



ALIGN'S TOTAL PROJECT MANAGEMENTSM METHOD

AND THE LEHMAN BROTHERS CHALLENGE

The magnitude of devastation and ensuing recovery initiatives following the tragic events of September 11 were unprecedented. From an economic perspective, 27.5 million square feet of commercial office space in downtown New York City was lost and over 4,500 businesses needed to relocate quickly.

Lehman Brothers lost approximately 1.5 million square feet of office space on September 11. The enormity of the damage and the pressing need to restore business operations required them to call on outside consultants.

Lehman Brothers' internal Information Technology (IT) department was tasked with getting a working trading facility up and running in Jersey City, New Jersey within three days. Concurrently, the Lehman team had to find alternate office locations, build out space, install technology and telecommunications, and relocate people. In order to successfully tackle a project of this magnitude, Lehman Brothers turned to Align Communications, an IT project management company that provides technology solutions to many of the world's leading companies.

"When the bell rang at the NYSE on September 17, all the wheels of Lehman Brothers were turning once again."

– Lehman Brothers 2001 Annual Report

**PROJECT
OBJECTIVES**
and
CHALLENGES

Lehman Brothers' displaced employees moved into 40 different locations in the New York and New Jersey metropolitan areas in the days following September 11.

Align assisted Lehman Brothers to relocate over 7,000 people into these alternate properties, including 399 Park Avenue and 70 Hudson Street. While many of the properties were stop-gap solutions, 745 Seventh Avenue, formerly owned by Morgan Stanley, provided a permanent answer to Lehman Brothers' unprecedented space predicament.

Purchased by Lehman Brothers on November 15, 2001, the company planned to move 5,200 employees, including 1,200 traders, from the many temporary locations into the Seventh Avenue building by May 2002. In addition to the sheer size and scope of this move, the schedule was extremely aggressive and the technology infrastructure was complex.

Complicating this enormous challenge even further, the various trading departments had to be moved with 0% downtime.

"The speed of recovery was crucial," explained Stephen Coogan, vice president of corporate real estate at Lehman Brothers. "Under normal circumstances, this move would have taken a year or longer but this project had to be completed in six months."

Starting in November, 32 Align professionals worked alongside Lehman Brothers' staff moving as many as 200 people at a time during nights and weekends in order to meet the improbable May deadline. "This was the largest project of this type that Lehman had ever undertaken," said Jeff Glass, chief administrative officer of Lehman Brothers' global technology group and a 17-year veteran of the company. "The most challenging aspect was the timeframe."

Beginning with the first move on January 5, 2002, the relocation milestones were frequent and challenging, yet not one was delayed or missed. "This achievement can be attributed in part to Align Communications' Total Project Management method," said Bob Murphy, a senior project manager and leader of Align's team at Lehman Brothers. "It allowed Lehman and Align to manage the details and stay ahead of schedule while never losing sight of the much larger objective."



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THE SOLUTION
TOTAL PROJECT MANAGEMENT

Align Communications' Total Project Management method is built on three principles: **Process, People** and **Tools**. Each of these elements plays a crucial role in every project undertaken by Align.

PROCESS PHASE ONE

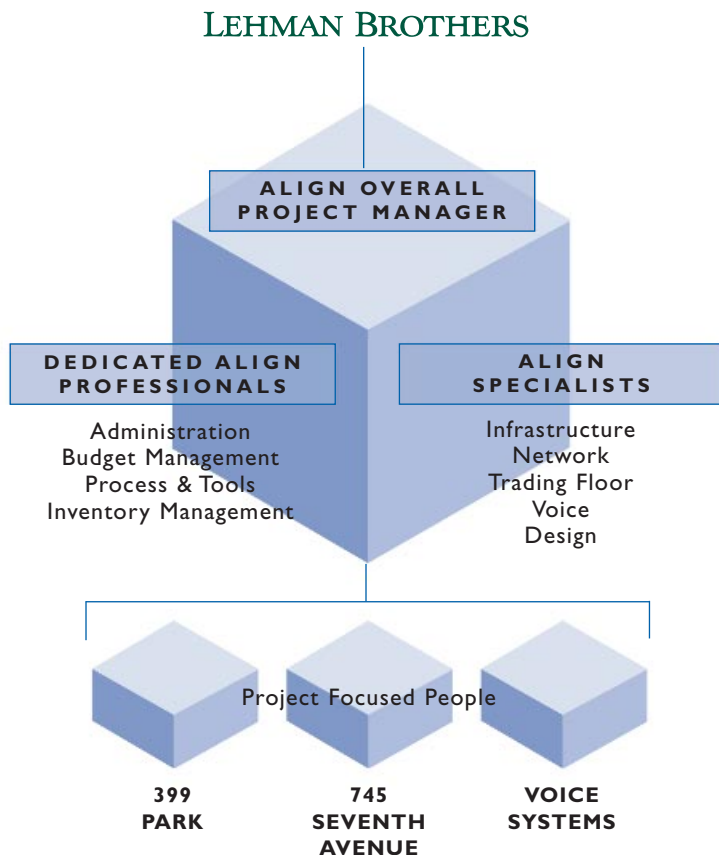
STRATEGIC ANALYSIS AND DESIGN

Align's process entails a three-phased approach – strategic analysis and design, deployment and implementation, and support – to ensure continuity and efficiency throughout the lifecycle of each project. Typically, projects begin with strategic analysis and design. Align defines and evaluates the requirements and then recommends and designs a solution. However, due to the devastating impact of September 11, the sequence of events for Lehman Brothers was reversed. Lehman Brothers was not involved in the initial design of the 745 Seventh Avenue infrastructure or the purchase of core solutions implemented throughout the new building.

PROCESS PHASE TWO

DEPLOYMENT AND IMPLEMENTATION

This crucial phase of execution involves the actual technology installation, testing and user acceptance. Immediately following September 11, Lehman Brothers needed to install and implement technology in several business locations. Lehman Brothers asked Align to set up a "SWAT" team of experienced professionals to manage the relocation projects in many of the new temporary locations.



The Align Project Management Office.
 Think of it as a well-oiled machine.

In every Align project the teams are controlled and administered through one overall Align project manager, thus reducing the complexity of communication and increasing the project accountability with only one point of contact. "Align takes on a primary leadership role to synthesize and manage all pieces of a project," said Align senior project manager, Bob Murphy.

Once 745 Seventh Avenue was purchased and the decision was made to move a large portion of Lehman Brothers' employees into that property, Align was called in as the leading consultant for the technology relocation of more than 5,000 employees and voice engineering for 3,600 IP telephony users. "The degree of complexity involved in the technology integration and the scope of the project was extraordinary," said Greg Collins, director of emerging technologies at Align. "It called for persistent testing in order to rule out any chance of failure."

The existing technology infrastructure at 745 Seventh Avenue had to be redesigned and integrated with a sophisticated IP telephony system and linked with Lehman Brothers' metropolitan area network. "This type of voice engineering project would normally take two to three years to complete," said Diane Halliwell, director of customer care and contact center solutions at Align. The scope of the project was massive and the deadlines were aggressive.

The relentless technology relocation and integration schedule that began in January and continued through May required moves every weekend. From technology to logistics, Align managed and executed both the technical and the physical aspects of each of those moves.

PROCESS PHASE THREE

SUPPORT

Support, the vital, final phase of Align's project management process, involves the documentation, training and knowledge transfer to the client.

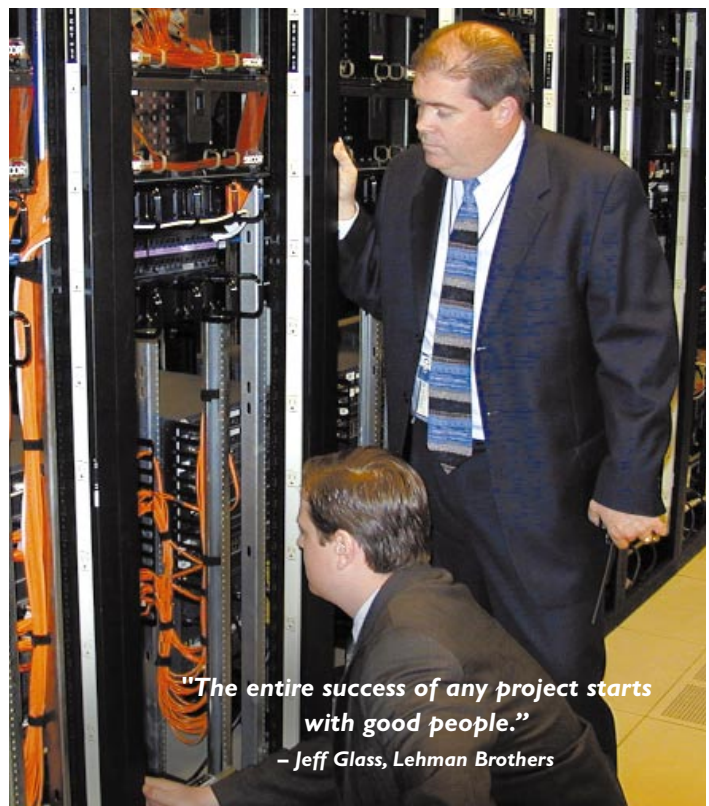
Knowledge transfer of the process and methodology, as well as project procedures, principles and philosophy took place with Lehman Brothers throughout the engagement. "Align and Lehman worked very closely with one another, and the lines of communication were open and strong. That is the key to successful knowledge transfer," said Align's Murphy.

Detailed documentation also played an integral role. Lehman Brothers' corporate culture emphasized meetings, notes, and schedules. Therefore, Align's practice of documenting every project detail, continually updating and revising drawings, producing minutes for all project meetings, and supporting the users with help desks

and on-hand specialists upon project completion was a perfect compliment to Lehman Brothers' standards. "When Monday mornings arrived and Lehman employees were moving into their new space, Align was there to deploy, advise and troubleshoot," said Lehman's Coogan.

PEOPLE

Align's people represent the most crucial ingredient in the company's Total Project Management method. As Lehman's Glass explained, "The entire success of any project starts with good people." In addition to their technical skill sets, Align professionals adhere to the highest project management standards. When Align takes on a project, they immediately become the client's IT general contractor. Align works with and often manages other contractors, unions, trades, security as well as internal client divisions to keep schedules in sync. In large firms undertaking complex projects, the various business units often come into conflict. Align brings a company's various disciplines together to communicate. Murphy cited one example: "Typically, corporate real estate decisions drive IT deadlines which can cause friction. Align understands both worlds and is proactive in bridging that gap."



"The entire success of any project starts with good people."

- Jeff Glass, Lehman Brothers

LEHMAN BROTHERS HAS AN EDGE IN ITS VOICE.

The existing telecommunication infrastructure at 745 Seventh Avenue was extremely robust but was not designed to Lehman Brothers' needs. To meet Lehman Brothers' requirements, the existing technology infrastructure had to be totally redesigned and integrated with a new IP telephony system to support 3,600 station users. This complex project combined IP telephony technology with cutting edge connectivity and interoperability. Open standard protocols such as QSIG were used to link disparate turret and voicemail systems to PBX and IP telephony and call center systems. "Having a team with expertise in a wide range of technologies was essential in the voice-engineering project due to the complexity of the system and sophistication of the technology," said Diane Halliwell, director of customer care and contact center solutions at Align. Align called for a relentless testing schedule in order to rule out any chance of failure in this intricate, extensive integrated system. While this effort involved many late nights and weekends, Align brought the systems into service on time with a 100% cut over success rate.

Align's professionalism, work ethic and spirit are at the center of every project they undertake. "Align respected all internal Lehman constituents and found solutions that worked equally well for all, without compromising any department's goals or responsibilities," said Coogan.

This mutual respect coupled with the drive for perfection led to a relationship that resulted in the timely completion of project goals. "A key factor that led to successful project completion was Align's ability to assimilate with internal Lehman people to extract information and get the job done," said Arthur Dooling, senior project manager at Align. "We aim for 100% satisfaction."

TOOLS

All of Align's professionals are experts with the right tools for every project. In any large project, it is necessary to pool together resources with varying skill sets to address several levels of tasks, responsibilities and challenges. Lehman Brothers' move into 745

Seventh Avenue required Align to call on a wide range of skills and experience. "Having a team with expertise in a wide range of technologies was essential in the voice-engineering project due to the complexity of the system and sophistication of the technology," said Align's Halliwell.

Align ensures that all employees are trained and certified in the latest technologies, as well as the company's own proven processes and methodology through its Align Career Advancement Program (ACAP) training classes. Align professionals are taught various project management software skills to manage any size project. For example, Asset Point,™ a software solution developed by Align, is a central repository designed to manage an organization's information technology assets. In addition to Asset Point, Align project managers rely on project plans, CAD drawings, meeting notes and other tools to document, support and transfer the project information to the client. "When dealing with continuous changes and moving targets, it is crucial to plan, track and document every phase of the project. During the Lehman project, we were

**EXPERIENCED. EDUCATED.
PROFESSIONALS.**

Combining project management skills, expert knowledge of technology systems, and a true team spirit, Align Communications' professionals have successfully managed some of the most challenging information technology projects. Align displays a commitment to excellence by offering Align Career Advancement Program (ACAP) training classes. ACAP was constructed as an in-house training program in which Align professionals share their knowledge in a classroom environment. This unique training program provides all Align employees with a working knowledge of various applications but also teaches them how to apply this knowledge in an Align-related capacity. The skills developed while at Align set these professionals apart from others in the industry.

able to solve problems before they happened thanks to our process and tools," said Align's Dooling.

**PROJECT
OUTCOME
and
CONCLUSIONS**

Align's ability to manage a large, complex project was reflected in the successful outcome of the Lehman Brothers' challenge. The Total Project Management

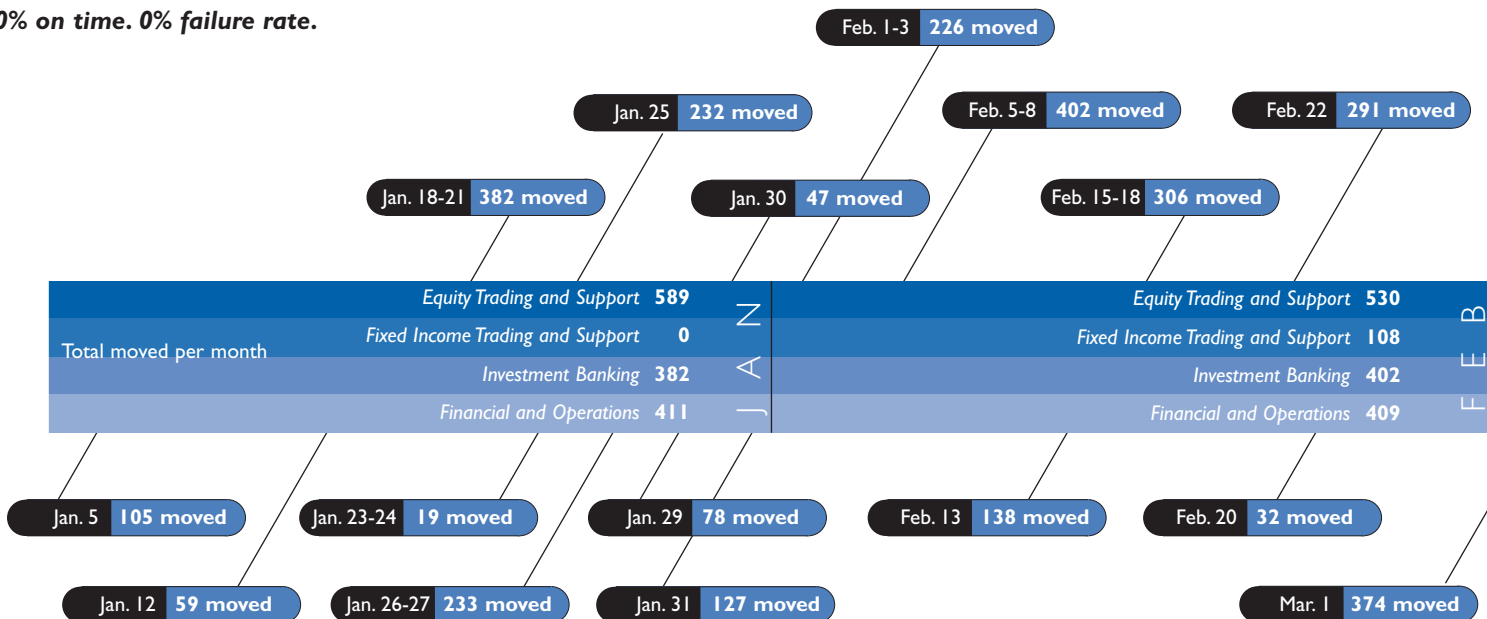
method enabled Align to build a comprehensive plan around Lehman Brothers' needs and provided one point of contact for total accountability and a dedicated team for seamless execution. The Result? On-time completion of tasks and deadlines, well managed budgets, and uninterrupted trading and business activity. "When we began planning the phases of the disaster recovery project, Lehman's senior management was prepared for a potential 25% failure rate," said Lehman's Spears. "Expectations were exceeded when the project was completed with a 0% failure rate," he continued. Lehman Brothers' disaster recovery project is a primary example of Align's ability to surpass client expectations and manage a company's change.

THE LEHMAN BROTHERS CHALLENGE TIMELINE

January-May 2002

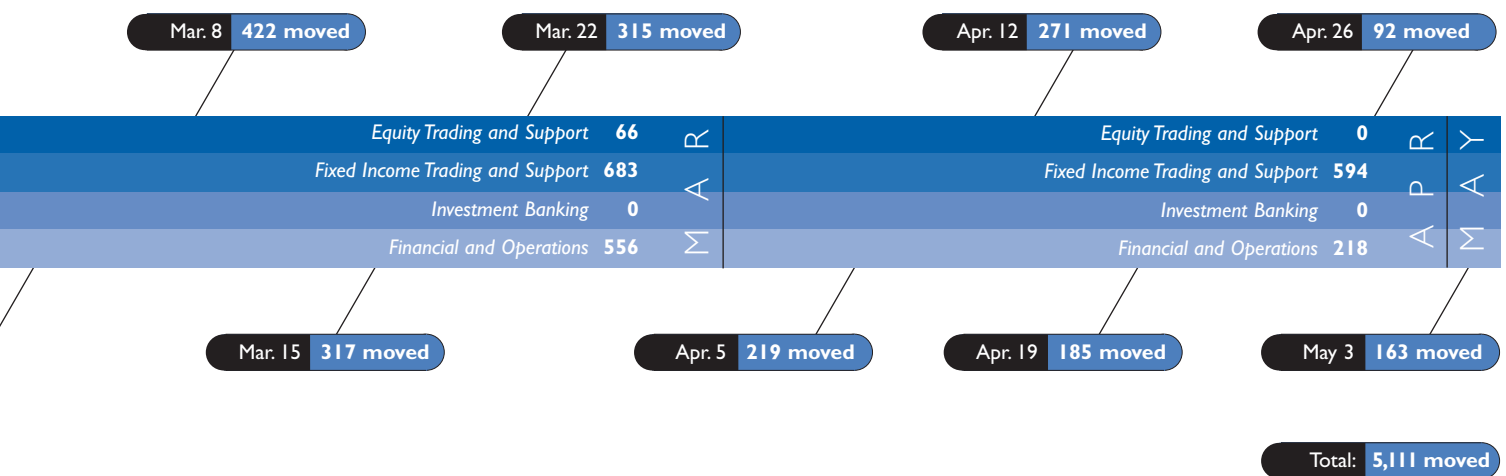
Total moved: 5,111

100% on time. 0% failure rate.





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