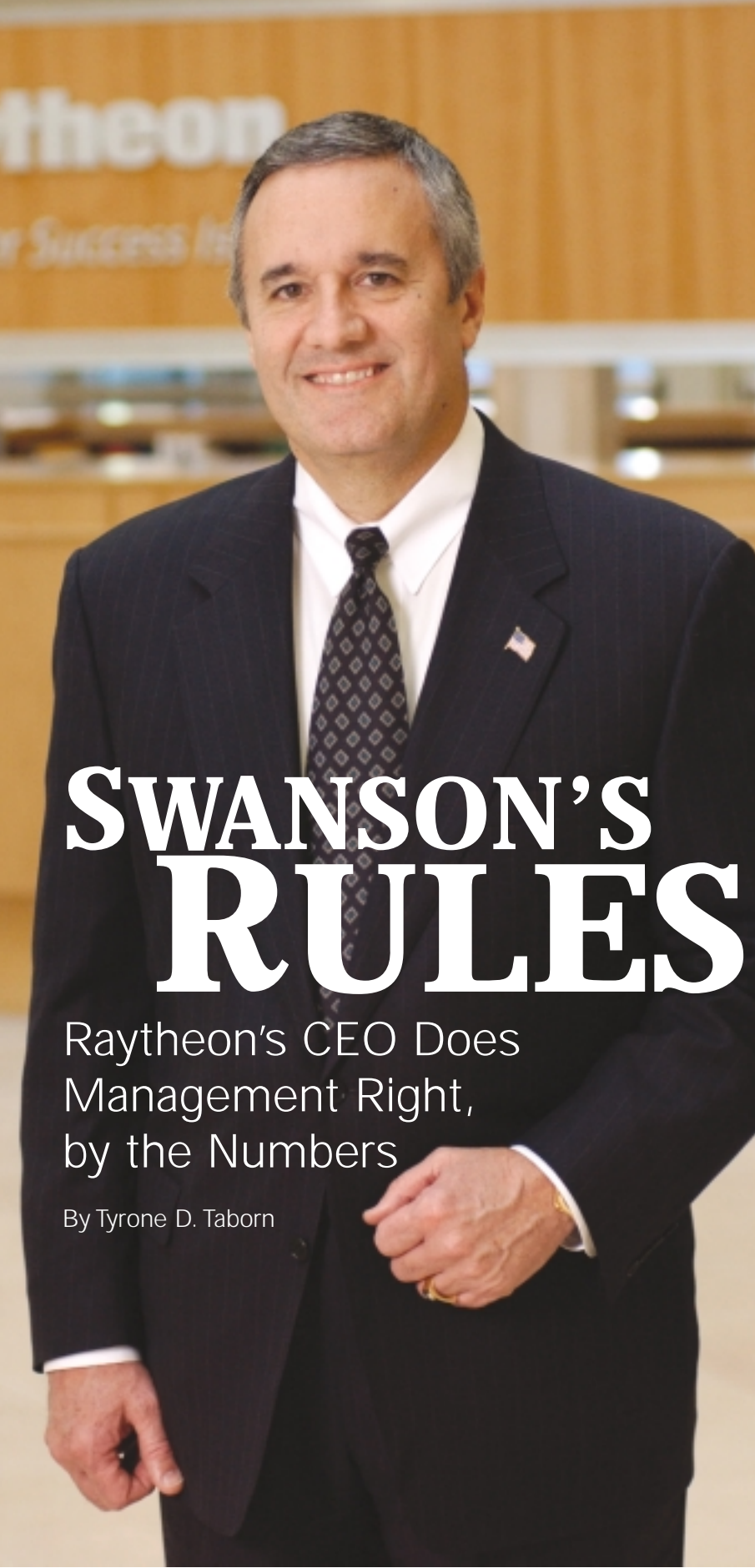


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# SWANSON'S RULES

Raytheon's CEO Does Management Right, by the Numbers

By Tyrone D. Taborn

There are two things on which Raytheon's William H. Swanson doesn't need a lecture. One is management skills. The other is the value of diversity. As diversity champion turned chief executive officer, president, and member of the board, Swanson has an unwavering commitment to increasing the number of minorities in the field of technology. And, as if to underscore the point, an appearance at Tuskegee University was his first speaking engagement on a college campus since he became CEO of the nation's fourth-largest defense company.

That's typical Swanson: setting the bar and jumping over it himself. On his staff are more than 40 Tuskegee alumni, not including interns, who, Swanson says, "fit very well into our structure because of the foundation that they learned here on campus."

Working for Swanson means facing perhaps the toughest defense executive in recent history. But according to Tuskegee alum Gaynelle P. Swann, M.Sc. in engineering, he answers 99.9 percent of his own e-mail and endears himself to those around him by remembering details such as the names of their children.

When Lester L. Lyles, then the Air Force's only Black four-star general, received Lifetime Achievement honors at the 2003 Black Engineer of the Year Conference, Swanson sent personal congratulations. Such attention to the human element has made Swanson an admired executive. Says the now-retired Gen. Lyles: "Raytheon is clearly in the top echelon of DoD contractors because of his leadership!"

Swanson's success is no accident. He is highly principled. He hits the ground running well before 7:00 a.m.; his typical day ends 14 hours later. More than half of his weekends are spent away from home, and, if he could, he would shake hands with each of Raytheon's 76,000 employees.

Swanson's leadership is based on management rules he developed over his 30-plus years at Raytheon. "Swanson's Unwritten Rules of Management" are 25 straightforward directives that also provide insight into what it takes to be successful.

"Swanson's Rules" might explain how Raytheon emerged as the leader in high-tech warfare and remained a corporate powerhouse during a time of economic contraction.

Many inside and outside of Raytheon credit Swanson with saving the company. And some say it wasn't just the business he rescued but Raytheon's sense of social mission as well. As the company's first executive champion for diversity, Swanson worked to build an inclusive culture. As he says, "Our commitment to diversity has made us a better company. To have diversity of thought and opinion expressed by the people in your organization is incredibly powerful. If you're able to harness that, there is no [limit to] what you're able to accomplish."

In 1997, as a corporate vice president, he received one of the toughest of assignments: integrating the newly acquired defense businesses of Texas Instruments and Hughes into Raytheon.

A lot was riding on his managerial acumen. Raytheon's overall revenues nearly doubled with the acquisitions. The commercial groups, which had produced nearly 60 percent of total company sales in 1995, and close to half of total earnings, suddenly were eclipsed by the defense business groups. It was up to Swanson to assimilate the former rivals into the company.

It was probably at this point that Swanson's third rule kicked in: "If you are not criticized, you may not be doing much." Swanson definitely got his share of criticism — from employees caught in painful layoffs and irate members of Congress disturbed by their states' economic losses — but he was busy laying a foundation that would pay great dividends in just a few short years.

Swanson's efforts would not be fully appreciated until Sept. 11, 2001, when the world was changed fundamentally with terrorist attacks on the Pentagon and World Trade Center. Then, it became clearer that the \$3.3 trillion the U.S. spent on defense in the 1990s could not guarantee security. Our nation needed a new military that would fight a new kind of war. Secretary of Defense Donald H. Rumsfeld called it the era of "transformational military" initiatives.

Another of Swanson's Rules came into play: No. 9, "Persistence or tenacity is the disposition to persevere in spite of difficulties, discouragement, or indifference..." Swanson's role in handling the mergers was a thankless, seemingly no-win job. He found himself in California running a smaller division than he'd left. But those who expected him to fade from the scene were wrong. Swanson's new unit, Raytheon's Electronic Systems, provided key products to the new high-tech military, and, under his leadership, it ramped up to about 40 percent of Raytheon's sales.

Rule No. 4 also applied: "Look for what is missing. Many know how to improve what's there, but few can see what isn't there." According to Carl Conetta of the Project on Defense Alternatives, military transformation meant moving away from capital-intensive armadas of heavy mechanized ground forces, artillery and missile systems, and advanced combat aircraft, toward full adoption of new information technology and restructuring of the armed forces to produce an "Information Age" military.

Bill Swanson saw this future. Acquiring the defense businesses of TI and Hughes proved him right and made Raytheon the company that provides the defense world's most high-tech offerings.

This year, Swanson rose to be Raytheon's president and CEO. But as his Tuskegee visit proves, one of his top priorities will be dealing with the disturbing reality that women, Blacks, Latinos, Native Americans, and persons with disabilities now make up two-thirds of the U.S. work force but hold only about a quarter of the technical jobs.

Another priority will be Swanson's Rule No. 25: "Have fun at what you do. It will reflect in your work. No one likes a grump except another grump!"

Seeing Swanson at Tuskegee, happily chatting about the future with young students, it was clear he had learned his lesson well. ♦

— Tyrone D. Taborn is publisher and editor in chief of *US Black Engineer & Information Technology* magazine. He can be reached at [tyrone.taborn@ccgmag.com](mailto:tyrone.taborn@ccgmag.com).



## >> About **BILL SWANSON**

### **EDUCATION:**

- Bachelor of Industrial Engineering, magna cum laude, Outstanding Industrial Engineering Graduate, California Polytechnic State University, 1972
- Graduate work in business administration, Golden Gate University
- Honorary Doctor of Laws, Pepperdine University, 2002

### **CAREER:**

- Joined Raytheon, 1972
- Named CEO, July 2003
- Also serves as Raytheon's president and member of the board of directors

### **SELECTED NON-RAYTHEON SERVICE:**

- California Polytechnic State University School of Engineering Advisory Council, Board of Regents
- Pepperdine University Board of Regents Member, Editorial Advisory Board, Journal of Electronic Defense
- Member, Secretary of the Air Force Advisory Board

### **SELECTED HONORS:**

- 2002 Semper Fidelis Award, Marine Corps Scholarship Foundation
- California Manufacturer of the Year, California Manufacturing and Technology Association

BILL SWANSON'S

25

UNWRITTEN  
RULES OF  
MANAGEMENT

1. Learn to say, "I don't know." If used when appropriate, it will be often.
2. It is easier to get into something than it is to get out of it.
3. If you are not criticized, you may not be doing much.
4. Look for what is missing. Many know how to improve what's there, but few can see what isn't there.
5. Viewgraph rule: When something appears on a viewgraph (an overhead transparency), assume the world knows about it, and deal with it accordingly.
6. Work for a boss with whom you are comfortable telling it like it is. Remember that you can't pick your relatives, but you can pick your boss.
7. Constantly review developments to make sure that the actual benefits are what they are supposed to be. Avoid Newton's Law.
8. However menial and trivial your early assignments may appear, give them your best efforts.
9. Persistence or tenacity is the disposition to persevere in spite of difficulties, discouragement, or indifference. Don't be known as a good starter but a poor finisher.
10. In completing a project, don't wait for others; go after them, and make sure it gets done.
11. Confirm your instructions and the commitments of others in writing. Don't assume it will get done!
12. Don't be timid; speak up. Express yourself, and promote your ideas.
13. Practice shows that those who speak the most knowingly and confidently often end up with the assignment to get it done.
14. Strive for brevity and clarity in oral and written reports.
15. Be extremely careful of the accuracy of your statements.
16. Don't overlook the fact that you are working for a boss.
  - Keep him or her informed. Avoid surprises!
  - Whatever the boss wants takes top priority.
17. Promises, schedules, and estimates are important instruments in a well-ordered business.
  - You must make promises. Don't lean on the often-used phrase, "I can't estimate it because it depends upon many uncertain factors."
18. Never direct a complaint to the top. A serious offense is to "cc" a person's boss.
19. When dealing with outsiders, remember that you represent the company. Be careful of your commitments.
20. Cultivate the habit of "boiling matters down" to the simplest terms. An elevator speech is the best way.
21. Don't get excited in engineering emergencies. Keep your feet on the ground.
22. Cultivate the habit of making quick, clean-cut decisions.
23. When making decisions, the pros are much easier to deal with than the cons. Your boss wants to see the cons also.
24. Don't ever lose your sense of humor.
25. Have fun at what you do. It will reflect in your work. No one likes a grump except another grump.

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