



THE GALVANIZING PROCESS SHOWN HERE IS THE FINAL STAGE IN AHSS PRODUCTION.

R & D

High-Strength Steel Armors Cars

ARCELORMITTAL (MT) reports that the growing number of requirements for vehicle safety and an accelerated demand for weight reduction opened the market for a class of light, high-strength steel. The Luxembourg-based company, which reports that it is the biggest steel corporation in the world, says it recently introduced its latest generation of ArcelorMittal Advanced High Strength Steels (AHSS) with improved mechanical resistance to meet customers' new needs. Automakers are now using AHSS products in the bodies, bumpers, chassis, door beams and seats of their vehicles, ArcelorMittal says.

CEO Lakshmi N. Mittal notes that ArcelorMittal's R&D process played a big role in developing AHSS. "R&D is one of the cornerstones

of ArcelorMittal's social-responsibility platform," he says. "We strive to develop products that reduce the energy content associated with their production and help customers achieve their energy and CO₂ reduction aspirations."

Keeping shareholders and customers involved in the process is a key strategy, notes Mittal. "Constructive interactions between our R&D teams and the plants, commercial organizations and customers contribute to our ability to deliver optimum product solutions," Mittal explains. He says the variety of cultures among the company's 1,300 researchers in many different countries has benefited the R&D process, adding, "Our ultimate strategy is to draw on the tremendous depth of expertise and diversity of our people." — *Brian T. Horowitz*

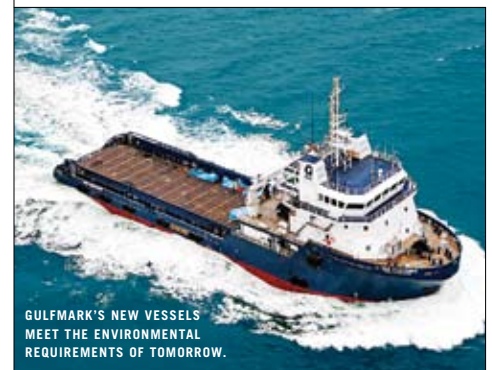
MARINE TRANSPORT

Ships for the Future

GULFMARK OFFSHORE INC. (GLF) is building marine-service vessels to meet the technological and environmental requirements of the future, says President and CEO Bruce A. Streeter. He notes that the four vessels it launched in 2007 had been designed several years earlier with today's needs in mind. The company says it has 12 more under construction to be delivered between 2008 and 2010.

Streeter explains that the new vessels can be up to 50 percent more fuel efficient than similar ships built 10 years ago. He adds that some have carrying capacities of up to 5,000 dead-weight tons (DWTs), a sizable increase over the 1,000 DWTs to 1,200 DWTs capacities for seacraft built in the 1980s and earlier. When developing and building vessels, GulfMark aims to achieve a "neutral environment signature," Streeter explains. "That means we will do everything we can to ensure that we don't add to or take away from the environment."

Streeter says GulfMark's vessels, which are used to support the exploration and production of oil and natural gas, can take several years to build. "The key is to create a fleet that's forward-oriented," he observes. "We think about where the industry is going and change our mix of vessels by selling or purchasing to meet the most exacting standards in the business." — *BTH*



GULFMARK'S NEW VESSELS MEET THE ENVIRONMENTAL REQUIREMENTS OF TOMORROW.

COURTESY RESPECTIVE COMPANIES





ENCORE'S PUMPING UNIT PULLS OIL FROM A MILE BELOW GROUND.

OIL EXPLORATION

Revisiting Oil Fields

If any company can get a dying oil well pumping again, it's **ENCORE ENERGY PARTNERS LP** (ENP), says President and CEO Jon Brumley. He explains that the company acquires and develops oil and natural gas properties that major oil companies no longer deem worthwhile, believing the fields don't produce enough oil to justify the required exploration and manpower. "The value of our properties lies in our ability to improve them," Brumley says. "We give these oil and gas fields their encore." The company says it has leases in Wyoming's Big Horn Basin and Texas' Permian Basin.

Encore Energy Partners reports that it was carved out of **ENCORE ACQUISITION CO.** (EAC) in September 2007. "The properties in Encore Acquisition Co. are growth properties that will often have negative cash flow because we are investing additional capital to increase the production," says Brumley. "These properties can drop into Encore Energy Partners when the growth and capital requirements slow, and they reach a phase requiring a low level of capital to maintain production. Then we are able to distribute the excess cash flow to our unit holders on a quarterly basis."

Brumley says he expects the company to look for new opportunities outside of Texas and Wyoming. "We want to continue to buy the right properties, put the right people on them, and increase the reserves and the production," he adds. — *Phyllis Goffney*

3.6 MILLION THE AMOUNT OF NATURAL GAS, MEASURED IN CUBIC FEET, IMPORTED FROM CANADA THROUGHOUT 2006, UP FROM 748,780 IN 1986, REPORTS THE U.S. DEPARTMENT OF ENERGY.

FACTOID

SOFTWARE SERVICES

Find the Right Price

Companies want to please their customers, and that often means providing price concessions and discounts, says Albert E. Winemiller, CEO of **PROS HOLDINGS INC.** (PRO), a leading provider of pricing and revenue-optimization software products. But, he warns, unnecessary discounting and other destructive pricing practices often diminish a company's bottom line.

Winemiller says that a common pricing mistake companies make is to "match the competition," causing unnecessary discounting. Companies should focus on their products' pocket prices, or what a customer actually pays after price concessions, rebates and volume discounts. "Pocket prices provide visibility into pricing decisions that affect margins," Winemiller explains. He says companies must learn to optimally segment their markets because segmentation leads to better pricing. Different types of custom-

ers, products and transactions, he explains, require different pricing. PROS reports that its customers gain insight into their pricing strategies, identify pricing-based profit leaks, optimize their pricing decision-making and improve their financial performance.



SUNTRUST BANKS INC. (STI) says it uses PROS software (pictured at left) in its consumer lending division to gain better insight into transaction-level profitability. "We can evaluate loan-level — as opposed to portfolio-level — profitability," explains Carl Caron, SunTrust pricing and profitability manager, "so we can organizationally alter the way we underwrite future deals to increase our profitability."

Winemiller adds that studies of Fortune 1000 companies show that a 1 percent price improvement generates an 11 percent operating profit gain. "Obviously," he says, "the power of pricing is dramatic." — *PG*

WHAT CEOS ARE SAYING. VISIT www.nyse.com/CEOvideos



The NYSE's 4 On The Floor® CEO interview series delivers exclusive insights from global leaders. During live Q&A sessions, the following CEOs discuss the issues facing their companies:

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- > ENRIQUE OSTALE, CEO, DISTRIBUCION Y SERVICIO D&S SA (DYS)

COURTESY RESPECTIVE COMPANIES

DURING ITS PEAK SALES WEEK, INGRAM MICRO INC. (IM) SHIPPED 3.7 MILLION UNITS, OR EIGHT ITEMS PER SECOND.



HEWLETT-PACKARD CO. (HPQ) CARTRIDGES USE UP TO 408 NOZZLES TO DELIVER INK PRECISELY TO THE PAGE.

CORPORATE ID
[NAME THIS COMPANY]



In 1968 this company's logo was redesigned to create its current appearance.

In 1974 this company introduced uniform "plan-o-grams" to establish the layout and placement of store interiors and products, creating consistency throughout the chain.

In 1985 this company's weekly advertising circular was second only to the Sunday comics as the most read U.S. newspaper insert.

» In 2005 this company was among the top 20 corporate contributors in the U.S., giving back \$2 million each week to communities.

SEE ANSWER IN RIGHT MARGIN. ALL CLUES PROVIDED BY THE COMPANY.

HUMAN CAPITAL

Look Within for Tomorrow's Leaders

To prosper in competitive industries, companies need strong leaders, says Richard D. Fairbank, chairman and CEO of **CAPITAL ONE FINANCIAL CORP.** (COF). That's why Fairbank (pictured here) says he has instituted a variety of leadership training programs that identify the company's future leaders.

"Our ability to win in an intensely competitive industry largely depends on the quality of our leaders," Fairbank says. Every year the executive team picks candidates to attend an eight-month Leadership Development Program, he adds. Participants receive training on a variety of subjects, such as developing a leadership style. "We've always been focused on creating a company and a performance culture that would attract world-class people, and then giving them the tools and resources to do great things," Fairbank says.



Capital One reports that employees in the program will receive individual coaching from mentors, such as Fairbank, other senior executives or outside experts, who will pass on the lessons they have learned while pursuing their own management journeys.

"As our company increases in size and becomes more complex, there's an even greater premium on leadership," Fairbank says. Training continues at every employee level, he explains. Capital One reports

that nearly half of its senior managers work with an executive coach, and employees can attend workshops at Capital One University, a nationally recognized training organization. Fairbank adds: "Every aspect of our people practices reinforces our guiding principle of attracting great talent and giving them the opportunity to be great." — *Rebecca McReynolds*

MARKETING

Boost a Brand

As **SIX FLAGS INC.** (SIX) begins year three of its brand revitalization campaign, executives say they will focus on employee management and partnerships. "If you energize people and hold them to the highest standards of performance, they will make your product grow," says President and CEO Mark Shapiro. Mark Quenzel, executive vice president of park strategy and management, adds, "Creating partnerships with other brands will elevate your own brand."

Quenzel reports that Six Flags wants to attract more families to its 21 parks across North America. Training and augmenting the company's staff of 33,000 is a priority, he notes. In 2008, Six Flags says, it will recruit people with professional backgrounds, including senior citizens and mothers seeking part-time work. "We will use their skill-sets and experiences to create better service in our parks," Quenzel explains.

The CEO says new partnerships will attract families. For example, he points out that Six Flags brought in diners run by Johnny Rockets Group Inc. Moreover, the company reports that it offers a show in Dallas run by the entertainment company Cirque Productions. Six Flags says it also added rides based on The Wiggles children's band and Thomas & Friends™ toys, and it will offer more family rides in 2008. — *Lauren Donaldson*



NEW RIDES AT SIX FLAGS, BASED ON PARTNERSHIPS WITH OTHER BRANDS, WILL ATTRACT FAMILIES.

FACTOID

128

MILES PER HOUR THE TOP SPEED REACHED BY SIX FLAGS GREAT ADVENTURE'S KINGDA KA, THE FASTEST ROLLER COASTER IN THE WORLD, REPORTS THE COMPANY.



THE LASER BEAM IN LEXMARK INTERNATIONAL INC.'S (LXK) E352 DESKTOP LASER PRINTER "WRITES" ACROSS THE PHOTOCONDUCTOR DRUM AT SPEEDS IN EXCESS OF MACH 8, OR EIGHT TIMES FASTER THAN THE SPEED OF SOUND.

All facts obtained from respective listed companies.