



IBM Chairman

The newest member of ExxonMobil's Board of Directors is leading "Big Blue" – one of the world's most respected, innovative and successful businesses – in transforming the way we think about and use technology in the 21st Century.

► People who know him well say he's brilliant, charismatic, likeable, humorous, down to earth, analytical, decisive, passionate about his work, tough as nails, and very competitive. Even his toughest competitors describe Samuel J. Palmisano as a winner.

Before becoming chairman, president and chief executive officer of the IBM Corporation, in January 2003, Sam (as he prefers to be called) Palmisano had established himself as the most successful sales leader in company history – an organization that today employs more than 340,000 people in 174 countries.

Elected an ExxonMobil director in January 2006, Palmisano is no stranger to the executive suite or the boardroom – a tribute to a remarkable career spanning more than three decades during which he has held positions of leadership in nearly every core business in IBM's global portfolio. He served as senior vice president for the Enterprise Systems and Personal Systems groups and helped create and lead IBM's Global Services. Palmisano helped build the largest and most diversified IT services organization in the industry.

"I think everybody's success is hard work and luck," he says. "At the end of the day, you have to have both – and clearly, you need to be determined and ready to persevere. By growing up in a more modest background, you

Samuel J. Palmisano

Winning through innovation

have an appreciation for people and you also get a chance to live the American dream.” Palmisano would know. He did. He does. And he has.

Sam Palmisano grew up in a close-knit Italian family in Baltimore, Maryland. His father owned an automobile repair business. His mother was a homemaker. He describes his upbringing in a neighborhood on the city’s north side as “typically Italian, where faith, education and hard work were the values our parents taught us and lived by.”

Palmisano attended Calvert Hall Prep School, and later earned a B.A. in social sciences from Johns Hopkins University. He became a talented musician in school, and once played sax with the Temptations on a weekend gig that earned him enough money to buy a car. He also was an honors student and a standout football player at both schools – so good, in fact, that the Oakland Raiders invited him to try out for the team. He declined and applied for a job at IBM instead.

Palmisano’s career began in 1973, when he joined IBM as a sales representative in Baltimore. “The company sent me to a training school,” he recalls, “and that’s where I met my wife.”

In short order, Palmisano was identified by senior management as having high potential as a future leader in the organization. Rising swiftly through a series of

positions of increasing responsibility, he eventually caught the attention of then-chairman John F. Akers, who asked Palmisano to be his executive assistant.

In 1991, Akers sent him to Tokyo, where Palmisano served for three years as the senior managing director of operations for IBM Japan. “Moving to Japan was probably one of the best experiences we ever had,” he says. “For my entire family, it was a wonderful experience. We traveled all over Asia and learned a lot about different societies, cultures and traditions. The Japanese people were wonderful. They are caring, they possess a high level of ethics, and they are tremendously inventive and hard-working.”

Palmisano says the experience in Japan helped him gain a better understanding about the ways that diverse cultural perspectives can affect global trade, technology and development.

“ExxonMobil is an organization where taking on the world’s toughest energy challenges could almost be considered a job description,” he says. Palmisano notes that “IBM expresses its heritage of taking on tough challenges through innovation – and a commitment to re-invention, renewal and change in everything we do. ExxonMobil and IBM have relied on innovation to fuel their success, while also contributing in positive and meaningful ways to humanity.”

Palmisano’s self-effacing demeanor hardens to passionate pride when the subject turns to IBM and the future of innovation. “IBM has faced a lot of challenges over the years,” he explains. “We’re a global company that is based on applying technology in innovative ways. We invented many things in the industry including the computer, the hard drive, storage systems, and database software. IBM scientists and engineers earned nearly 3,000 U.S. patents last year. It was our 13th year in a row of patent leadership.”

“The opportunities in health-care, for example, are especially exciting,” says Palmisano. “A project we are particularly proud of is under way in Switzerland. IBM and the École Polytechnique are adapting our *Blue Gene* supercomputer to create a working model of the neocortex, the largest and most complex part of the human brain.”

The fastest computer in the world as of June 2006 was the IBM *Blue Gene/L* supercomputer. In September, the U.S. Department of Energy said that it had awarded IBM a contract to build a supercomputer capable of 1,000 trillion calculations a second, using an array of 16,000 Cell processor chips that IBM designed for the *PlayStation 3* video game machine.

“In the 21st Century,”

Palmisano suggests, “innovation has become an economic and societal imperative. At IBM, we have staked our future and crafted a business model around innovation itself.”

What can leaders of industry do to advance innovation in the 21st Century? In Palmisano’s view, “Our first task must be to embrace a new model of innovation – one that is open, collaborative, multidisciplinary and global. No longer does innovation reside solely in isolated research labs and ivory towers. In a globally integrated economy, with open-source technologies and industry standards increasingly at play, innovation is a team sport.”

Predicting an even greater role for technological innovation in the coming decades, Palmisano says, “I am sure that what we see going on is only the beginning. The potential will be limitless and without economic boundaries. That’s how much computing capacity could be available. IBM has been part of the IT industry from day one, and we’ve never been more optimistic about the future. Ten years from now, I expect we will have developed economically affordable solutions to many of the toughest challenges we confront today. IBM will be out in front leading the way and writing another chapter in the history of innovation. It’s been a fascinating and rewarding journey. And the best is yet to come.” [theLamp](#)