

The Baseline 500

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The Baseline 500 uses a company's financial efficiency as a proxy for how well it uses technology. We start with a company's profit and look at other measures, including the amount of capital invested, to figure how much value has been added by the company's information technologists.

One change in the calculation this year is that we use three years of average sales and net income, instead of five as we did last year. The longer time period, stretching back to the recession of 2001-2002, unduly penalizes some sectors, such as technology and industrials.

Our calculation leads to a percentage figure, which we call Information Productivity, or IP.

The formula is the creation of Paul Strassmann, a productivity expert and former I.T. executive at Xerox, Kraft and NASA.

How good companies are at using information technology is one of those things that's hard to know—at least if you're outside a company. From outside, you can't know how easy it is to get data, whether the systems were designed with customers in mind, how fast the internal support is.

From the inside, these things are usually clear. Very few of us are in the dark about the quality of I.T. management at the companies where we work. Just by what happens when we log onto our systems each morning, we know where and whether money is being spent, and often, how well it's being spent.

The Baseline 500, our annual list of the enterprises most skilled at using technology, is our attempt to shed some light on companies' skill at using technology without the benefit of inside information.

It is a top-down look, based strictly on publicly available numbers, with all the limitations that entails. Foremost among the limitations is that the formula favors companies in up parts of their economic cycles. For the last few years, the energy sector in particular has benefited from high levels of profitability. Half the top 10 companies on our main list this year are in the energy business. That's been a nice place to be lately.

To make the comparison more apples to apples, this year we've isolated

Information Productivity (our metric) by industry sector, to let you see how similar companies stack up. So if what you'd really like to know is which companies in your own industry are the best at using technology, see our top industry performers, which we've laid out this year in a set of [interactive maps](#).

While numbers were the heart of our survey, we also talked to the CIOs of some of the companies that came out best in our analysis. The CIO for the No. 1 company, Southern Copper, told Baseline senior writer Brian Watson that his company has benefited from deploying business intelligence software and Internet telephony.

The top 99 IP ranked firms are listed below (for a listing of the additional 401 firms see: <http://www.baselinemag.com/article2/0,1540,2190748,00.asp>)

IP Rank	NAME (in \$ millions)	INDUSTRIAL CLASSIFICATION	ECONOMIC SECTOR	Sales	Transaction Costs	Net Income	Information Value-Added	Information Productivity
1	SOUTHERN COPPER CORP	METAL MINING	Materials	\$3,763	\$85	\$1,345	\$1,098	1,290%
2	CHUBB CORP	FIRE, MARINE, CASUALTY INS	Financials	\$13,725	\$95	\$1,967	\$1,011	1,064%
3	CHESAPEAKE ENERGY CORP	CRUDE PETROLEUM & NATURAL GS	Energy	\$4,900	\$80	\$1,156	\$687	857%
4	UNIT CORP	DRILLING OIL AND GAS WELLS	Energy	\$851	\$15	\$205	\$127	845%
5	GREAT NORTHERN IRON ORE PPTY	MINERAL ROYALTY TRADERS	Materials	\$17	\$2	\$14	\$14	830%
6	VAALCO ENERGY INC	CRUDE PETROLEUM & NATURAL GS	Energy	\$80	\$4	\$31	\$30	745%
7	CIMAREX ENERGY CO	CRUDE PETROLEUM & NATURAL GS	Energy	\$1,140	\$33	\$276	\$203	620%
8	FREEMPORT-MCMORAN COP&GOLD	METAL MINING	Materials	\$4,114	\$123	\$885	\$699	569%
9	FRONTIER OIL CORP	PETROLEUM REFINING	Energy	\$3,877	\$36	\$241	\$203	563%
10	PATTERSON-UTI ENERGY INC	DRILLING OIL AND GAS WELLS	Energy	\$1,763	\$45	\$380	\$240	539%
11	CLEVELAND-CLIFFS INC	METAL MINING	Materials	\$1,635	\$45	\$294	\$231	510%
12	VSE CORP	ENGINEERING SERVICES	Industrials	\$287	\$1	\$6	\$3	501%
13	ARENA RESOURCES INC	CRUDE PETROLEUM & NATURAL GS	Energy	\$31	\$2	\$12	\$9	483%
14	PETROLEUM DEVELOPMENT CORP	CRUDE PETROLEUM & NATURAL GS	Energy	\$303	\$17	\$104	\$80	481%
15	DEVON ENERGY CORP	CRUDE PETROLEUM & NATURAL GS	Energy	\$10,169	\$322	\$2,654	\$1,529	475%
16	TERRA NITROGEN CO -LP	AGRICULTURAL CHEMICALS	Materials	\$433	\$9	\$49	\$42	465%
17	GREY WOLF INC	DRILLING OIL AND GAS WELLS	Energy	\$689	\$18	\$116	\$83	464%
18	XTO ENERGY INC	CRUDE PETROLEUM & NATURAL GS	Energy	\$3,348	\$192	\$1,173	\$829	431%
19	GULFPORT ENERGY CORP	CRUDE PETROLEUM & NATURAL GS	Energy	\$37	\$2	\$14	\$10	418%
20	CONSOL ENERGY INC	BITUMINOUS COAL, LIGNITE MNG	Energy	\$3,241	\$81	\$396	\$316	390%
21	POPE RESOURCES/DE -LP	FORESTRY	Materials	\$54	\$3	\$16	\$13	387%
22	ENERGY TRANSFER PARTNERS -LP	CRUDE PETROLEUM & NATURAL GS	Energy	\$5,503	\$68	\$322	\$259	381%
23	ENSCO INTERNATIONAL INC	DRILLING OIL AND GAS WELLS	Energy	\$1,209	\$32	\$389	\$120	373%
24	BUCKEYE PARTNERS LP	PIPE LINES, EX NATURAL GAS	Energy	\$398	\$18	\$98	\$62	343%
25	KINDER MORGAN ENERGY -LP	NATURAL GAS TRANSMISSION	Energy	\$8,892	\$192	\$872	\$640	333%
26	ENTERTAINMENT PROPERTIES TR	REAL ESTATE INVESTMENT TRUST	Financials	\$163	\$9	\$68	\$29	332%
27	ENTERPRISE PRODS PRTRN -LP	CRUDE PETROLEUM & NATURAL GS	Energy	\$11,523	\$57	\$430	\$181	318%
28	EAGLE MATERIALS INC	CONCRETE,GYPSUM,PLASTER PDS	Materials	\$658	\$24	\$112	\$75	316%
29	BOWL AMERICA INC -CL A	AMUSEMENT & RECREATION SVCS	Consumer	\$29	\$1	\$4	\$3	296%
30	DIAMOND OFFSHRE DRILLING INC	DRILLING OIL AND GAS WELLS	Energy	\$1,363	\$37	\$320	\$109	294%
31	OVERSEAS SHIPHOLDING GROUP	DEEP SEA FRN TRANS-FREIGHT	Energy	\$953	\$77	\$420	\$224	291%
32	STRATUS PROPERTIES INC	SUBDIVIDE, DEV, EX CEMETERY	Consumer	\$40	\$6	\$17	\$15	264%
33	HOLLY CORP	PETROLEUM REFINING	Energy	\$3,161	\$57	\$173	\$149	260%
34	DOVER DOWNS GAMING & ENTMT	MISC AMUSEMENT & REC SERVICE	Consumer	\$220	\$5	\$23	\$13	258%
35	MAXXAM INC	LUMBER AND WOOD PDS, EX	Materials	\$348	\$66	\$108	\$168	257%
36	NEWFIELD EXPLORATION CO	CRUDE PETROLEUM & NATURAL GS	Energy	\$1,596	\$104	\$417	\$265	255%
37	CONOCOPHILLIPS	PETROLEUM REFINING	Energy	\$149,567	\$3,014	\$12,403	\$7,486	248%
38	BERRY PETROLEUM -CL A	CRUDE PETROLEUM & NATURAL GS	Energy	\$388	\$34	\$97	\$78	233%
39	SWIFT ENERGY CO	CRUDE PETROLEUM & NATURAL GS	Energy	\$446	\$24	\$115	\$54	225%
40	LEUCADIA NATIONAL CORP	CONGLOMERATE	Financials	\$1,365	\$201	\$657	\$442	220%
41	AVATAR HOLDINGS INC	OPERATIVE BUILDERS	Consumer	\$557	\$28	\$89	\$61	220%
42	PENN VIRGINIA RES PRTRN LP	CRUDE PETROLEUM & NATURAL GS	Energy	\$347	\$15	\$53	\$32	216%
43	NATURAL RESOURCE PARTNERS LP	MINERAL ROYALTY TRADERS	Energy	\$150	\$13	\$84	\$27	209%
44	EOG RESOURCES INC	CRUDE PETROLEUM & NATURAL GS	Energy	\$3,255	\$342	\$1,061	\$715	209%
45	CORUS BANKSHARES INC	COMMERCIAL BANKS	Financials	\$502	\$46	\$142	\$95	205%
46	OCCIDENTAL PETROLEUM CORP	CRUDE PETROLEUM & NATURAL GS	Energy	\$14,746	\$1,540	\$4,010	\$2,928	190%
47	MOODY'S CORP	CREDIT REPORTING AGENCIES	Financials	\$1,736	\$299	\$580	\$566	190%
48	VALERO ENERGY CORP	PETROLEUM REFINING	Energy	\$75,444	\$1,238	\$3,619	\$2,334	189%
49	STEEL DYNAMICS INC	STEEL WORKS & BLAST FURNACES	Materials	\$2,523	\$119	\$305	\$218	183%

IP Rank	NAME (in \$ millions)	INDUSTRIAL CLASSIFICATION	Sales	Transaction Costs	Net Income	Information Value-Added	Information Productivity
50	LOEWS CP-CAROLINA GROUP	TOBACCO PRODUCTS	\$3,557	\$362	\$643	\$662	183%
51	CHEVRON CORP	PETROLEUM REFINING	\$177,570	\$5,742	\$14,855	\$10,433	182%
52	PANHANDLE OIL & GAS INC	CRUDE PETROLEUM & NATURAL	\$31	\$4	\$9	\$7	178%
53	TESORO CORP	PETROLEUM REFINING	\$15,538	\$165	\$545	\$288	174%
54	CREDO PETROLEUM CORP	CRUDE PETROLEUM & NATURAL	\$13	\$1	\$5	\$2	174%
55	PERPETUAL FEDERAL SAVINGS BK	SAVINGS INSTN,FED CHARTERED	\$21	\$2	\$5	\$3	174%
56	UNITED CAPITAL CORP	MISC FABRICATED METAL PRODS	\$61	\$10	\$28	\$18	173%
57	HOUSTON EXPLORATION CO	CRUDE PETROLEUM & NATURAL	\$601	\$31	\$112	\$54	172%
58	EXXON MOBIL CORP	PETROLEUM REFINING	\$309,096	\$15,256	\$33,653	\$26,167	172%
59	BLUE RIDGE REAL ESTATE CO	REAL ESTATE	\$15	\$1	\$4	\$2	170%
60	MARATHON OIL CORP	PETROLEUM REFINING	\$54,549	\$1,386	\$3,176	\$2,354	170%
61	MAGELLAN MIDSTREAM PRTRNS LP	PIPE LINES, EX NATURAL GAS	\$1,019	\$61	\$154	\$103	169%
62	BRIGHAM EXPLORATION CO	CRUDE PETROLEUM & NATURAL	\$92	\$6	\$22	\$10	168%
63	PRESIDENT CASINOS INC	NON-OPERATING	\$40	\$11	\$14	\$19	168%
64	NUCOR CORP	STEEL WORKS & BLAST FURNACES	\$12,943	\$500	\$1,397	\$827	165%
65	POGO PRODUCING CO	CRUDE PETROLEUM & NATURAL	\$1,330	\$223	\$486	\$363	163%
66	ENCORE ACQUISITION CO	CRUDE PETROLEUM & NATURAL	\$466	\$34	\$93	\$55	161%
67	RAYONIER INC	PULP MILLS	\$1,206	\$63	\$172	\$94	149%
68	MURPHY OIL CORP	PETROLEUM REFINING	\$11,409	\$345	\$729	\$507	147%
69	INTERVEST BANCSHARES CORP	COMMERCIAL BANKS	\$104	\$7	\$18	\$10	146%
70	HUNT (JB) TRANSPRT SVCS INC	TRUCKING, EXCEPT LOCAL	\$3,081	\$64	\$191	\$91	143%
71	NVR INC	OPERATIVE BUILDERS	\$5,253	\$378	\$603	\$535	142%
72	WASHINGTON FED INC	SAVINGS INSTN,FED CHARTERED	\$481	\$42	\$140	\$59	141%
73	QUICKSILVER RESOURCES INC	CRUDE PETROLEUM & NATURAL	\$294	\$19	\$71	\$27	141%
74	CABOT OIL & GAS CORP	CRUDE PETROLEUM & NATURAL	\$658	\$97	\$186	\$135	140%
75	REGAL ENTERTAINMENT GROUP	MOTION PICTURE THEATERS	\$2,528	\$64	\$87	\$85	133%
76	CONSOLIDATED TOMOKA LAND	REAL ESTATE	\$44	\$7	\$15	\$9	133%
77	TITANIUM METALS CORP	ROLLING & DRAW NONFER METAL	\$812	\$52	\$159	\$69	131%
78	HELIX ENERGY SOLUTIONS	OIL & GAS FIELD SERVICES,NEC	\$903	\$77	\$194	\$101	131%
79	LONE STAR TECHNOLOGIES	STEEL PIPE AND TUBES	\$1,210	\$52	\$144	\$69	131%
80	SONIC CORP	EATING PLACES	\$618	\$44	\$72	\$57	130%
81	CHOICE HOTELS INTL INC	PATENT OWNERS AND LESSORS	\$484	\$78	\$92	\$101	128%
82	TRUSTCO BANK CORP/IN	SAVINGS INSTN,FED CHARTERED	\$177	\$30	\$54	\$38	127%
83	TARRAGON CORP	SUBDIVIDE, DEV, EX CEMETERY	\$484	\$29	\$48	\$37	126%
84	PRIMEENERGY CORP	CRUDE PETROLEUM & NATURAL	\$77	\$13	\$17	\$16	123%
85	UTAH MEDICAL PRODUCTS INC	ELECTROMEDICAL APPARATUS	\$28	\$5	\$9	\$6	123%
86	PLAINS ALL AMER PIPELINE -LP	PUBLIC WAREHOUSING &	\$24,866	\$107	\$211	\$130	122%
87	HELMERICH & PAYNE	DRILLING OIL AND GAS WELLS	\$873	\$44	\$142	\$53	121%
88	HALLIBURTON CO	OIL & GAS FIELD SERVICES,NEC	\$21,325	\$403	\$1,242	\$485	121%
89	BEVERLY HILLS BANCORP INC	SAVINGS INSTN,FED CHARTERED	\$76	\$8	\$19	\$9	120%
90	EXPEDITORS INTL WASH INC	ARRANGE TRANS-FREIGHT,	\$3,948	\$112	\$203	\$135	120%
91	ROYAL GOLD INC	MINERAL ROYALTY TRADERS	\$25	\$6	\$11	\$7	120%
92	PEABODY ENERGY CORP	BITMNS COALLIGNITE SURF MNG	\$4,511	\$170	\$400	\$202	119%
93	NOBLE ENERGY INC	CRUDE PETROLEUM & NATURAL	\$2,060	\$262	\$551	\$311	119%
94	TGC INDUSTRIES INC	OIL AND GAS FIELD EXPL SVCS	\$40	\$2	\$6	\$3	117%
95	CITY HOLDING COMPANY	COMMERCIAL BANKS	\$185	\$40	\$50	\$46	115%
96	BJ SERVICES CO	OIL & GAS FIELD SERVICES,NEC	\$3,404	\$255	\$540	\$291	114%
97	WESTWOOD HOLDINGS GROUP	INVESTMENT ADVICE	\$23	\$2	\$4	\$3	114%
98	ST JOE CO	SUBDIVIDE, DEV, EX CEMETERY	\$879	\$48	\$89	\$53	110%
99	ROYAL BANCSHARES/PA -CL A	COMMERCIAL BANKS	\$96	\$14	\$25	\$15	109%