

# LENOVO

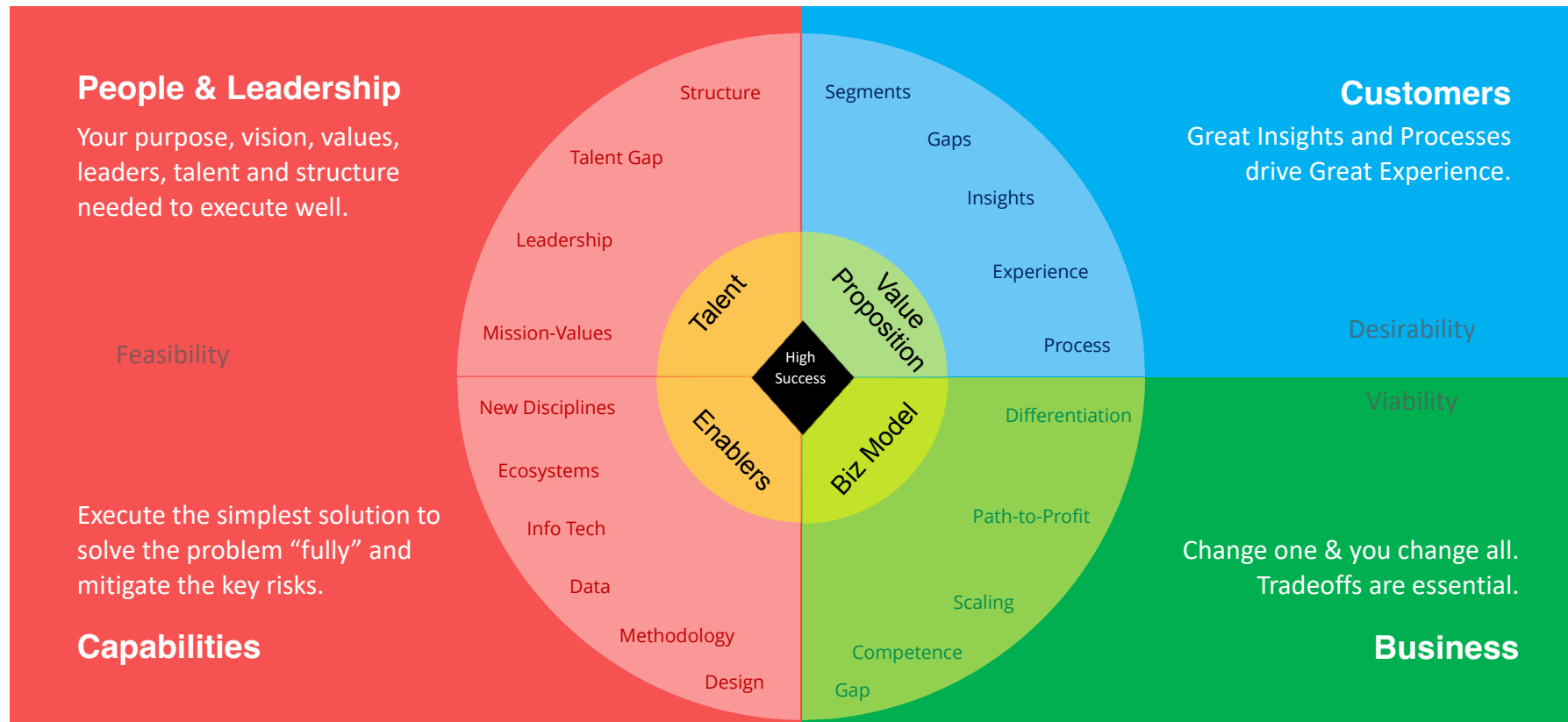
KEY SUCCESS FACTORS OF HOW LENOVO  
BECAME A TOP GLOBAL BRAND

Lenovo





# the allDigitalFuture Playbook (taP) - Summary



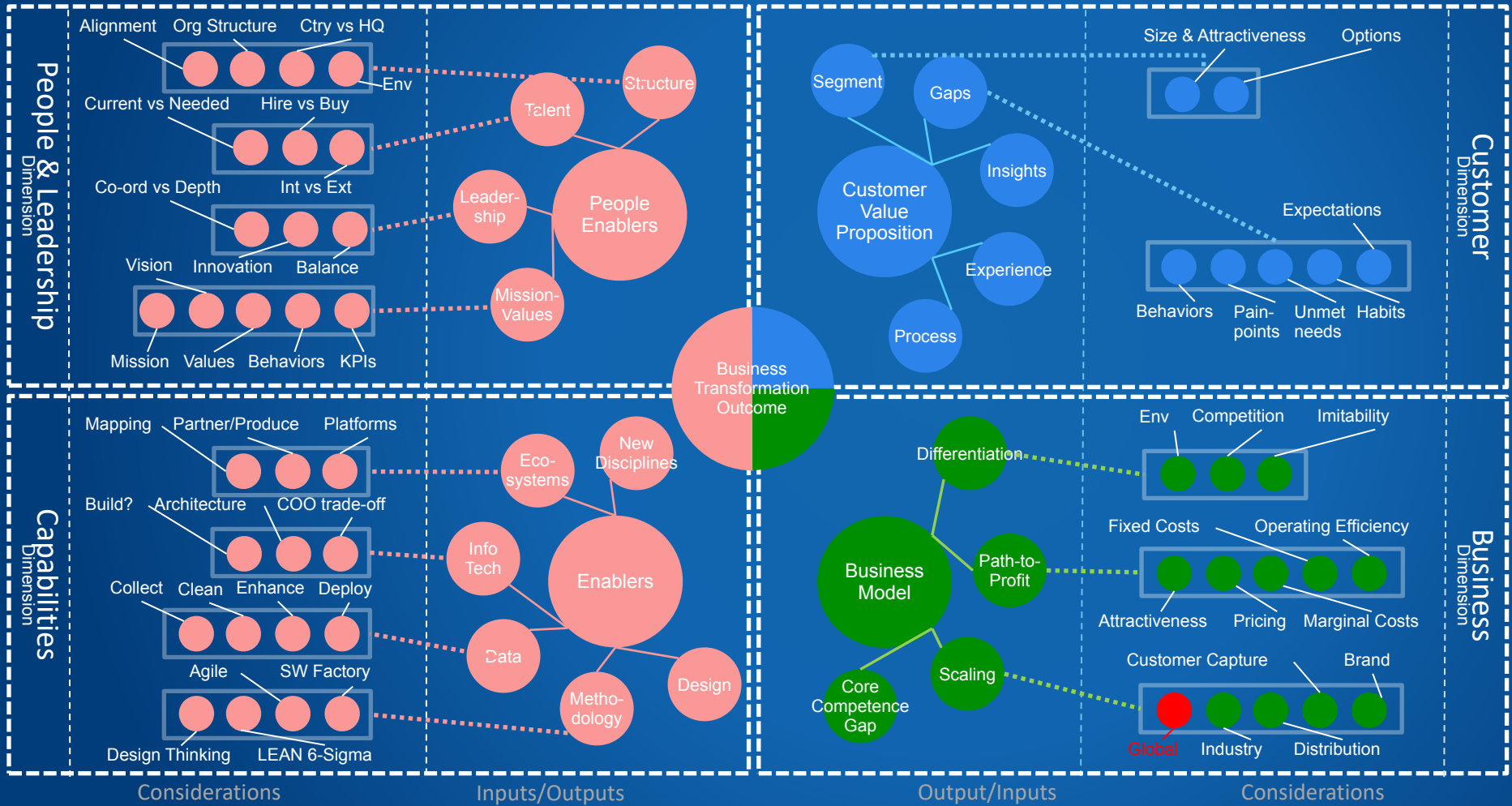
# taP Elements at a Glance

People Enablers		Customer Value Proposition	
Mission-Values	Narrative that sets direction, ambition, values & measures	Segment(s)	Customers that behave similarly or have similar problems.
Leadership	Innovating, organising & achieving balance for greater success	Gaps	Behaviors, pain-points, unmet needs, expectations, habits
Talent Gap	Obtaining the motivated & required people to execute	Insights	Root cause of why the gaps exist
Structure	Organising the human capital for greater success	Experience	Elimination of the root cause in the segment journey
		Process	Manual or automated steps to make the total experience real
Purpose, vision, values, leaders, talent and structure needed to execute well.		Great Insights and Processes drive Great Experience	
Enablers		Business Model	
Design	Achieve the simplest design & mitigate key risks	Differentiation	Superiority versus the competition & barriers to imitation
Methodology	Learn new approaches to build a software factory & more	Path-to-Profit	Progression from marginal to full profitability per customer
Data	Locate and organise your data to power your transformation	Scaling	Ability to scale the no. of customers to meet total profit
Info Tech	Tradeoff between functionality, flexibility & cost of ownership	Competence Gap	Gap to fill to achieve the new experience & process
Ecosystems	Create or leverage players in your industry to succeed		
New Disciplines	Develop other missing capabilities to transform successfully		
Execute the simplest solution to solve the problem "fully" and mitigate the key risks.		Change one & you change all. Tradeoffs are essential	

} Focus of the  
Lenovo Case Study

# the allDigitalFuture Playbook (taP)

Dimensions, Elements and Considerations



**Lenovo  
Globalization  
case study**

# New Technology Developer Inc.(later Legend -> Lenovo) was founded in 1984 in China and grew to the top PC brand in China in 1990s



Liu Chuanzhi founded New Technology Developer Inc. in 1984 with a group of ten other engineers in Beijing with 200,000 yuan and an office roughly 20 square yards in size



In 1987, the Legend Chinese-character card became a huge hit, with the establishment of Legend Hong Kong and the Beijing Legend Computer Group Co. At this time, the number of employees was less than 100



Legend's growth has been remarkable. In 1998, the company surpassed 1 million units in total PC production, increasing its market share in China to more than 14%. In the 2007 Q1, it won the market share at 33.6%, far ahead of the second player's 16.9%



# Transformed into a global brand

They had clearly envisioned to enter the global market and become a global brand



**lenovo**

Legend changed its company name to "Lenovo". This is because it was difficult to register the generic noun Legend in various countries. They hired a leading overseas brand consulting firm to develop the Latin-inspired term "Lenovo" (meaning "new")

Source: ITmedia



After acquiring IBM's PC business, IBM went into Lenovo's management. Ten of the 14 board members were non-Chinese, and they moved its headquarters from Beijing to North Carolina, where the IBM's PC division was located, and the company's official language became English

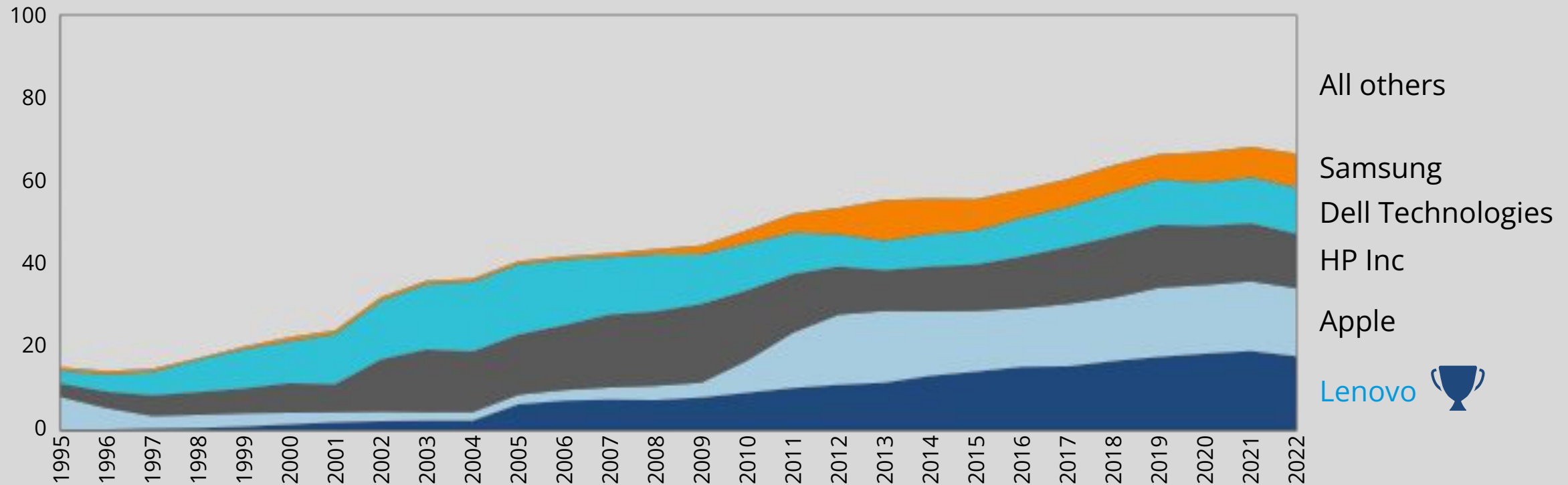


In 2005, Lenovo signed the Olympic partner agreement with the IOC. Lenovo also leveraged its U.S. headquarters to make full use of their global branding resources, contracting with famous icons such as Ronaldinho, Formula One and NBA in the United States

# A Chinese local PC manufacturer won global No.1 market share in <30 years

While global tech giants compete with thin profit margins

Global PC market share by unit (%)




Source: IDC Quarterly Personal Computing Device Tracker



# Lenovo ranked #9 in the Gartner Global Supply Chain Top 25 for 2022

This year marked the highest ever ranking for Lenovo, rising seven places from 2021

## Gartner Supply Chain Top 25 for 2022

Rank	Company	Composite Score
1	Cisco Systems	6.71
2	Schneider Electric	6.03
3	Colgate-Palmolive	5.76
4	Johnson & Johnson	5.62
5	PepsiCo	5.03
6	Pfizer	4.86
7	Intel	4.72
8	Nestlé	4.70
9	 Lenovo	4.60
10	Microsoft	4.58
11	L'Oréal	4.45
12	The Coca-Cola Company	4.36
13	Nike	4.31
14	Walmart	4.12
15	HP Inc.	3.99

"The recognition highlights Lenovo's leadership as a purpose-driven organization as well as the operational excellence of its global supply chain.

Lenovo's supply chain has always been a core strength of the company, from managing logistics and its relationships with component suppliers and partners to its unique global hybrid manufacturing footprint of **35+ factories around the world** that together see **five devices shipped every second to customers in 180 markets.**"

(from Lenovo website)

## How Lenovo became a Global Brand.

### Drastic globalization, not only brand but management as well

- Lenovo used a private equity firm to acquire IBM PC division, and headhunted/welcome a number of foreigners to the board of directors. Lenovo also invited McKinsey & Company as a consultant to identify the benefits and potential for improvement of its culture
- A program called "East meets West" was implemented to bridge the gap between Westerners and Easterners. The program gives employees the opportunity to think about how to work efficiently with people from different cultures

### Robust global supply chain, resilient in geo-politics

- Lenovo's supply chain has always been at the heart of Lenovo's strengths, from logistics management, working with parts suppliers and partners, to a unique global hybrid manufacturing structure with more than 35 in-house or partner factory production sites around the world
- Lenovo's supply chain remains flexible and resilient to a variety of cross-industry challenges