

## The Analysis of Business Leadership Model: A Case Study

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**Abstract:** In this research, we employed the business leadership model as the core form Driving Strategy into Action based on Harvard Business Review. We attempt to explore strategic management models that are developed from this foundation and how the discrepancy between a company's current situation and its goals drives the organization to be flexible in employing a set of strategic execution formulas. Analysis performed under the structure of the business leadership model divides the concept of strategy into strategic intent, marketplace insight, innovation focus, and business design; the concept of execution is divided into talent, formal organization, critical task, climate and culture. We will include exploring the topic of strategic management theory and the difference in applied models used by the case study company and also look at actual examples from the case study company and explore how they used the business leadership model to bring about internal adjustments in strategy when faced with gaps in performance. we plan to conduct in-depth interviews with supervisors of relevant departments who have decision-making authority in the case company. Our major goal is to confirm the models that were applied and how they were actually able to help the company achieve competitive advantages.

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### 1. Introduction

In an age of rapidly changing business environments and intense competition companies face challenges of maturing industries and markets, barriers to competition and market saturation. For these reasons companies must have the ability to be flexible and adjust to the changes of the market and economic conditions by integrating, building and reconfiguring internal and external resources (Teece, 1997).

Schendel and Hofer (1979) showed that strategic management can be defined as the actions and standards that are used to reach the goals set by managers of a company, and are the main action plans used by companies to achieve corporate goals. The content of these plans include the method in which organizational and environmental resources are distributed. One of the reasons for strategic research is to explore why some companies are more successful than others and what other mechanisms might help a company to attain their goals and maintain a competitive advantage (Grant, 2010; Rumelt et al., 1994). Therefore it can be said that strategy is a common link between a company and its business environment, including categories of product markets, growth vectors, competitive advantages and synergy. The major implications include deciding the category of a company's operations, deciding how a company must operate in order to profit and gain a sustainable competitive

advantage (Ansoff, 1965).

The theories explore the issue of strategy by analyzing the internal and external conditions that a company faces, how a company reacts to these conditions by deciding upon a proper plan of action, how the strategy is implemented and organizational structure is adjusted and the entire process of steps that is used to carry out the plan of action (Glueck, 1976, Steiner, 1977, Harvey, 1982; Aaker, 1984). Differing from the type of research mentioned above, our research uses the business leadership model proposed in the Harvard Business Review (Harrell, 2006) as a foundation. We attempt to explore strategic management models that are developed from this foundation and how the discrepancy between a company's current situation and its goals drives the organization to be flexible in employing a set of strategic execution formulas.

In our research, we will take a look at strategic management and business leadership model related literature and give an explanation for the concepts of "strategy" and "execution" as they fit into the structure of the business leadership model. Analysis performed under the structure of the business leadership model divides the concept of strategy into strategic intent, marketplace insight, innovation focus, and business design; the concept of execution is divided into talent, formal organization, critical task, climate and culture. Core value and leadership are two latent factors that are taken into

consideration for the foundation of the operational model. These are factors that are commonly overlooked in most theories of strategic management.

For our research we will be using IBM as a subject of analysis. IBM is an international corporation that integrates informational technology and services. The complexity of markets is one of the biggest challenges for multi-national corporations. With such a diversity of products and services they are forced to create additional BU's (business units). Every different BU has its different operational and management methods as well as unique organizational culture. This can result in a wide array of problems. For example, sometimes it can be difficult for strategy to be converted into actual indexes, strategic instructions given to branches by central management are difficult to evaluate based on performance and make it difficult to discover problems before they happen. The disassociation of strategy and resource allocation as well as the investment into new markets compared to existing markets is a cause of contention. Part of our research will include exploring the topic of strategic management theory and the difference in applied models used by the case study company. But we will also look at actual examples from the case study company and explore how they used the business leadership model to bring about internal adjustments in strategy when faced with gaps in performance. Our major goal is to confirm the models that were applied and how they were actually able to help the company achieve competitive advantages.

## 2. Material and Methods

In this section we will use the structure of the business leadership model to analyze and verify the actual operational situation of the case study company by carrying out in-depth interviews and secondary information collection. With the coming together of this structure and real life operations we can gain a deeper understanding of the business leadership model and propose practical methods as well as comparative analysis.

As shown in Figure 1 our research explores the business leadership model which uses the difference in an organizations current circumstances and desired goals as a starting point. The model then observes the effects of the results of both strategy and execution. The concept of strategy includes strategic intent, marketplace insight, focused innovation and business design. The concept of execution includes talent, formal organization, critical task, and climate and culture. Also the two latent factors of core value and leadership are included in the basic operation of the business leadership model.

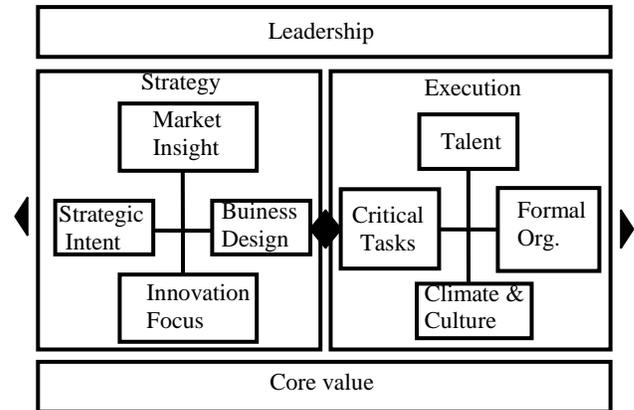


Figure 1 Business Leadership Model

Data Source: Adapted from *Winning Through Innovation*(Tushman & O'Reilly, 1997).

### 2.1 Data Sources and Research Methods

The subject company of our research is the leader of the information services industry in Taiwan. We will perform a case study on the product line of the company's business division (which shall be referred to as "the case study division" below). The professional team of the case study division is spread across 160 different countries, has over 190,000 information technology specialists and over 300 information centers. Their services cover several different fields and industries across the globe in which they manage the informational equipment of over 3 million clients world-wide. Their services include planning, constructing, operating and managing basic informational infrastructure, equipment rental, professional integration service, professional management and contracting service, and other flexible options chosen according to the client's needs.

For our research we will use the case study method by first establishing a structure to explain the method in which the case study company formulates and executes its strategy. The sources used in the collection of secondary information were obtained through the basics of theories and related reporting, the actual operations reports from the company and in-depth interviews.

### 2.2 Case Study Introduction

This model emphasizes the importance of connecting strategy and execution and is appropriate to be applied to the planning and execution of an organization's performance goals. These goals include areas of sales, marketing, production and customer service, etc. We will use the 2009 operations reports of the subject company to explain how to use the business leadership model to carry out strategic management.

Appendix 1 shows the total performance of

contracts signed for the subject division in 2009. At the beginning of 2009 the management received the performance projection for the first half of the year. The focus of this report is the total signings of the division. The report shows the predictions for both the first and second quarters of the year. Looking at the first half of the year the success rate for goal achievement was 78%. Very few products did not have performance gaps, most heavily weighted products showed significant performance gaps. Products C,J,K and L all are heavily weighted (make up for relatively large portion of total signing) and have a low success rate. Management should employ immediate and comprehensive action plans to quickly and effectively close these performance gaps.

Appendix 2 is a performance cycle projection report of the sales manager of the subject division for 2009 which predicts success rates and cycle variations. The report also shows sales records on the right half which include (1) the total cumulative amount of business or worth of clients that have confirmed they have a demand for certain products, (2) the total cumulative amount of business for clients who have begun the purchasing process and (3) the total cumulative value of clients who have started the process of contract negotiation. The total cumulative value predictions of (1) include (2) cumulative totals for clients who have started the purchasing process and (3) those which are prepared to negotiate and sign contracts. The cumulative value amount of the clients involved in the purchasing process of (2) include (3) the total cumulative value of the clients who have entered the negotiating and signing phase.

It is recommended for the total cumulative amount of different sales phases that (1) the total cumulative value of clients who have confirmed demand equal three times the amount of the target value, (2) the total cumulative value of clients who have started the purchasing process equal two times the amount of the target value and (3) the total cumulative value of clients who have begun the negotiation and signing process equal one to one and half times the target value. The practical application of the chart will differ when used for different industries and different time periods. For example the purchasing process for government agencies or public financial institution is relatively longer, sometimes more than 8 cycles. In these cases the (3) category of the chart must be treated very carefully when making predictions at the beginning of the quarter.

A complete performance projection report can provide the groups or individuals linked to certain performance gaps with a sense of emergency and also a way to find the source of the problem and

develop an action plan to solve it. Looking at the different divisions you can see that this operations management model and culture are already deeply rooted into the organization. In the weekly performance projection analysis of the individual divisions of 2009 in table 1 we can see that if the projected value of (1), (2) and (3) of Appendix 2 is divided by the target value. we get the percentage of cumulative value in terms of the goals of different sales stages.

Table 1 Sales Manager Performance analysis in 2009

No.	Classification of Customer	Forecast	Confirm customer needs (1)	customer purchase process (2)	sign contract (3)
86001	Telecommunication Industry	87%	350%	261%	74%
87001	Distribution Industry	292%	975%	290%	205%
88001	Financial Industry	46%	194%	79%	60%
88002	Financial Industry	91%	201%	135%	123%
88003	Financial Industry	59%	239%	134%	61%
88000	Financial Industry summary	66%	211%	116%	82%
89001	Manufacturing Industry	52%	272%	203%	14%
90001	Public Utility	140%	471%	341%	37%
91101	small private firm01	71%	256%	137%	41%
91102	small private firm01	78%	323%	205%	56%
91100	01 summary	75%	300%	181%	51%
91201	small private firm02	30%	213%	52%	5%
91202	small private firm02	98%	360%	230%	49%
91203	small private firm02	83%	346%	254%	34%
91200	02 summary	78%	324%	201%	34%
	total	72%	276%	173%	54%

Data source: IBM Internal Reduction Data

In Table 1 we can also see that the projection success rate for public sector business was 140%, while the manufacturing industry was 52%. But when these two categories came to (3) the process of negotiation and signing their success rate was low. This indicates that they are high risk categories and should continue to be monitored closely. In other words reaching a 100% success rate on projections does not guarantee that goals will be reached at the end of the quarter.

### 2.3 Business Leadership Model Analysis

With the performance gaps that can be seen through predictive performance reports, the category of production line, client type or individual in charge can be used to analyze strategic issue gaps. For this case study the department used the C product line, which was heavily weighted but had a low success rate, as a target for the strategic management process.

#### (1) Marketplace Insight and Strategic Intentions

2009 was a tough year for all companies, including the case study company. According to National Statistics Report released on February 18th, 2009 by Taiwan's Directorate-General of Budget of the Executive Yuan, "The economic growth rate of 2008 was 0.12%. The scale and speed of decline seen in the fourth quarter due to international economic downturn was higher than expected and took a heavy toll on Taiwan's exports. There was a negative growth of product and service exports of 19.8%, while the manufacturing industry saw a negative growth rate of 21.7%. With freezes in production and companies being protective of their cash flow to protect against the credit crisis, private investment took a huge dive with an actual negative growth rate of 32.2%. Looking into the future, because the scale of this economic downturn is of such magnitude, the recovery process will be slower. It is predicted that the 2009 annual economic growth rate will be -2.97% with a CPI drop of 0.82%". The statistics for imports and exports in 2009 showed that annual exports decreased by 19.92% and imports decreased by 56.5%. In January 2009 exports dropped by 41.6%.

#### (A) Analysis of Taiwan's overall Economic Climate:

With the conservative outlook of the Executive Yuan the negative growth of private investments in 2009 will likely be even greater than the negative growth rate of 32.2% seen in 2008. Additional foreign research institutions are predicting Taiwan's growth rate to be between -5% and -9% which is even more pessimistic than that of the Executive Yuan. The government will invest NT500 Billion into domestic infrastructure over 5 years, sign a financial memorandum with China and open up the gambling industry to stimulate the economy.

#### (B) Dynamic Client Analysis:

Many companies have used research to formulate problem solving measures to improve simplify process and integrate recourses by improving operations efficiency, optimizing costs and optimizing sales processes. Abiding pertinent laws, risk management and taking into account accurate information are even more important in the face of a financial crisis. Clients will be partial to small scale and highly reactive return on investment topics as a problem solving measure, a cheap price

will not be the most important factor.

#### (C) Budget Scale and Priorities:

Analysis done by the case study company and external statistics companies show that the growth of Taiwan's overall information market will fall from 3.3% to 1%. Internal statistics analysis shows that the growth rates of the company will fall from 3.9% to 0.7% and that the department's growth rate will fall to 0.4%. Within the department the growth of financial industry sales will take the biggest hit falling to -2% (makes up 14.6% of the market) and second is manufacturing at -0.4% (makes up 13.4% of the market). The areas expected to see the most growth are small/medium companies with a growth rate of 0.9% (makes up 61% of the market) and government agencies at 28% (makes up 16.1% of the market).

#### (D) Analysis of Competitors:

The C product line of the case study department is the number one leading market percentage product on the market (market percentage of 12.5%, annual growth rate of 18.1%) and shares many similarities with products of the number two leading market percentage product of an American competitor (market percentage of 6.4%, annual growth rate of 3.8%) and the number four market percentage product by a local competitor (market percentage of 2.6%, annual percentage of 16.9%).

These goals aim for levels 1.5 to 2 times higher than actual market growth levels according to different categories of clients and product lines. In this way the different circumstances of mature and growing goals can be taken into account. For example the growth of mature markets is around 1%, for these markets the department requires setting goals of growth between 1.5% and 2%. If the growth of a growing market is 30% goals will be set for growth between 45% and 60%. The organization will allocate the appropriate amount of recourses according to the needs of different goals.

#### (2) The Tendency for Innovation and Business Design

After reading reports and discussing the issues involved, the C product line team has a better understanding of the overall climate and the situations that their clients face. They start carrying out topic discussions and brain storming sessions to discuss the market problems facing the C product line products. The product manager grouped these problems as follows (no.1~no.4):

For topic no. 1 the product manager will carry out an analysis comparing the cost of the product cost associated with problem A compared to that of the competitor to find out which category has a price that is too high and why the competitor is able to offer a lower price. For problem C they will

investigate which suppliers became competitors after cooperation could not be reached and what core competitive abilities do they possess.

For no. 2 the sales manager gave an explanation of the organization and decision making process of the average clients, stating that the information division typical only care about the specification of the equipment purchased and didn't care as much about the costs of the life cycle of the equipment. The power of decision making is gradually transferring from the traditional information division to the financial division.

Discussion for problem no. 3 focused on the PC purchase in Taiwan. The long-term purchasing model is already settled. Clients from big organizations will not be able to make short-term changes, so their influence is lower.

Discussion regarding problem no. 4 revolved around the products of C product line. These products have already been on the market for two years but have not been able to open up a steady sales channel. This type of problem solving package is already a big seller in western markets because it has a lower control and management cost, it has a higher information safety level and is also able to save energy. In regards to total cost of ownership it is cheaper than current PC's in use but the initial cost of purchase and installment is higher making it harder to sell to Taiwanese clients.

After carrying out brainstorming sessions the team came up with 9 viable solution methods. It was determined that 5 of those solution methods required budgetary allocation. The remainder of the solution methods could be covered by the current recourses of the organization. The conclusions and solution methods reached by the team were given to upper management for approval and to decide which categories needed immediate appointment of a supervisor and the carrying out of execution and recourse allocation. The team would receive explanation and feedback concerning all these matters.

### **(3) Execution and Result Follow Up**

The key is a corresponding level of authority within the organization or management system. In this way the organization can achieve personal and group goals as well as create value for the stockholders by human resource skill gaps, promoting goal-oriented business culture, utilize a rewards system, continue to strive for improvement and revolution, get out of the comfort zone, and remain unsatisfied with the status quo. After the team had carried out their discussions they set out to execute the solution plans. In Appendix 3 we can see that from the predicted performance of the starting point that the demand for the C product line

continued to wane, the predicted success rate was only 13%.

Another in-depth purpose of the group discussion was to help the team to understand the problems, face reality, establish a consensus in order to work together to develop a solution plan. After a quarter of plan execution it can be seen in Appendix 4 that the sales of product line C steadily went back up through June, 2009. They rose from the originally predicted sales rate of 13% all the way to 105%. The main reason was that the product line C products had gone through a new evaluation method which allowed clients to better understand and accept the life cycle of the total cost of ownership. The information safety management cost recognized by the client was incorporated into the total cost. Even though the initial cost of equipment purchase was higher they were able to save money in the long run.

By analyzing internal and external circumstances, analyzing financial and statistics reports and confirming and closing performance gaps the management team will be able to lead the organization to reach their goals. The success of these operations relies on the establishment of an appropriate culture and core values. With the continued use of these management processes the case study company has already seen significant results.

### **3. Results**

Our research emphasized the application of a strategic management model. The key factors were the formulation of "strategy" and the carrying out of "execution". These two are equally important and are reliant upon each other. Using the business leadership model a company can truly quickly react and adjust, but with the changes in the competitive climate they still need to constantly be active in observing warning mechanisms and adjusting and revising their strategy in order to maintain an advantage. During the process of our research we found the following results:

#### **(1) Self-Adjusting Mechanism**

Industry and market trends as well as company goals or strategic intentions are used as a foundation. Viable solution plans are developed by using innovative thinking and technological applications. During the process of execution the organization must maintain a flexible structure, appropriate culture and rewards system. Whenever a gap is observed this process can be activated. The facts of the individual case can be discussed and an appropriate action plan developed. With this cycle the company will be able to form a self-adjusting mechanism and continue to strive for innovation and growth.

**(2) Communication Platform and Decision Making Model**

Establishing a decision making methodology and mechanism is very important for a company. It describes the problems facing a company by using factual information as a foundation and uses team brain storming to seek for possible solution plans and establish team consensus during times of operations to form an executable action plan. This is different from a top down decision making and communication model and allows the organization to be closer to the market and improve reactive effectiveness.

**(3) Core Value and Decision Making Foundation**

With the trend of globalization there are more and more factors influencing the market. When the client's needs are constantly changing and adapting to the market the company needs to be insightful to these changes and present corresponding value propositions. The company must also actively adjust their organization and products. Our research found that the case study company especially emphasized the importance of "core values".

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Appendix 1 The forecast of significant amount in 2009

NTD (Million)	significant amount for the first quarter					significant amount for the second quarter					significant amount for the first half of a year					
	Forecast	Goal	Gap of Performance	corresponding period last year	rate of achievement	Forecast	Goal	Gap of Performance	corresponding period last year	rate of achievement	Forecast	Goal	corresponding period last year	growth rate	Gap of Performance	rate of achievement
A	46.6	12.4	-34.3	21.9	377%	15.9	20.8	4.9	17.4	76%	62.5	33.2	39.3	59%	-29.3	188%
B	89.7	102.1	12.4	97.0	88%	78.8	103.3	24.5	94.7	76%	168.5	205.4	191.8	-12%	36.9	82%
C	28.4	99.2	70.9	158.1	29%	76.6	100.4	23.8	24.3	76%	104.9	199.6	182.5	-42%	94.7	53%
D	40.2	69.1	28.9	75.8	58%	53.3	69.9	16.6	32.8	76%	93.6	139.0	108.6	-14%	45.4	67%
E	292.2	137.5	-154.8	66.7	213%	106.1	139.0	33.0	163.1	76%	398.3	276.5	229.7	73%	-121.8	144%
F	111.1	147.5	36.4	80.4	75%	113.8	149.2	35.4	227.5	76%	225.0	296.7	307.9	-27%	71.8	76%
G	0.9	17.7	16.8	14.6	5%	13.7	17.9	4.2	28.5	76%	14.6	35.6	43.1	-66%	21.0	41%
Product Group I	609	586	-23.8	515	104%	458	600	142.4	588	76%	1,067	1,186	1,103	-3.2%	118.6	90%
H	35.0	35.0	0.0	13.3	100%	35.0	47.6	12.6	23.8	74%	70.0	82.6	37.1	89%	12.6	85%
I	2.5	4.1	1.6	12.9	60%	2.5	4.1	1.7	19.3	59%	4.9	8.3	32.2	-85%	3.3	60%
Product Group II	37	39	1.6	26	96%	37	52	14.3	43	72%	75	91	69	8.2%	15.9	82%
J	75.6	121.5	45.9	84.7	62%	128.7	168.8	40.0	158.0	76%	204.3	290.3	242.7	-16%	86.0	70%
K	149.9	220.3	70.4	210.7	68%	170.0	222.8	52.8	222.8	76%	319.9	443.1	433.5	-26%	123.2	72%
L	162.8	339.9	177.0	415.8	48%	240.0	307.6	67.6	272.8	78%	402.8	647.4	688.6	-41%	244.6	62%
Total	1,035	1,306	271.2	1,252	79%	1,034	1,351	317.1	1,285	77%	2,069	2,658	2,537	-18.4%	588.3	78%

Data source: IBM Internal Reduction Data

Appendix 2 The forecast of Sales Manager Performance in 2009

No.	Classification of Customer	Sales Manager	Sales Performance				Confirm customer needs(1)		customer purchase process(2)		sign contract(3)	
			forecast	goal	rate of achievement	Rate of change by weekly	Actual Value	Rate of change by weekly	Actual Value	Rate of change by weekly	Actual Value	Rate of change by weekly
86001	Telecommunication Industry	Eric	42.8	49.1	87%	-35%	171.7	-8.8	128.2	-28.7	36.4	-29.0
87001	Distribution Industry	Eric	22.3	7.6	292%	84%	74.4	4.5	22.1	4.5	15.6	7.5
88001	Financial Industry	John	73.2	157.6	46%	-7%	305.2	9.1	124.3	8.2	93.8	0.0
88002	Financial Industry	Alex	152.1	167.1	91%	-30%	335.6	-9.2	225.4	-0.7	205.6	3.1
88003	Financial Industry	David	90.5	152.8	59%	19%	365.4	100.3	204.5	45.1	93.4	70.7
88000	Financial Industry summary		315.8	477.6	66%	-7%	1006.2	100.2	554.2	52.6	392.9	73.8
89001	Manufacturing Industry	Ben	126.7	245.0	52%	-14%	665.2	-3.1	498.0	-32.2	34.3	-7.5
90001	Public Utility	Eric	57.4	40.9	140%	31%	192.5	24.9	139.4	-0.5	14.9	-0.5
91101	small private firm 01	Jack	64.8	91.7	71%	3%	234.6	10.1	125.6	5.0	37.4	6.2
91102	small private firm 01	Jack	132.4	170.2	78%	19%	550.0	-14.6	348.9	29.8	95.2	48.9
91100	01 summary		197.3	261.9	75%	10%	784.6	-4.5	474.5	34.8	132.6	55.1
91201	small private firm 02	Ken	12.4	41.5	30%	6%	88.5	9.8	21.5	2.2	2.0	2.0
91202	small private firm 02	Ken	83.3	84.9	98%	2%	306.0	51.4	195.6	34.9	41.6	-2.1
91203	small private firm 02	Ken	59.1	71.1	83%	33%	245.9	81.2	180.5	35.8	24.2	20.2
91200	02 summary		154.7	197.6	78%	14%	640.5	142.4	397.6	73.0	67.8	20.0
	total		916.9	1279.6	72%	0%	3535.0	255.6	2214.0	103.3	694.7	119.4

Data source: IBM Internal Reduction Data

Appendix 3. The forecast of significant amount in the fourth week, Feb., 2009

NTD (Million)	sales performance				Confirm customer needs(1)		customer purchase process(2)		sign contract (3)		Confirm customer needs	customer purchase process	sign contract
	Forecast (a)	Goal (b)	rate of achievement (a/b)	rate of change by weekly	this week(c)	value of change by weekly	this week(d)	value of change by weekly	this week(e)	value of change by weekly	rate of achievement (c/b)	rate of achievement (d/b)	rate of achievement (e/b)
A	52.2	20.6	253%	-11%	154.0	-23.4	98.7	-19.3	35.6	3.2	748%	479%	173%
B	62.0	96.9	64%	1%	270.2	1.6	237.9	-0.1	74.4	5.8	279%	245%	77%
C	17.1	134.9	13%	-2%	271.6	-10.0	120.6	0.0	7.3	0.0	201%	89%	5%
D	101.8	70.1	145%	23%	524.9	14.0	285.3	23.0	75.3	17.7	749%	407%	108%
E	229.8	165.7	139%	-9%	869.1	17.4	699.8	6.5	333.5	-1.8	524%	422%	201%
F	188.2	142.3	132%	8%	535.9	24.6	445.5	36.7	205.7	-1.7	377%	313%	145%
G	4.0	22.6	18%	-26%	32.8	-0.8	27.9	-0.8	1.2	-8.1	145%	123%	5%
Product Group I	655.2	653.1	100%	0%	2,658.5	23.3	1,915.7	46.0	733.1	15.1	407%	293%	112%
H	36.6	2.7	1357%	-58%	126.6	0.0	115.4	3.2	23.5	0.0	4699%	4283%	873%
I	18.5	35.0	53%	-8%	173.5	-13.3	117.4	-14.3	5.3	0.0	496%	336%	15%
Product Group II	55.0	37.7	146%	-12%	300.0	-13.3	232.8	-11.0	28.8	0.0	796%	618%	76%
J	46.3	121.1	38%	-22%	233.2	-130.3	186.0	-98.3	52.2	-47.4	192%	153%	43%
K	26.4	162.8	16%	0%	45.5	-1.1	20.5	0.5	16.9	0.5	28%	13%	10%
L	116.6	339.8	34%	6%	825.9	-3.2	675.4	223.4	50.0	2.3	243%	199%	15%
Total	899.5	1,314.6	68%	-1%	4,063.1	-124.5	3,030.3	160.5	881.0	-29.5	309%	231%	67%

Data source: IBM Internal Reduction Data

Appendix 4 The forecast of significant amount in the first week, Jun., 2009

NTD (Million)	sales performance				Confirm customer needs(1)		customer purchase process(2)		sign contract (3)		Confirm customer needs	customer purchase process	sign contract
	Forecast (a)	Goal (b)	rate of achievement (a/b)	rate of change by weekly	this week(c)	value of change by weekly	this week(d)	value of change by weekly	this week(e)	value of change by weekly	rate of achievement (c/b)	rate of achievement (d/b)	rate of achievement (e/b)
A	6.6	20.3	33%	-4%	35.7	-24.2	25.2	-0.8	2.4	0.0	175%	124%	12%
B	47.0	100.8	47%	0%	171.8	-56.8	139.8	-7.5	44.3	-5.0	171%	139%	44%
C	102.5	97.9	105%	1%	248.8	-30.4	213.6	-1.6	104.6	0.0	254%	218%	107%
D	157.5	68.2	231%	-7%	364.8	-162.1	294.7	-39.3	207.5	-0.8	535%	432%	304%
E	60.2	135.6	44%	-2%	235.5	-132.0	198.2	-26.0	37.9	-55.1	174%	146%	28%
F	76.3	145.6	52%	6%	332.6	-32.7	280.8	12.4	67.6	-10.9	228%	193%	46%
G	5.6	17.5	32%	-18%	23.0	-10.0	23.0	-8.0	2.3	-8.0	131%	131%	13%
Product Group I	455.7	585.9	78%	0%	1,412.1	-448.2	1,175.3	-70.8	466.7	-79.9	241%	201%	80%
H	0.4	4.0	9%	-42%	7.3	-18.0	0.0	-18.0	0.0	0.0	180%	0%	0%
I	12.8	47.6	27%	2%	49.3	-8.0	31.4	8.6	11.6	0.5	104%	66%	24%
Product Group II	13.2	51.6	26%	-1%	56.6	-26.0	31.4	-9.4	11.6	0.5	110%	61%	22%
J	65.5	164.6	40%	1%	126.4	-8.4	110.9	3.4	74.6	0.0	77%	67%	45%
K	2.8	217.4	1%	0%	4.6	-1.9	4.0	0.0	3.3	0.0	2%	2%	2%
L	67.4	300.1	22%	-3%	278.1	-318.6	252.5	-101.4	56.3	0.0	93%	84%	19%
Total	604.6	1,319.6	46%	-1%	1,877.9	-803.1	1,574.1	-178.3	612.5	-79.4	142%	119%	46%

Data source: IBM Internal Reduction Data