

**BAIN & COMPANY**



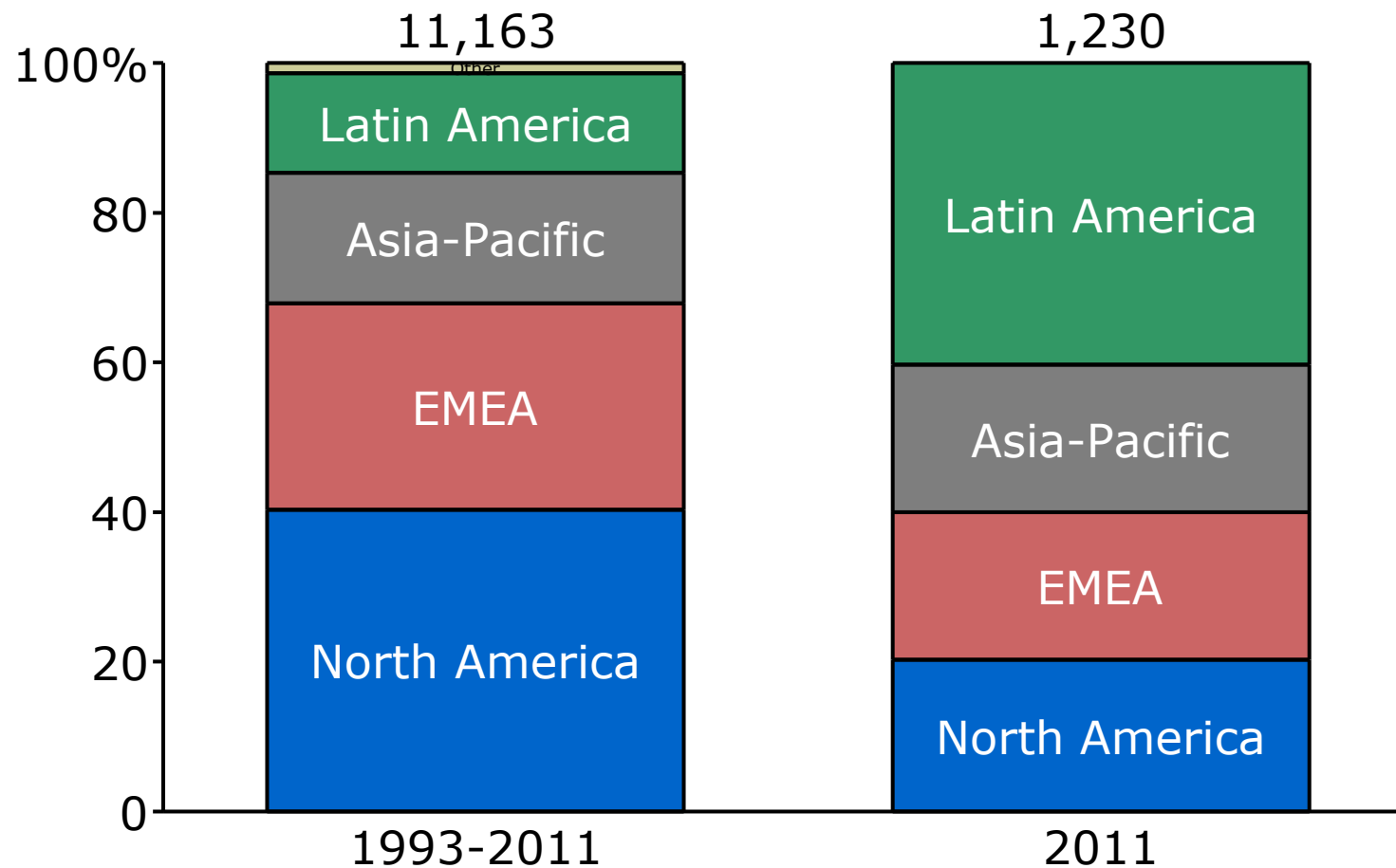
# Management Tools and Trends 2011


Author: Darrell Rigby

Co-author: Barbara Bilodeau

- In 1993, Bain launched a multi-year research project to get the facts about management tools and trends. Our objective is two-fold:
  - To provide managers with information they need to identify and integrate tools that will improve bottom-line results
  - To understand how global executives view their strategic challenges and priorities
- Over the past 18 years, we have completed 13 surveys, assembling a database that now includes 11,163 respondents from more than 70 countries in North America, Europe, Asia, Africa, the Middle East and Latin America
- This year, we received 1230 completed surveys from a broad range of international executives

# 13 surveys and 11,163 respondents covering an 18-year span



- This year, we focused on 25 of the most popular tools and techniques, listed on the slide below. To qualify for inclusion, a tool had to be:
  - Relevant to senior management
  - Topical (as evidenced by coverage in the business press)
  - Measurable
- We defined these tools in a booklet titled *Management Tools 2011, An Executive's Guide*
- Surveys were conducted online in partnership with **LinkedIn** ®
- The survey is reprinted in the appendix at the back of this report

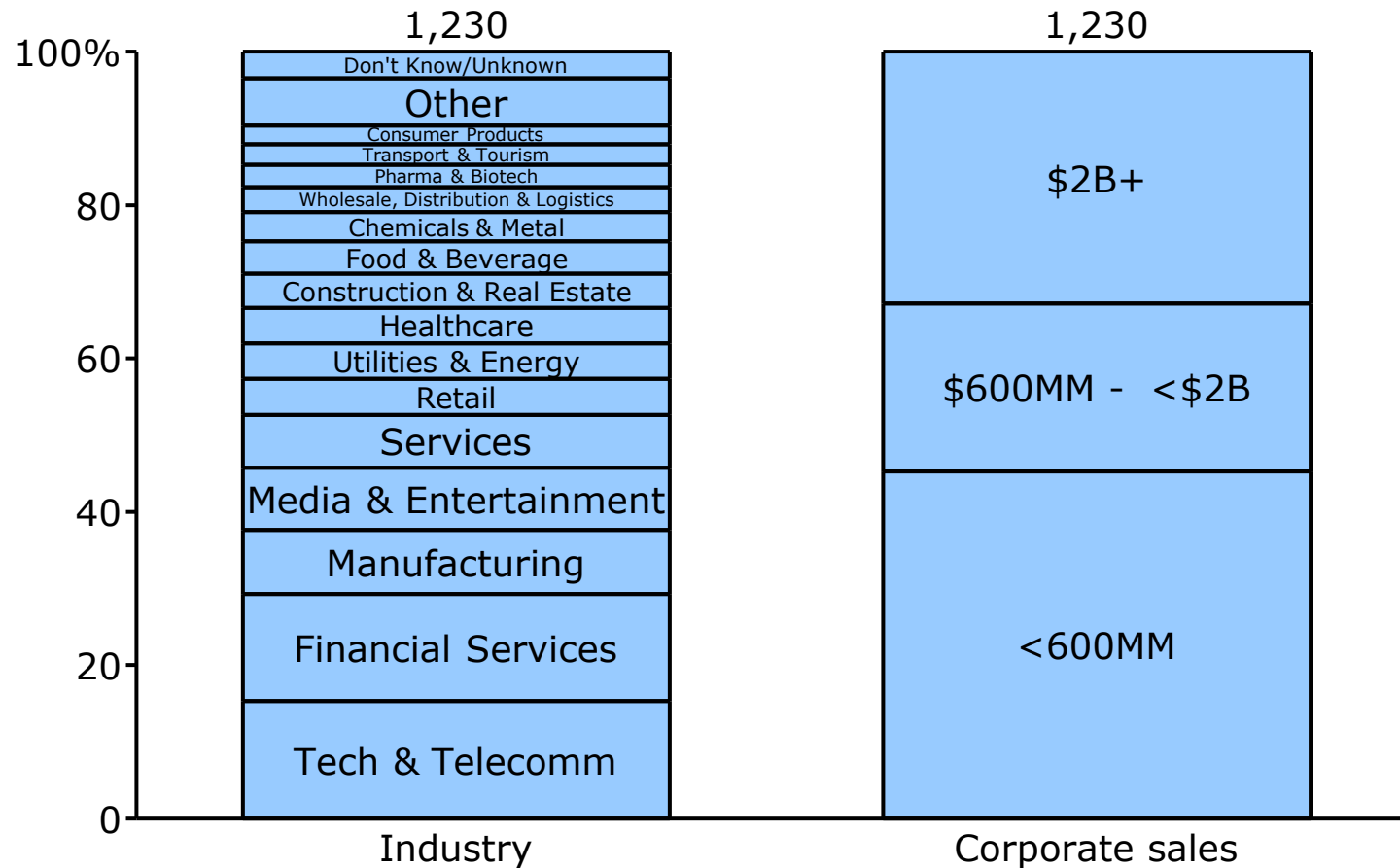
# We focused on 25 of the most popular tools

- Balanced Scorecard
- Benchmarking
- Business Process Reengineering
- Change Management Programs\*
- Core Competencies
- Customer Relationship Management
- Customer Segmentation
- Decision Rights Tools
- Downsizing
- Enterprise Risk Management\*
- Knowledge Management
- Mergers and Acquisitions
- Mission and Vision Statements
- Open Innovation
- Outsourcing
- Price Optimization Models
- Rapid Prototyping\*
- Satisfaction and Loyalty Mgmt.
- Scenario & Contingency Planning
- Shared Service Centers
- Social Media Programs\*
- Strategic Alliances
- Strategic Planning
- Supply Chain Management
- Total Quality Management

- Global respondents represent a full range of industries and company sizes
- With results of 11,163 surveys and more than 300 personal interviews in our database, we have created the world's most comprehensive and definitive fact base on management tools and trends

# Global respondents represent the full range of industries and company sizes

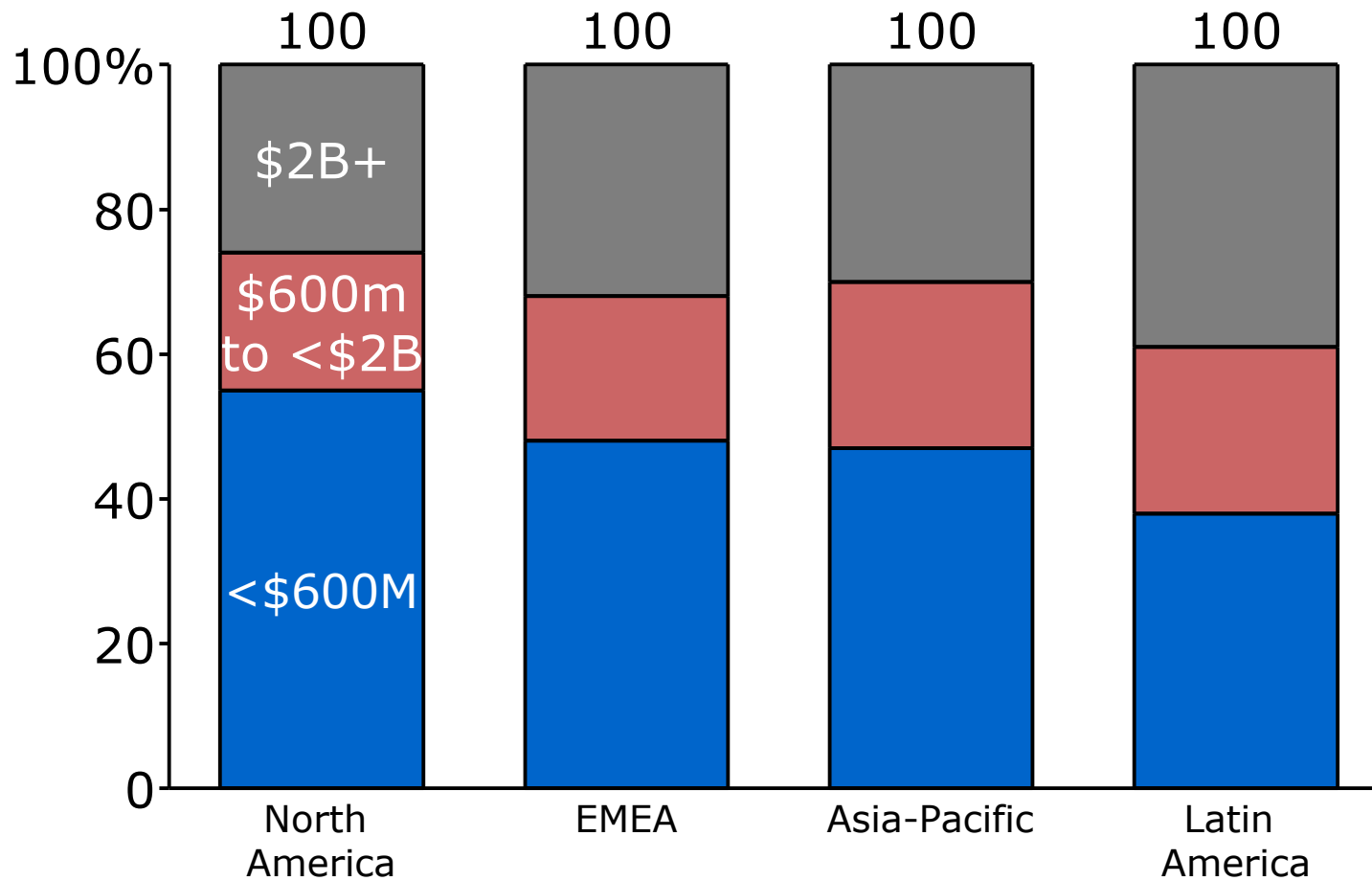
Demographics of 2011 global respondents



- Company size varied somewhat by region
  - A larger percentage of North American respondents were from small companies, while a larger percentage of Latin American respondents were from large companies

# Company size by region

Percent of respondents



## **This year's trends analysis highlights:**

- **Executives are optimistic about the economy**

- Three-quarters of executives say it feels like economic conditions are improving in their industry
- Only one-quarter are planning for economic stagnation over the next 2 or 3 years

- **However, they feel that recent events will have a lasting impact**

- Two-thirds of executives believe the downturn has changed consumer behavior for at least 3 more years
- Two-thirds feel that government regulation of business will increase over the next 5 years
- Six of ten feel that a growing percentage of their products and services behave like commodities
- Seven of ten believe taking care of customers and employees should come before shareholders

- **While half of executives are concerned with how their companies will meet earnings targets in 2011, many feel they are positioned for long-term success**

- Eight of ten feel that their company's ability to change is a significant competitive advantage
- Two-thirds believe they have used the recession to improve their competitive position
- Six of ten say their company will focus more on growth than cost reduction over the next 3 years

- **Some things remain constant – executives continue to believe culture and innovation are key factors to success**

- Nine of ten believe culture is as important as strategy for business success
- Eight of ten believe innovation is more important than cost reduction for long-term success

# The view on management trends

	<u>Agree</u>	<u>Disagree</u>
Culture is as important as strategy for business success	89%	4%
Our ability to change is a significant competitive advantage	81%	8%
Innovation is more important than cost reduction for long-term success	80%	8%
It feels like economic conditions are improving in our industry	74%	13%
Countries should reduce trade barriers and increase free trade agreements	69%	8%
Taking care of customers and employees should come before shareholders	68%	17%
We have used the recession to improve our competitive position	65%	13%
The recent downturn has changed consumer behavior for at least 3 more years	64%	17%
Government regulation of business will increase over the next 5 years	64%	14%
Over the next 3 years, we will focus more on revenue growth than cost reduction	63%	21%
A growing percentage of our products and services behave like commodities	59%	20%
Outsourcing may be politically unpopular, but everyone benefits in the end	51%	22%
Our top executives are comfortable taking higher risks for potentially higher returns	50%	29%
I am very concerned about how we will meet earnings targets in 2011	49%	31%
We will pursue sustainability initiatives even if they hurt our profits	46%	28%
Insufficient consumer insight is hurting our performance	45%	30%
Our international revenues will grow faster than domestic revenues over the next 5 yrs	45%	31%
Local companies will be more successful than multi-nationals in emerging markets	39%	31%
Almost all of today's market leaders will still be leaders 5 years from now	35%	44%
We are planning for economic stagnation over the next 2 or 3 years	24%	56%

- Some of these attitudes vary by region

- North American and European executives are less likely to feel countries should reduce trade barriers and increase free trade agreements than their Asian and Latin American counterparts

- Only one-third of North American executives agree with “Outsourcing may be politically, but everyone benefits in the end”, compared to two-thirds of Asian executives

- Asian executives are most likely to believe innovation is more important than cost reduction for long-term success; North Americans are the least

- Latin American executives are much less likely to believe that “taking care of customers and employees should come before shareholders”

- More executives in Latin America expect an increase in government regulation than those elsewhere

- Latin American executives are most concerned with meeting their earnings targets in 2011

- Asian companies are most likely to pursue sustainability initiatives, even if it hurts their profits; North Americans are least likely

- Asian executives are most concerned that insufficient consumer insight is hurting their performance

- Six of ten European and Asian executives expect their international revenues to grow faster than domestic revenues over the next 5 years vs. only three of ten North and Latin American executives

- European and North American executives are more likely to be planning for economic stagnation; Latin Americans are least likely

# Attitudes vary by region

	<u>N.Amer.</u>	<u>Europe</u>	<u>Asia</u>	<u>L. Amer.</u>
• Culture is as important as strategy for business success	88%	85%	90%	91%
• Our ability to change is a significant competitive advantage	81%	81%	81%	80%
• Innovation is more important than cost reduction for long-term success	72%	81%	87%	81%
• It feels like economic conditions are improving in our industry	71%	53%	79%	83%
• Countries should reduce trade barriers and increase free trade agreements	53%	59%	78%	77%
• Taking care of customers and employees should come before shareholders	72%	74%	79%	57%
• We have used this recession to improve our competitive position	63%	63%	69%	64%
• The recent downturn has changed consumer behaviors for at least 3 more yrs	67%	65%	66%	62%
• Government regulation of business will over the next 5 years	64%	54%	60%	70%
• Over the next 3 yrs, we'll focus more on revenue growth than cost reduction	64%	56%	72%	61%
• A growing percentage of our products and services behave like commodities	49%	49%	60%	68%
• Outsourcing may be politically unpopular, but everyone benefits in the end	33%	48%	66%	54%
• Our top execs are comfortable taking higher risks for potentially higher returns	49%	44%	50%	53%
• I am very concerned about how we will meet earnings targets in 2011	39%	40%	46%	60%
• We will pursue sustainability initiatives even if they hurt our profits	38%	42%	55%	48%
• Insufficient consumer insight is hurting our performance	31%	42%	55%	49%
• Our intl. revenues will grow faster than domestic revenues over the next 5 yrs	35%	60%	62%	34%
• Local companies. will be more successful than multinationals in emerging mkts	29%	33%	48%	43%
• Almost all of today's market leaders will still be leaders 5 years from now	30%	34%	38%	36%
• We are planning for economic stagnation over the next 2 or 3 years	29%	34%	24%	16%

□ Significantly higher than executives not in that region

○ Significantly lower than executives not in that region

- We divided the companies into emerging vs. established markets to understand how their attitudes and behavior differ

- Companies from established markets are **more** likely to

- Believe taking care of customers and employees should come before shareholders
- Feel their international revenues will grow faster than domestic revenues over the next 5 years
- Be planning for economic stagnation over the next 2 or 3 years

-Companies from emerging markets are **more** likely to

- Believe that countries should reduce trade barriers and increase free trade agreements
- Believe that local companies will be more successful than multi-nationals in emerging markets
- Feel that government regulation of business will increase over the next 5 years
- Believe that a growing percentage of their products and services are behaving like commodities
- Be concerned about how they will meet earnings targets in 2011
- Believe that while Outsourcing may be politically unpopular, everyone benefits in the end

**Note:** Emerging markets defined as those who are part of the **MSCI Emerging Markets IndexSM**.

As of June 2006 the index consisted of the following 25 emerging market country indices: Argentina, Brazil, Chile, China, Columbia, Czech Republic, Egypt, Hungary, India, Indonesia, Israel, Jordan, Korea, Malaysia, Mexico, Morocco, Pakistan, Peru, Philippines, Poland, Russia, South Africa, Taiwan, Thailand and Turkey

# Agreement level varies by market type

	<b>Established</b>	<b>Emerging</b>
• Culture is as important as strategy for business success	87%	90%
• Our ability to change is a significant competitive advantage	82%	79%
• Innovation is more important than cost reduction for long-term success	78%	<b>83%</b>
• It feels like economic conditions are improving in our industry	63%	<b>83%</b>
• Countries should reduce trade barriers and increase free trade agreements	57%	<b>78%</b>
• Taking care of customers and employees should come before shareholders	<b>73%</b>	63%
• We have used the recession to improve our competitive position	64%	65%
• The recent downturn has changed consumer behaviors for at least 3 more years	65%	63%
• Government regulation of business will increase over the next 5 years	59%	<b>68%</b>
• Over the next 3 years, we will focus more on revenue growth than cost reduction	61%	64%
• A growing percentage of our products and services behave like commodities	51%	<b>66%</b>
• Outsourcing may be politically unpopular, but everyone benefits in the end	40%	<b>60%</b>
• Our top executives are comfortable taking higher risks for potentially higher returns	46%	<b>52%</b>
• I am very concerned about how we will meet earnings targets in 2011	40%	<b>56%</b>
• We will pursue sustainability initiatives even if they hurt our profits	41%	<b>50%</b>
• Insufficient consumer insight is hurting our performance	38%	<b>51%</b>
• Our international revenues will grow faster than domestic revenues over the next 5 years	<b>51%</b>	40%
• Local companies will be more successful than multi-nationals in emerging markets	32%	<b>45%</b>
• Almost all of today's market leaders will still be leaders 5 years from now	32%	37%
• We are planning for economic stagnation over the next 2 or 3 years	<b>30%</b>	18%

Significantly higher than companies not in that market type

- Attitudes also vary by company size. Executives at large companies (\$2B+ revenue) are **more** likely to feel
  - Culture is as important as strategy for business success
  - A growing percentage of their products and services behave like commodities
  - They will pursue sustainability initiatives even if it hurts their profits
  - Their international revenues will grow faster than domestic revenues over the next 5 years
- Large company executives are **less** likely to feel
  - Taking care of customers and employees should come before shareholders
  - Their ability to change is a significant competitive advantage
  - Innovation is more important than cost reduction for long-term success
  - Over the next 3 years, they will focus more on revenue growth than cost reduction
  - Outsourcing may be politically unpopular, but everyone benefits in the end
  - Local companies will be more successful than multinationals in emerging markets
  - The recent downturn has changed consumer behavior for at least 3 more years

# Attitudes vary between large and small companies

	<b>Large</b>	<b>Medium</b>	<b>Small</b>
• Culture is as important as strategy for business success	91%	88%	88%
• Our ability to change is a significant competitive advantage	77%	80%	84%
• Innovation is more important than cost reduction for long-term success	75%	83%	83%
• It feels like economic conditions are improving in our industry	73%	81%	70%
• Countries should reduce trade barriers and increase free trade agreements	72%	72%	65%
• Taking care of customers and employees should come before shareholders	58%	69%	74%
• We have used this recession to improve our competitive position	67%	67%	62%
• The recent downturn has changed consumer behaviors for at least 3 more yrs	59%	66%	68%
• Government regulation of business will increase over the next 5 years	67%	66%	60%
• Over the next 3 yrs, we will focus more on revenue growth than cost reduction	54%	63%	69%
• A growing percentage of our products and services behave like commodities	63%	60%	56%
• Outsourcing may be politically unpopular, but everyone benefits in the end	46%	50%	55%
• Our top execs are comfortable taking higher risks for potentially higher returns	46%	51%	52%
• I am very concerned about how we will meet earnings targets in 2011	48%	51%	49%
• We will pursue sustainability initiatives even if they hurt our profits	50%	44%	44%
• Insufficient consumer insight is hurting our performance	44%	47%	45%
• Our intl. revenues will grow faster than domestic revenues over the next 5 yrs	51%	43%	41%
• Local companies will be more successful than multinationals in emerging mrkts	34%	37%	44%
• Almost all of today's market leaders will still be leaders 5 years from now	37%	35%	33%
• We are planning for economic stagnation over the next 2 or 3 years	22%	22%	25%

- Significantly higher than executives in other sized companies
- Significantly lower than executives in other sized companies

- We asked executives how satisfied they were with their organization's financial results. Executives that **were satisfied with their financial results** were much more positive about the coming year as well
  - Eight of ten believe it feels like economic conditions are improving in their industry
  - Seven of ten believe they have used the recession to improve their economic condition versus only five of ten who are not satisfied with their financial results
- They also are more likely to believe
  - Culture is as important as strategy for business success
  - Their ability to change is a significant competitive advantage
  - Their executives are comfortable taking higher risks for potentially higher returns
  - Government regulation of business will increase over the next 5 years
  - Over the next 3 years, we will focus more on revenue growth than cost reduction
  - Almost all of today's market leaders will still be leaders 5 years from now

# Agreement level varies by satisfaction with Financial Results

	<u>Not satisfied</u>	<u>Satisfied</u>
• Culture is as important as strategy for business success	84%	<input type="checkbox"/> 90%
• Our ability to change is a significant competitive advantage	72%	<input type="checkbox"/> 84%
• Innovation is more important than cost reduction for long-term success	77%	81%
• It feels like economic conditions are improving in our industry	59%	<input type="checkbox"/> 79%
• Countries should reduce trade barriers and increase free trade agreements	65%	70%
• Taking care of customers and employees should come before shareholders	65%	69%
• We have used this recession to improve our competitive position	49%	<input type="checkbox"/> 70%
• The recent downturn has changed consumer behaviors for at least 3 more years	65%	64%
• Government regulation of business will increase over the next 5 years	57%	<input type="checkbox"/> 66%
• Over the next 3 years, we will focus more on revenue growth than cost reduction	57%	<input type="checkbox"/> 65%
• A growing percentage of our products and services behave like commodities	62%	58%
• Outsourcing may be politically unpopular, but everyone benefits in the end	48%	52%
• Our top executives are comfortable taking higher risks for potentially higher returns	36%	<input type="checkbox"/> 54%
• I am very concerned about how we will meet earnings targets in 2011	<input type="checkbox"/> 62%	45%
• We will pursue sustainability initiatives even if they hurt our profits	44%	47%
• Insufficient consumer insight is hurting our performance	46%	45%
• Our international revenues will grow faster than domestic revenues over the next 5 years	42%	46%
• Local companies will be more successful than multi-nationals in emerging markets	40%	39%
• Almost all of today's market leaders will still be leaders 5 years from now	28%	<input type="checkbox"/> 37%
• We are planning for economic stagnation over the next 2 or 3 years	<input type="checkbox"/> 28%	22%

Significantly higher than companies not in that group

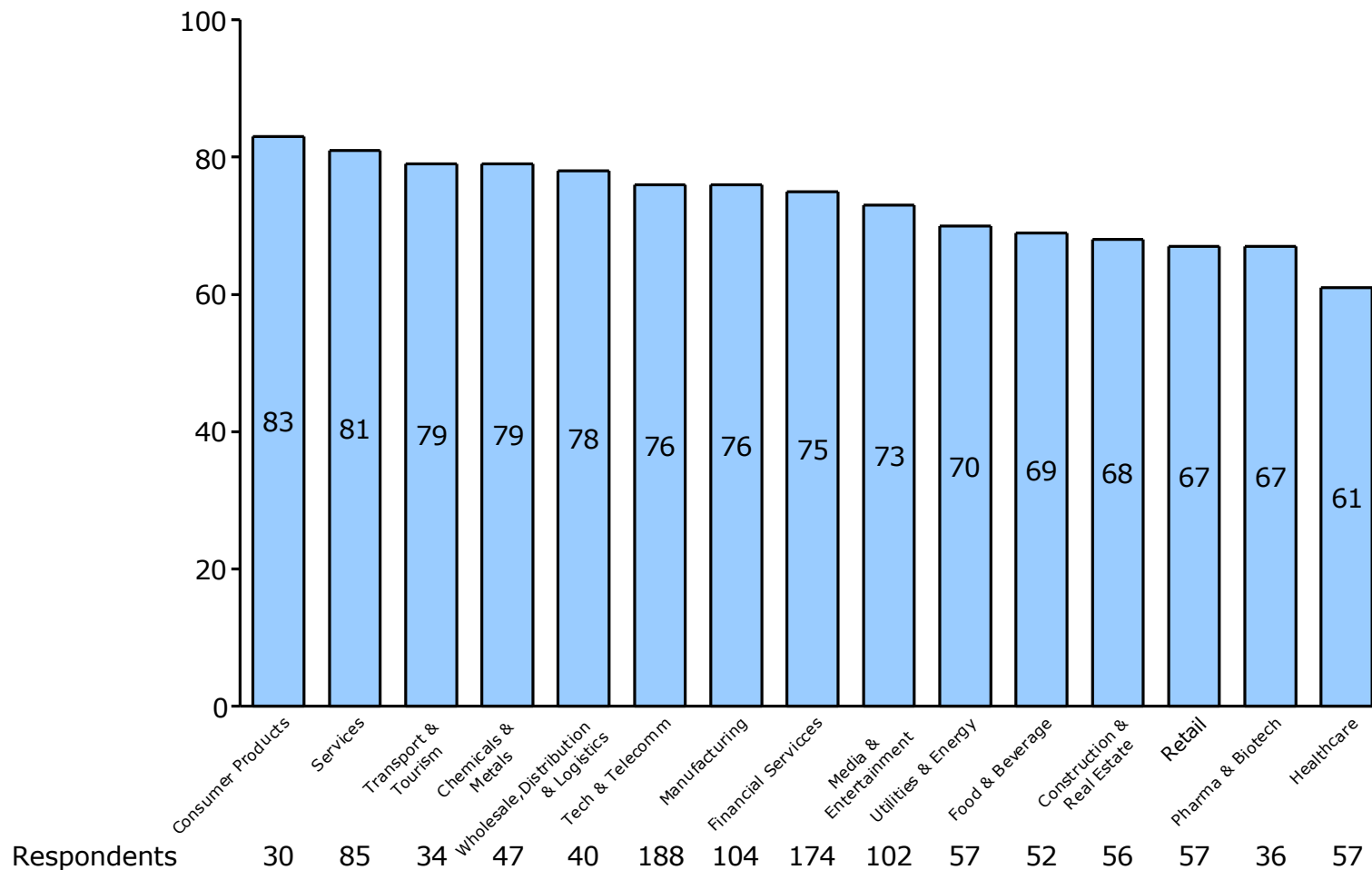
"Not Satisfied" – indicated they were "Extremely Dissatisfied", "Somewhat Dissatisfied" or "Neither" with their firm's financial results; "Satisfied" – Executives who are "Extremely Satisfied" or "Somewhat Satisfied"

- Confidence in economic conditions in their industry varies
  - Consumer Products and Service firms are most confident
  - Healthcare, Pharma & Biotech, and Retail are least confident

# Consumer Products companies are most optimistic about economic conditions; Healthcare least

*"It feels like economic conditions are improving in our industry"*

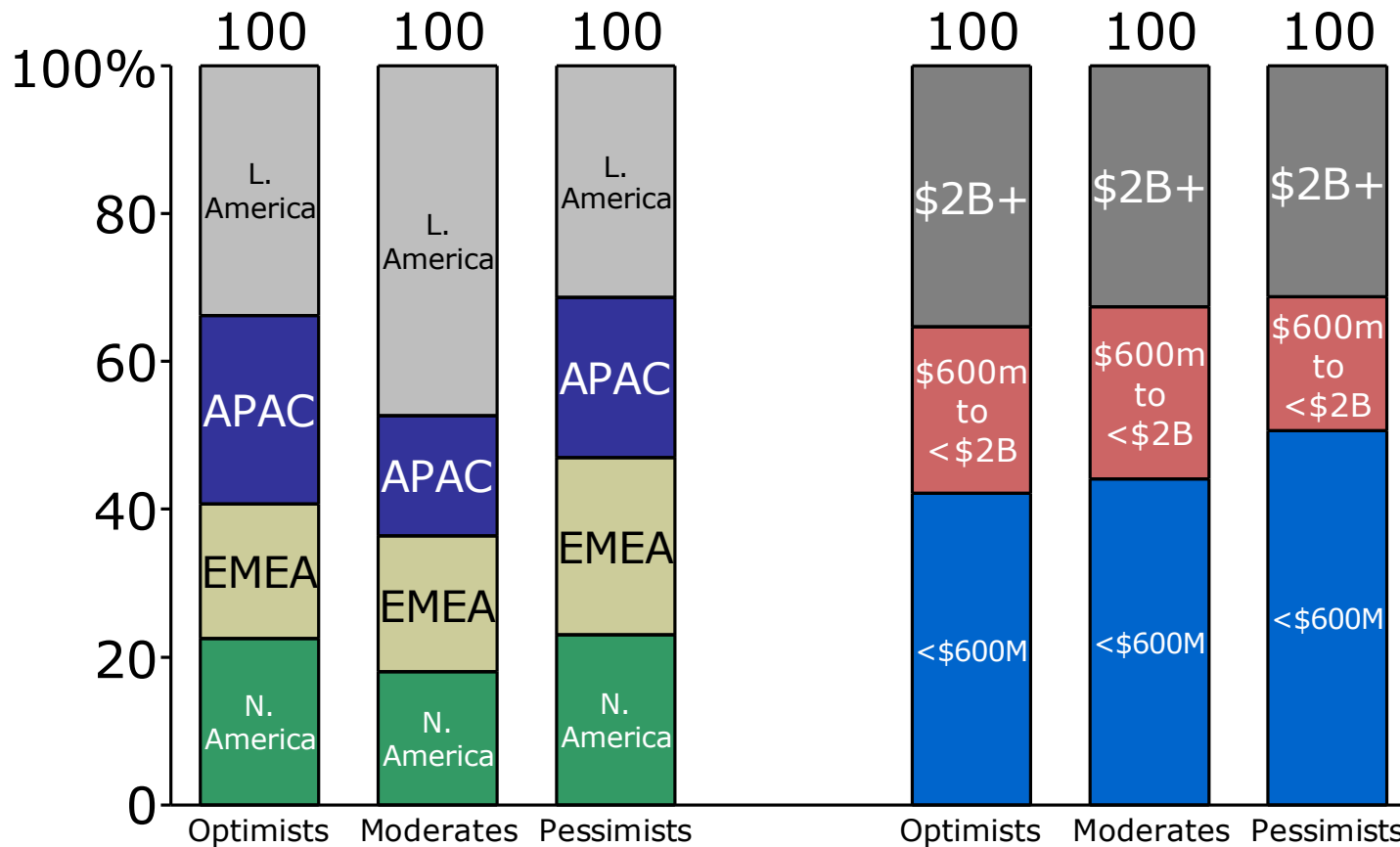
Percent of respondents who agreed



- We classified executives into an “Optimism” scale based on their answers to 4 statements:
  - We have used the recession to improve our competitive position
  - If feels like economic conditions are improving in our industry
  - I am very concerned about how we will meet economic conditions in 2011
  - We are planning for economic stagnation over the next 2 to 3 years
- Large firms are more optimistic, small firms less
- North American and EMEA firms are slightly less optimistic

# Large firms are more optimistic; North American and EMEA firms slightly less

Percent of respondents



Sample size

275

651

304

- We have asked some of the attitude statements in previous years. Key differences in 2010 are:
  - Fewer executives
    - Believe government regulation of business will increase over the next 5 years than did in 2008
    - Are concerned with meeting earnings targets than were in 2008 or 2002
    - Are concerned about insufficient consumer insights than were in 2006 or 2004
    - Feel a growing percentage of their products and services behave like commodities than did in 2004
    - Believe countries should reduce trade barriers and increase free trade agreements than did in 2002
  - More executives
    - Say their firm will focus on growth rather than cost reduction than did in either 2004 or 2008
    - Feel their top executives are comfortable taking higher risks for potentially higher returns than did in 2008
    - Believe today's market leaders will still be leaders 5 years from now than did in 2008
    - Feel that taking care of customers and employees should come before shareholders than did in 2002

# Executives' beliefs over the years

	<u>2002</u>	<u>2004</u>	<u>2006</u>	<u>2008</u>	<u>2010</u>
•Culture is as important as strategy for business success	-	-	91%	88%	89%
•Innovation is more important than cost reduction for long-term success	-	86%	79%	76%	80%
•Government regulation of business will increase over the next 5 years	-	-	-	71%	64%
•Over the next 3 years, we will focus more on revenue growth than cost reduction*	59%	56%	-	53%	63%
•Our top executives are comfortable taking higher risks for potentially higher returns	-	-	-	40%	50%
•I am very concerned about how we will meet earnings targets	65%	-	-	70%	49%
•We will pursue sustainability initiatives even if they hurt our profits	-	-	-	44%	46%
•Insufficient consumer insight is hurting our performance	-	65%	51%	46%	45%
•Almost all of today's market leaders will still be leaders 5 years from now	-	-	-	24%	35%
•A growing percentage of our products and services behave like commodities	-	76%	59%	-	59%
•Countries should reduce trade barriers and increase free trade agreements	80%	-	-	-	69%
•Taking care of customers and employees should come before shareholders	59%	-	-	-	68%

□ Significantly higher than 2010    ○ Significantly lower than 2010

\*In previous years worded "We should focus more on revenue growth than cost reduction"

- We asked executives what their company's top priority was over the next three years
- Growth was clearly the dominating theme in executive's minds

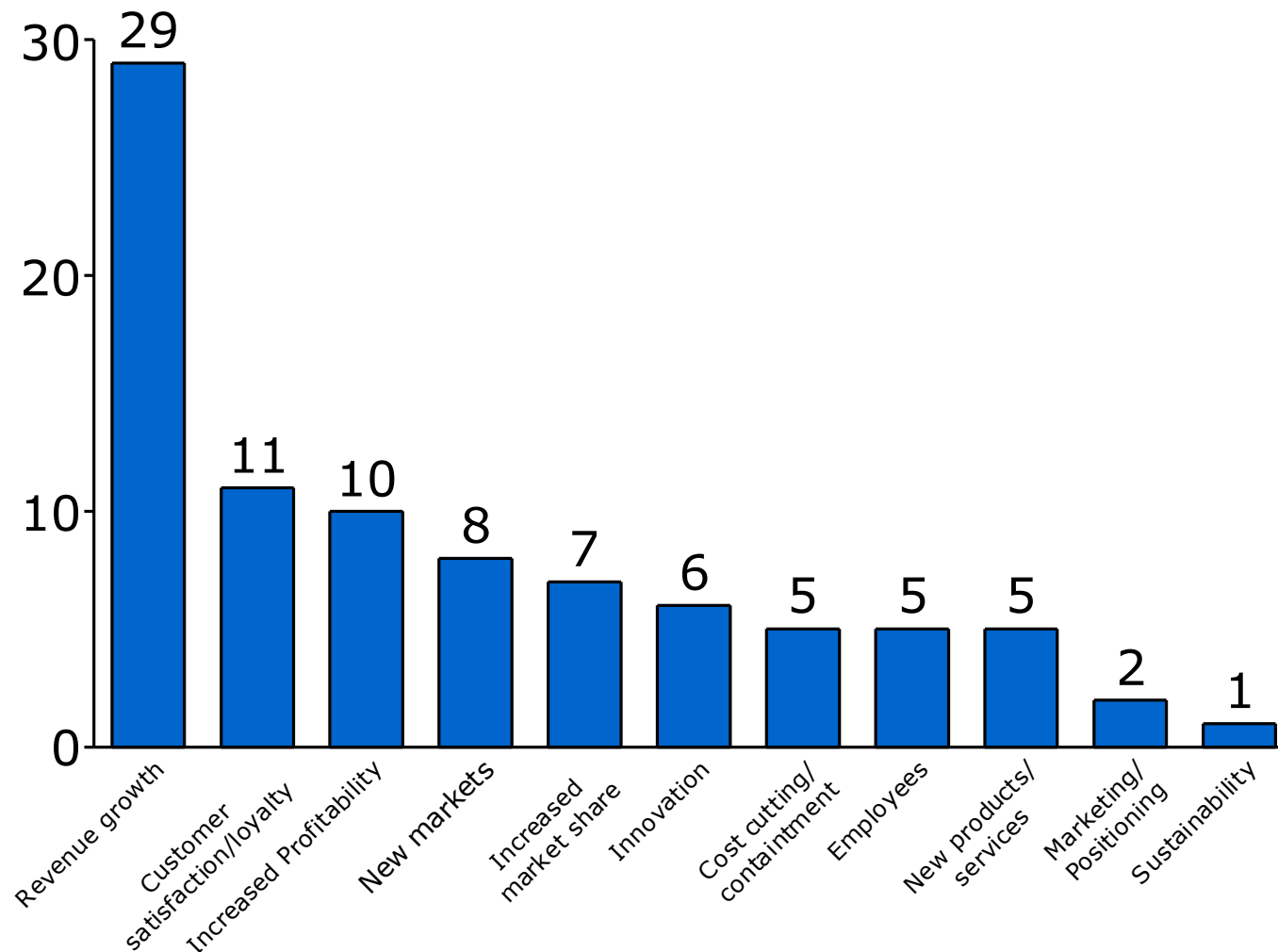


- We classified the open-ended responses into categories
  - Three of ten executives mentioned Revenue Growth as a top priority, followed by customer satisfaction and increasing profitability

# Revenue growth is a key priority for executives

*"What is your organization's most important priority over the next 3 years?"*

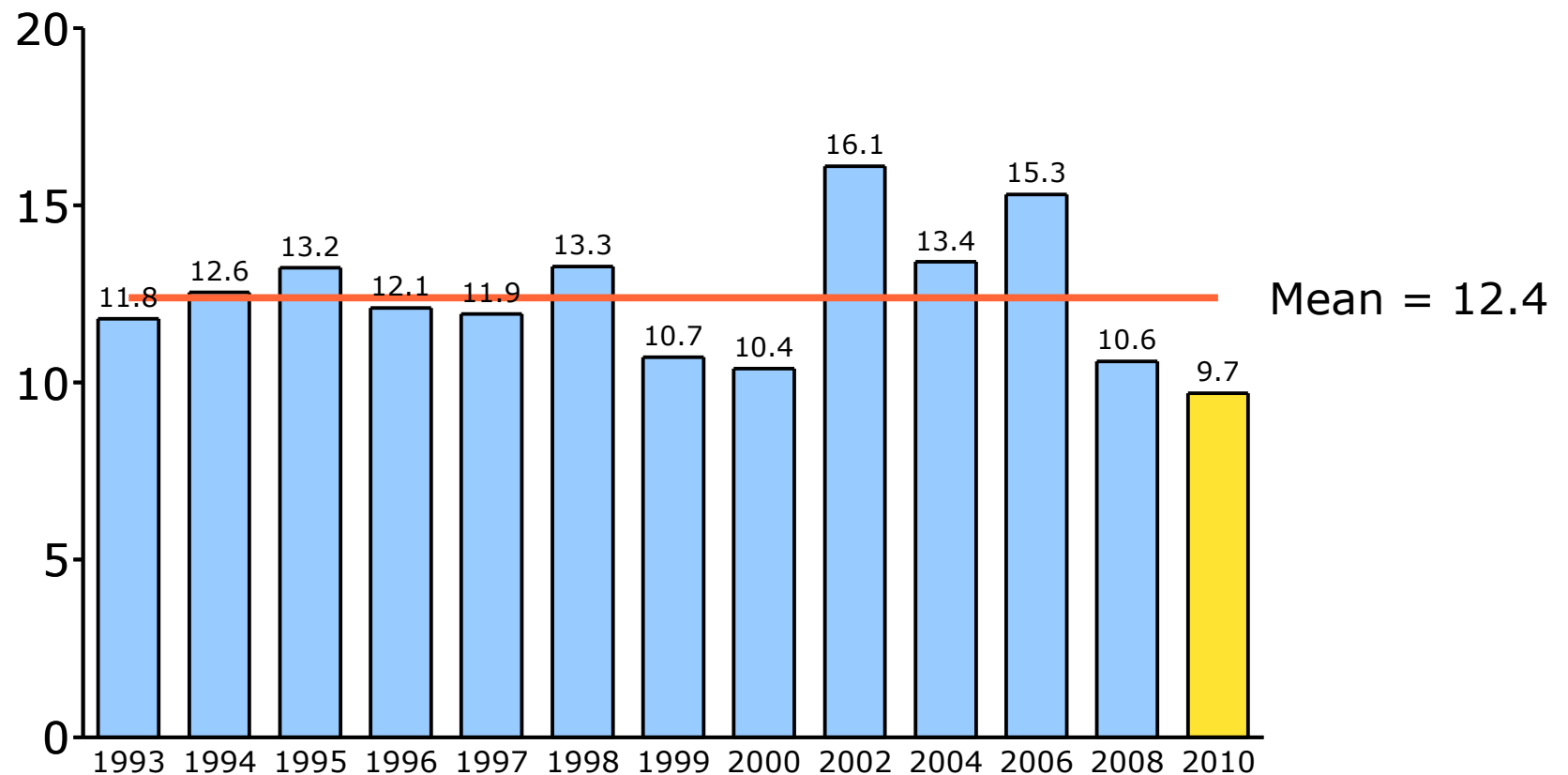
Percent of respondents who mentioned



- Tool usage declined worldwide
  - An average of 10 tools were used in 2010, down from 11 in 2006
  - As we will show on the following slides, this was driven by a larger percentage of small companies in our sample, and a decline in tool usage by small companies

# Tool usage was the lowest ever in 2010

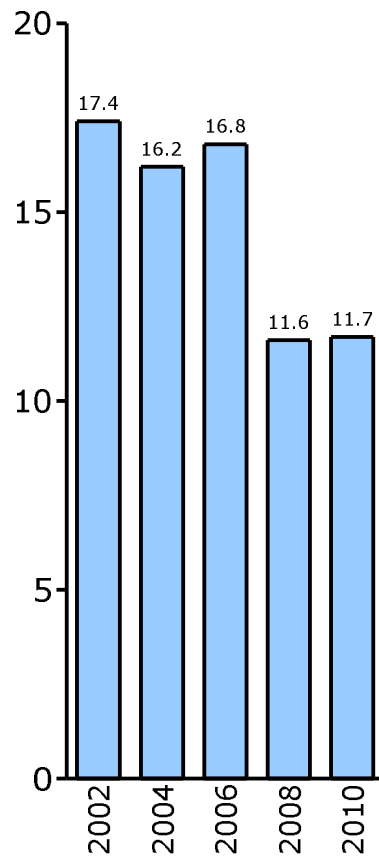
Average number of tools used



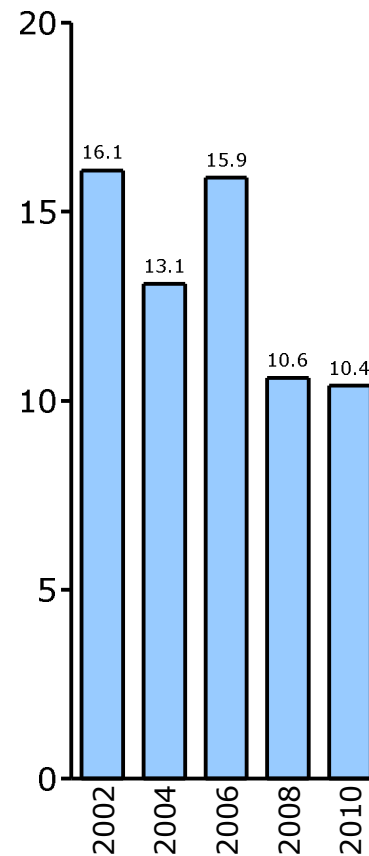
- As we have found every year, larger companies use more tools
- The overall decline in the number of tools used was driven by a decline in usage by small companies. Large and medium sized companies used the same number of tools as in 2008

# Larger firms use more management tools

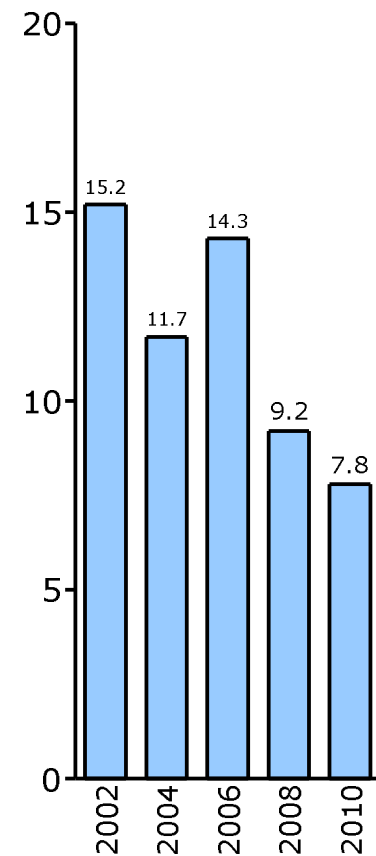
**Large companies  
(\$2b+)\***



**Medium companies  
(\$600M - <\$2B)\***



**Small companies  
(<\$600M)\***

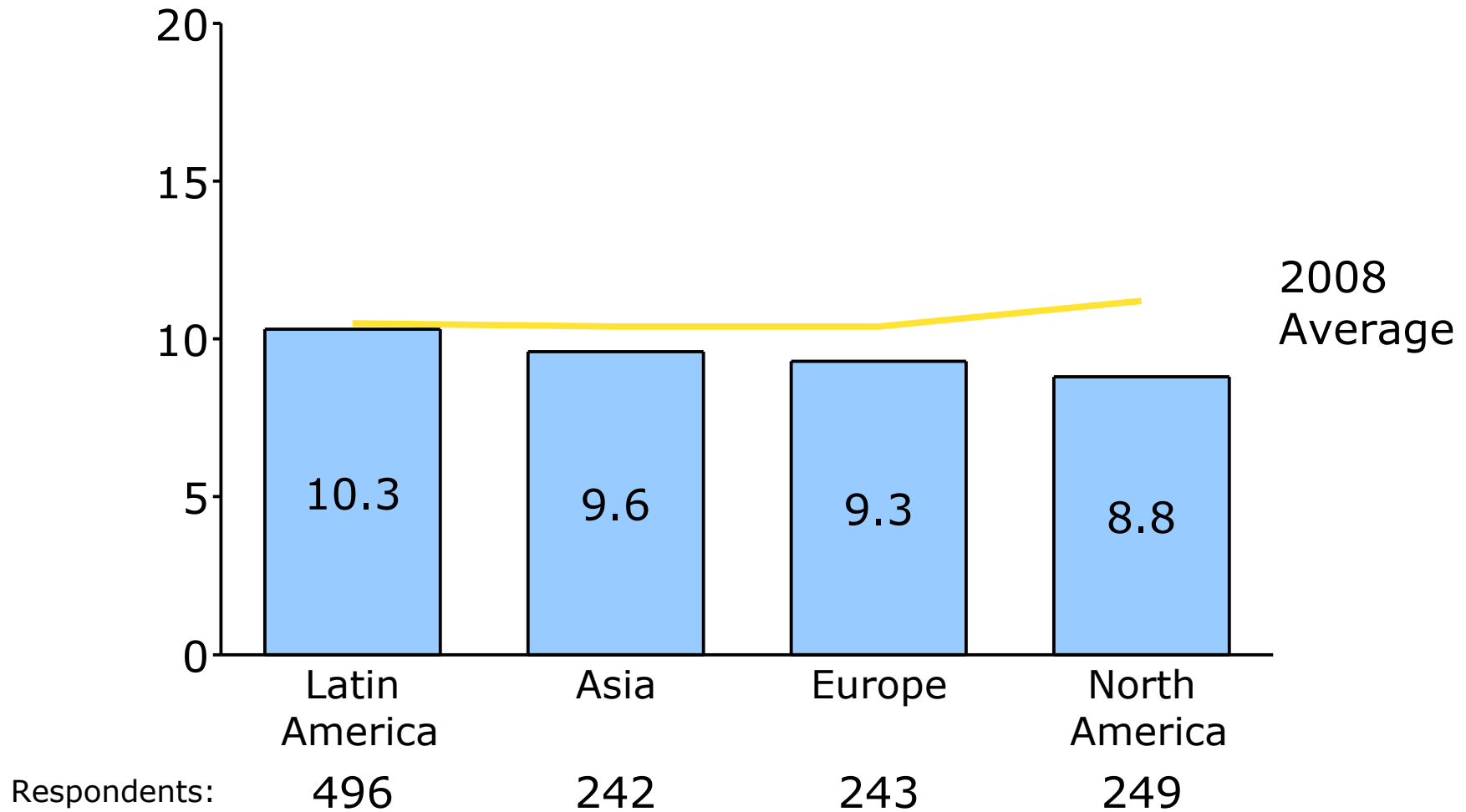


\*Based on annual revenues

- Number of tools used was highest in Latin America
- There was a decline in usage by North American and European companies

# Latin American firms used the most management tools in 2010

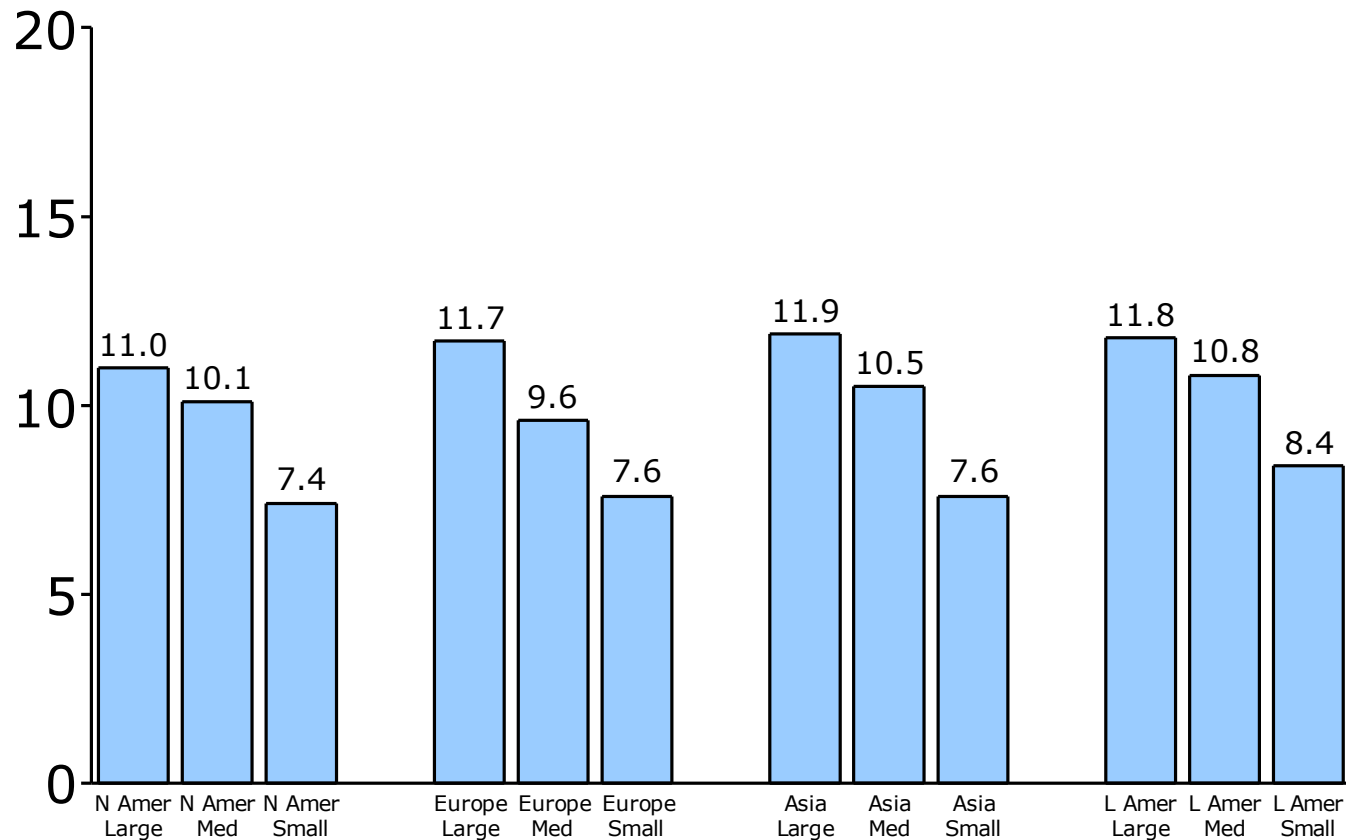
Average number of tools used in 2010



- The number of tools used across regions is similar when comparing by company size

# However, similar sized firms use similar number of tools across regions

Average number of tools used in 2010



- The number of tools used varies by industry

- Heaviest users are:

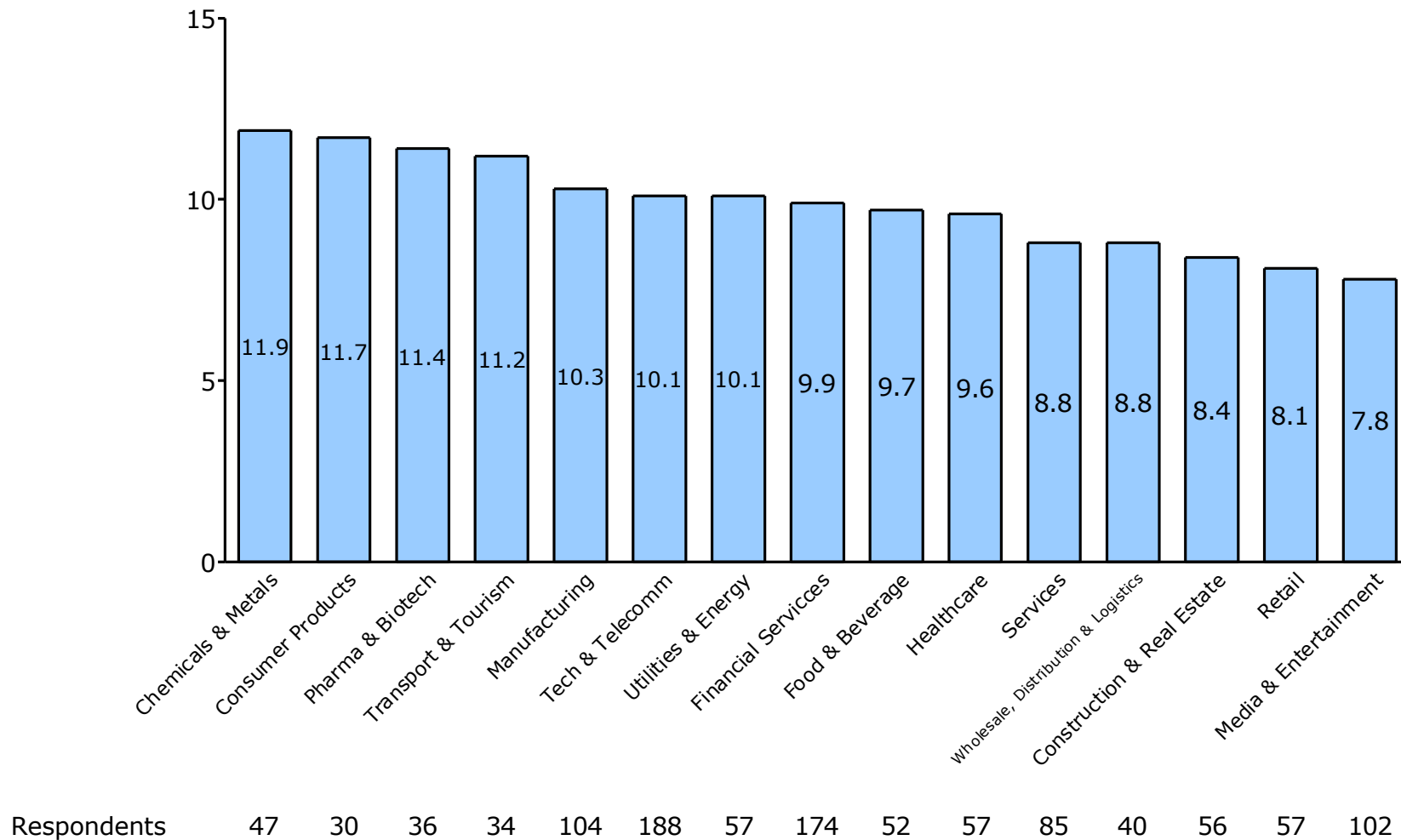
- Chemicals and Metals
    - Consumer Products
    - Pharma and Biotech

- Lightest users are:

- Media & Entertainment
    - Retail
    - Construction and Real Estate

# Tool usage varies by industry

Average number of tools used in 2010



- The six tools used by the largest percentage of firms remained the same as in 2008
  - Benchmarking, Strategic Planning, Mission and Vision Statements, Customer Relationship Management, Outsourcing and Balanced Scorecard
- Some tools stand out as winners and losers
  - While no tool is right for everyone, Strategic Planning, Customer Segmentation and Mission and Vision Statements are all above average in both usage and satisfaction
  - On the flip side, Downsizing, Shared Service Centers and Social Media Programs are all below average in both usage and satisfaction
  - Outsourcing is above average in usage, but below average in satisfaction

# Usage and satisfaction rates in 2010

	<b>Usage</b>	<b>Satisfaction</b>
Benchmarking	67%*	3.86
Strategic Planning	65%*	4.07*
Mission and Vision Statements	63%*	3.99*
Customer Relationship Management	58%*	3.92
Outsourcing	55%*	3.70**
Balanced Scorecard	47%*	3.90
Core Competencies	46%*	3.88
Change Management Programs	46%*	3.80
Strategic Alliances	45%*	3.94
Customer Segmentation	42%*	3.95*
Supply Chain Management	39%	3.89
Knowledge Management	38%	3.76**
Total Quality Management	38%	3.97*
Business Process Reengineering	38%	3.85
Mergers and Acquisitions	35%**	3.88
Satisfaction and Loyalty Management	32%**	3.91
Enterprise Risk Management	30%**	3.87
Scenario and Contingency Planning	30%**	3.82
Social Media Programs	29%**	3.73**
Shared Service Centers	28%**	3.77**
Downsizing	25%**	3.52**
Open Innovation	21%**	3.84
Price Optimization Models	21%**	3.86
Decision Rights Tools	17%**	3.86
Rapid Prototyping	11%**	3.86

\*Significantly above the overall mean \*\*Significantly below the overall mean (usage = 39%, satisfaction = 3.87) <sup>20</sup>

- We identified the top 10 tools globally and by region
  - The top 10 tools were similar across the regions
  - While Benchmarking is the most used tool overall, it is only the #1 most used tool in Europe
  - Customer Relationship Management is the most used tool in North America and Asia-Pacific
  - Strategic Planning and Mission and Vision Statements are tied as the most used tool in Latin America

# Top 10 most used tools

	<u>Global</u>	<u>North America</u>	<u>Europe</u>	<u>Asia</u>	<u>Latin America</u>
Benchmarking	1	3	1	4	3
Strategic Planning	2	2	3	2	1(t)
Mission and Vision Statements	3	4	5(t)	3	1(t)
Customer Relationship Management	4	1	2	1	6
Outsourcing	5	6	5t	5	4
Balanced Scorecard	6	12(t)	8(t)	10(t)	5
Change Management Programs	7(t)	9	4	8(t)	9
Core Competencies	7(t)	5	8(t)	6	10(t)
Strategic Alliances	9	7	7	8(t)	8
Customer Segmentation	10	15(t)	12	10(t)	7
Supply Chain Management	11	-	8(t)	-	-
Knowledge Management	12(t)	-	-	7	-
Total Quality Management	12(t)	10	-	-	-
Business Process Reengineering	12(t)	-	-	-	10(t)
Social Media Programs	19	8	-	-	-

Note: (t) = tied

- Comparing the top 10 tools over time shows several key points about tool usage
  - Certain tools such as Outsourcing are used more heavily in tough economic times
  - Others such as Benchmarking, Strategic Planning and Mission and Vision Statements are heavily used regardless of the economic cycle

# Top 10 tools have varied over time

1993	2000	2008	2010
<ul style="list-style-type: none"> <li>• Mission &amp; Vision Statements (88%)</li> <li>• Customer Satisfaction (86%)</li> <li>• TQM (72%)</li> <li>• Competitor Profiling (71%)</li> <li>• <b>Benchmarking (70%)</b></li> <li>• Pay-for-Performance (70%)</li> <li>• Reengineering (67%)</li> <li>• <b>Strategic Alliances (62%)</b></li> <li>• Cycle Time Reduction (55%)</li> <li>• Self-Directed Teams (55%)</li> </ul>	<ul style="list-style-type: none"> <li>• <b>Strategic Planning* (76%)</b></li> <li>• Mission &amp; Vision Statements (70%)</li> <li>• <b>Benchmarking (69%)</b></li> <li>• <b>Outsourcing** (63%)</b></li> <li>• Customer Satisfaction (60%)</li> <li>• <b>Growth Strategies* (55%)</b></li> <li>• <b>Strategic Alliances (53%)</b></li> <li>• Pay-for-Performance (52%)</li> <li>• <b>Customer Segmentation (51%)</b></li> <li>• Core Competencies (48%)</li> </ul>	<ul style="list-style-type: none"> <li>• <b>Benchmarking (76%)</b></li> <li>• <b>Strategic Planning* (67%)</b></li> <li>• Mission and Vision Statements (65%)</li> <li>• CRM***(63%)</li> <li>• <b>Outsourcing** (63%)</b></li> <li>• Balanced Scorecard (53%)</li> <li>• <b>Customer Segmentation (53%)</b></li> <li>• <b>Business Process Reengineering (50%)</b></li> <li>• Core Competencies (48%)</li> <li>• Mergers &amp; Acquisitions (46%)</li> </ul>	<ul style="list-style-type: none"> <li>• <b>Benchmarking (67%)</b></li> <li>• <b>Strategic Planning* (65%)</b></li> <li>• Mission and Vision Statements (63%)</li> <li>• CRM***(58%)</li> <li>• <b>Outsourcing**(55%)</b></li> <li>• Balanced Scorecard (47%)</li> <li>• <b>Change Management Programs****(46%)</b></li> <li>• Core Competencies (46%)</li> <li>• <b>Strategic Alliances (45%)</b></li> <li>• <b>Customer Segmentation (42%)</b></li> </ul>

\*Tool added in 1996

\*\*\*Tool added in 2000

\*\*Tool added in 1998

\*\*\*\*Tool added in 2010

- North American firms are heavier users of Social Media Programs and Downsizing
- European and Latin American firms are more likely to use Benchmarking; while North American and Asian firms are more likely to use Customer Relationship Management
- European firms are the biggest users of Change Management Programs
- Asian firms are most likely to use Knowledge Management; North American firms least likely
- Latin American firms are the heaviest users of many tools; the lightest users of Customer Relationship Management, Downsizing and Rapid Prototyping

# Usage rates vary by region

	<u>N. America</u>	<u>Europe</u>	<u>Asia</u>	<u>L. America</u>
• Benchmarking	61%	72%	56%	72%
• Strategic Planning	62%	58%	60%	74%
• Mission and Vision Statements	57%	55%	57%	74%
• Customer Relationship Management	64%	60%	64%	51%
• Outsourcing	49%	55%	53%	60%
• Balanced Scorecard	34%	42%	42%	57%
• Change Management Programs	39%	56%	45%	44%
• Core Competencies	51%	42%	51%	43%
• Strategic Alliances	46%	43%	45%	46%
• Customer Segmentation	31%	38%	42%	49%
• Supply Chain Management	31%	42%	38%	41%
• Business Process Reengineering	28%	36%	39%	43%
• Knowledge Management	29%	40%	47%	37%
• Total Quality Management	36%	32%	41%	41%
• Mergers and Acquisitions	34%	36%	33%	36%
• Satisfaction and Loyalty Management	32%	30%	34%	31%
• Enterprise Risk Management	24%	28%	29%	35%
• Scenario and Contingency Planning	26%	26%	22%	38%
• Social Media Programs	41%	28%	23%	26%
• Shared Service Centers	21%	24%	31%	32%
• Downsizing	35%	26%	28%	17%
• Open Innovation	12%	21%	26%	24%
• Price Optimization Models	18%	19%	24%	23%
• Decision Rights Tools	8%	7%	14%	27%
• Rapid Prototyping	15%	11%	13%	9%

- Use tool significantly more than those not in region
- Use tool significantly less than those not in region

- Tool usage differs between Established and Emerging Market firms. Surprisingly this year, Emerging Markets were heavier users of the majority of the tools.
- Established Markets used only three tools more heavily
  - Customer Relationship Management
  - Social Media Programs
  - Downsizing

# Tool usage varies by market type

	<u>Established</u>	<u>Emerging</u>
• Benchmarking	66%	68%
• Strategic Planning	59%	<b>70%</b>
• Mission and Vision Statements	56%	<b>70%</b>
• Customer Relationship Management	<b>61%</b>	55%
• Outsourcing	52%	<b>58%</b>
• Balanced Scorecard	38%	<b>53%</b>
• Change Management Programs	48%	44%
• Core Competencies	47%	44%
• Strategic Alliances	45%	45%
• Customer Segmentation	36%	<b>47%</b>
• Supply Chain Management	37%	40%
• Business Process Reengineering	32%	<b>42%</b>
• Knowledge Management	35%	40%
• Total Quality Management	34%	<b>41%</b>
• Mergers and Acquisitions	35%	35%
• Satisfaction and Loyalty Management	32%	32%
• Enterprise Risk Management	26%	<b>33%</b>
• Scenario and Contingency Planning	26%	<b>33%</b>
• Social Media Programs	<b>34%</b>	25%
• Shared Service Centers	24%	<b>31%</b>
• Downsizing	<b>32%</b>	19%
• Open Innovation	17%	<b>25%</b>
• Price Optimization Models	19%	23%
• Decision Rights Tools	7%	<b>24%</b>
• Rapid Prototyping	13%	10%

Use tool significantly more than those not in market type

- The larger the firm, the more likely they are to use the vast majority of tools

# Large firms use more management tools

	<u>Large</u>	<u>Medium</u>	<u>Small</u>
Benchmarking	78%	72%	56%
Strategic Planning	76%	72%	55%
Mission and Vision Statements	72%	62%	58%
Customer Relationship Management	60%	64%	54%
Outsourcing	61%	54%	52%
Balanced Scorecard	60%	52%	34%
Change Management Programs	58%	51%	34%
Core Competencies	54%	48%	39%
Strategic Alliances	47%	46%	43%
Customer Segmentation	53%	45%	32%
Supply Chain Management	53%	43%	27%
Business Process Reengineering	47%	45%	27%
Knowledge Management	46%	41%	31%
Total Quality Management	45%	41%	32%
Mergers and Acquisitions	48%	43%	22%
Satisfaction and Loyalty Management	34%	38%	27%
Enterprise Risk Management	45%	30%	19%
Scenario and Contingency Planning	40%	29%	23%
Social Media Programs	28%	30%	29%
Shared Service Centers	47%	30%	13%
Downsizing	30%	27%	20%
Open Innovation	24%	22%	19%
Price Optimization Models	27%	27%	13%
Decision Rights Tools	24%	20%	10%
Rapid Prototyping	11%	10%	12%

- Significantly higher usage rate than other sized companies  
 Significantly lower usage rate than other sized companies

- While overall tool usage declined from 2008 to 2010, usage levels by Large companies (\$2B+ revenues) was similar
  - Use of Business Process Reengineering and Downsizing was higher in 2008
  - Strategic Planning, Total Quality Management, Satisfaction and Loyalty Management and Decision Rights Tools were used more in 2010

# Large companies tool usage 2008 vs. 2010

	<b><u>2008</u></b>	<b><u>2010</u></b>
• Benchmarking	80%	78%
• Strategic Planning	68%	<b>76%</b>
• Mission and Vision Statements	69%	72%
• Outsourcing	65%	61%
• Balanced Scorecard	61%	60%
• Customer Relationship Management	65%	60%
• Core Competencies	52%	54%
• Customer Segmentation	58%	53%
• Supply Chain Management	52%	53%
• Mergers and Acquisitions	54%	48%
• Strategic Alliances	44%	47%
• Business Process Reengineering	<b>55%</b>	47%
• Shared Service Centers	48%	47%
• Knowledge Management	47%	46%
• Total Quality Management	35%	<b>45%</b>
• Scenario and Contingency Planning	44%	40%
• Satisfaction and Loyalty Management	21%	<b>34%</b>
• Downsizing	<b>40%</b>	30%
• Price Optimization Models	28%	27%
• Open Innovation	26%	24%
• Decision Rights Tools	12%	<b>24%</b>

Tool was used by significantly more firms in that year

- Smaller companies used 10 of the tools less in 2010 than they did in 2008
  - The only tool smaller companies used more in 2010 was Satisfaction and Loyalty Management

# Small companies tool usage 2008 vs. 2010

	<b>2008</b>	<b>2010</b>
• Mission and Vision Statements	59%	58%
• Benchmarking	<b>67%</b>	56%
• Strategic Planning	62%	55%
• Customer Relationship Management	58%	54%
• Outsourcing	58%	52%
• Strategic Alliances	<b>47%</b>	43%
• Core Competencies	40%	39%
• Balanced Scorecard	<b>41%</b>	34%
• Customer Segmentation	<b>45%</b>	32%
• Total Quality Management	32%	32%
• Knowledge Management	35%	31%
• Business Process Reengineering	<b>45%</b>	27%
• Satisfaction and Loyalty Management	12%	<b>27%</b>
• Supply Chain Management	<b>33%</b>	27%
• Scenario and Contingency Planning	<b>37%</b>	23%
• Mergers and Acquisitions	<b>41%</b>	22%
• Downsizing	<b>31%</b>	20%
• Open Innovation	23%	19%
• Price Optimization Models	16%	13%
• Shared Service Centers	<b>29%</b>	13%
• Decision Rights Tools	7%	10%

Tool was used by significantly more firms in that year

- Although we cannot tell whether using specific tools has had a direct impact on an organization's financial performance, we can see that organizations who are satisfied with their financial performance use almost all of the tools more than those who are not satisfied
- As we also saw in 2008, Downsizing was the only tool used more by those not satisfied with their firm's financial performance

# Firms satisfied with Financial Results use many of the tools more

	<b>Not Satisfied</b>	<b>Satisfied</b>
• Benchmarking	60%	<b>69%</b>
• Strategic Planning	59%	<b>68%</b>
• Mission and Vision Statements	57%	<b>65%</b>
• Customer Relationship Management	52%	<b>60%</b>
• Outsourcing	58%	54%
• Balanced Scorecard	38%	<b>49%</b>
• Change Management Programs	42%	47%
• Core Competencies	40%	<b>48%</b>
• Strategic Alliances	44%	45%
• Customer Segmentation	37%	<b>44%</b>
• Supply Chain Management	34%	<b>40%</b>
• Business Process Reengineering	34%	39%
• Knowledge Management	33%	<b>40%</b>
• Total Quality Management	34%	39%
• Mergers and Acquisitions	29%	<b>37%</b>
• Satisfaction and Loyalty Management	24%	<b>34%</b>
• Enterprise Risk Management	27%	31%
• Scenario and Contingency Planning	28%	30%
• Social Media Programs	30%	29%
• Shared Service Centers	23%	<b>30%</b>
• Downsizing	<b>32%</b>	22%
• Open Innovation	18%	23%
• Price Optimization Models	16%	<b>23%</b>
• Decision Rights Tools	14%	18%
• Rapid Prototyping	9%	12%

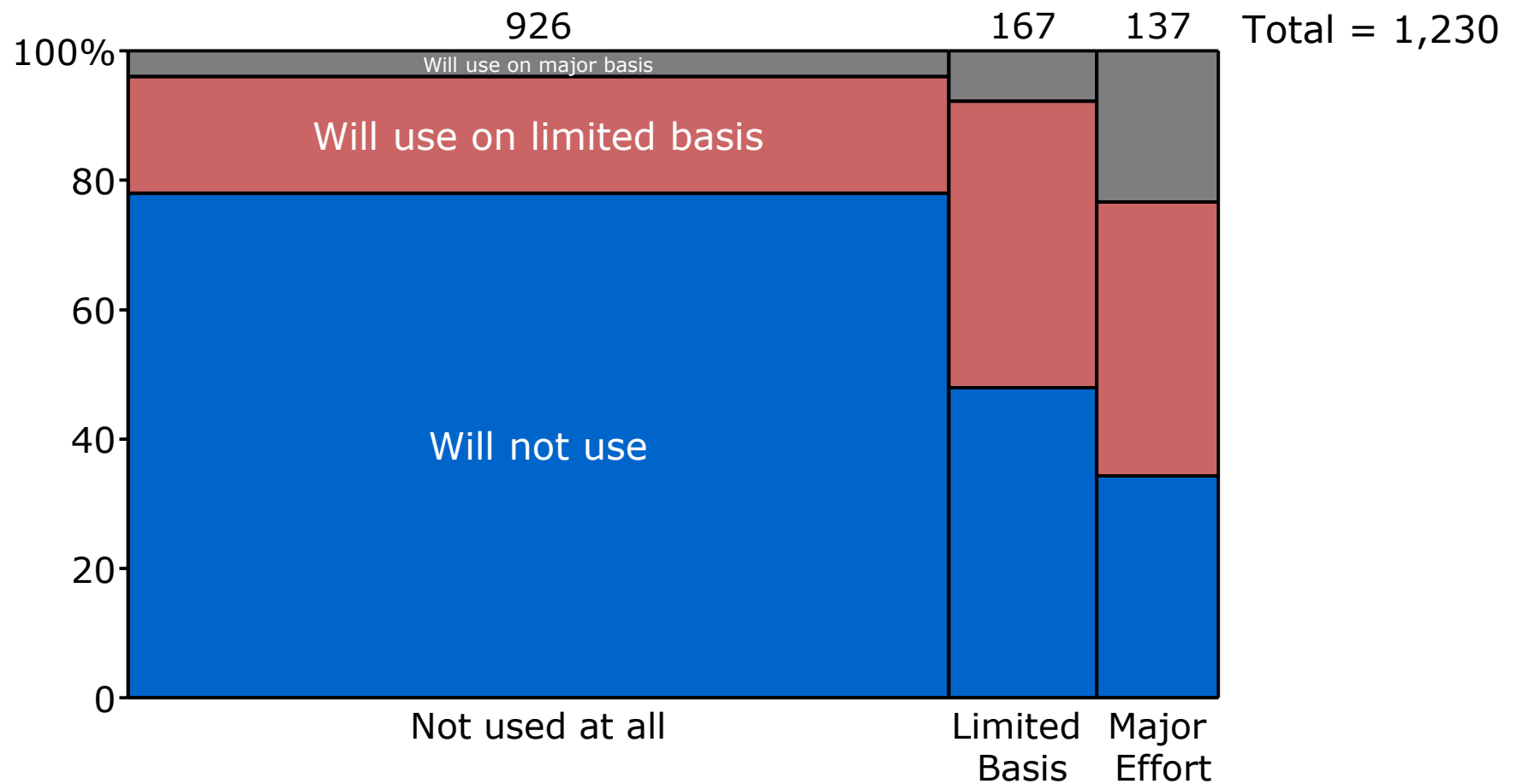
Use tool significantly more than those not in group

“Not Satisfied” – indicated they were “Extremely Dissatisfied”, “Somewhat Dissatisfied”, or “Neither” with their firm’s financial results; “Satisfied” – Executives who are “Extremely Satisfied” or “Somewhat Satisfied”

- Fewer firms plan to downsize in 2011 than did in 2010. Very few companies who did not downsize in 2010 plan to have major downsizing efforts in 2011

# Companies who downsized in 2010 are also more likely to downsize in 2011

Likely 2011 usage of Downsizing



2010 Downsizing Usage

- The average overall satisfaction rating is 3.87, slightly higher than the average of 3.82 in 2008
- Strategic Planning is once again the satisfaction leader. The other tools with above average satisfaction scores are
  - Mission and Vision Statements
  - Total Quality Management
  - Customer Segmentation
  - Strategic Alliances
- Tools with below average satisfaction ratings are
  - Downsizing (was also below average in 2008)
  - Knowledge Management (below average in 2008)
  - Shared Service Centers (below average in 2008)
  - Outsourcing
  - Social Media Programs

# Latin American executives were more satisfied with many tools; European executives less satisfied

	Global	N. Amer.	Europe	Asia	L. Amer.
Strategic Planning	4.07*	4.09	3.89	4.03	4.15
Mission and Vision Statements	3.99*	4.03	3.73	3.93	4.10
Total Quality Management	3.97*	3.90	3.83	4.03	4.02
Customer Segmentation	3.95*	4.01	3.87	4.03	3.93
Strategic Alliances	3.94*	3.95	3.77	3.89	4.04
Customer Relationship Management	3.92	3.92	3.82	4.02	3.91
Satisfaction and Loyalty Management	3.91	4.16	3.68	3.80	3.95
Balanced Scorecard	3.90	3.89	3.72	3.85	3.99
Supply Chain Management	3.89	3.68	3.92	3.92	3.93
Core Competencies	3.88	3.90	3.73	4.06	3.85
Mergers and Acquisitions	3.88	3.94	3.73	3.83	3.96
Enterprise Risk Management	3.87	3.71	3.79	3.84	3.97
Benchmarking	3.86	3.86	3.78	3.87	3.90
Decision Rights Tools	3.86	3.63	3.56	3.88	3.93
Price Optimization Models	3.86	3.74	3.84	3.82	3.95
Rapid Prototyping	3.86	3.82	3.88	3.74	3.95
Business Process Reengineering	3.85	3.80	3.78	3.77	3.93
Open Innovation	3.84	3.90	3.82	3.87	3.82
Scenario and Contingency Planning	3.82	3.80	3.48	3.78	3.95
Change Management Programs	3.80	3.72	3.79	3.75	3.88
Shared Service Centers	3.77**	3.73	3.50	3.92	3.80
Knowledge Management	3.76**	3.88	3.69	3.73	3.77
Social Media Programs	3.73**	3.85	3.62	3.68	3.72
Outsourcing	3.70**	3.59	3.68	3.77	3.73
Downsizing	3.52**	3.22	3.61	3.46	3.81

Global Avg  
= 3.87

\*Significantly above/\*\*below the global mean   Significantly higher than other regions   Significantly lower

- Respondents in emerging markets are more satisfied with several tools
  - Strategic planning
  - Mission and Vision Statements
  - Total Quality Management
  - Enterprise Risk Management
  - Decision Rights Tools
  - Scenario and Contingency Planning
  - Change Management Programs
  - Shared Service Centers
  - Outsourcing
  - Downsizing

# Executives in emerging markets were more satisfied with several tools

	<u>Established</u>	<u>Emerging</u>
Strategic Planning	3.98	4.13
Mission and Vision Statements	3.90	4.06
Total Quality Management	3.85	4.05
Customer Segmentation	3.89	3.99
Strategic Alliances	3.87	3.99
Customer Relationship Management	3.88	3.95
Satisfaction and Loyalty Management	3.91	3.91
Balanced Scorecard	3.83	3.94
Supply Chain Management	3.79	3.96
Core Competencies	3.83	3.93
Mergers and Acquisitions	3.80	3.95
Enterprise Risk Management	3.72	3.96
Benchmarking	3.81	3.90
Decision Rights Tools	3.46	3.96
Price Optimization Models	3.78	3.92
Rapid Prototyping	3.86	3.85
Business Process Reengineering	3.79	3.89
Open Innovation	3.84	3.84
Scenario and Contingency Planning	3.63	3.94
Change Management Programs	3.72	3.88
Shared Service Centers	3.61	3.86
Knowledge Management	3.67	3.82
Social Media Programs	3.74	3.72
Outsourcing	3.59	3.78
Downsizing	3.36	3.73

□ Significantly higher than those not in market type

- Large companies were less satisfied with
  - Total Quality Management
  - Customer Relationship Management
  - Decision Rights Tools
  - Price Optimization Models
  - Knowledge Management
  - Outsourcing
- Medium sized companies were more satisfied with
  - Mission and Vision Statements
  - Core Competencies
  - Decision Rights Tools
  - Knowledge Management
- Small companies were more satisfied with Outsourcing and less satisfied with Mission and Vision Statements

# Large companies were less satisfied with several tools

	<u>Large</u>	<u>Medium</u>	<u>Small</u>
Strategic Planning	4.05	4.13	4.06
Mission and Vision Statements	4.00	<span style="border: 1px solid black;">4.15</span>	<span style="border: 1px solid black; border-radius: 50%;">3.91</span>
Total Quality Management	<span style="border: 1px solid black; border-radius: 50%;">3.86</span>	4.02	4.05
Customer Segmentation	4.01	4.00	3.85
Strategic Alliances	3.88	4.02	3.95
Customer Relationship Management	<span style="border: 1px solid black; border-radius: 50%;">3.77</span>	3.99	3.99
Satisfaction and Loyalty Management	3.86	3.85	4.00
Balanced Scorecard	3.88	3.90	3.93
Supply Chain Management	3.88	3.97	3.84
Core Competencies	3.82	<span style="border: 1px solid black;">4.02</span>	3.87
Mergers and Acquisitions	3.89	3.93	3.83
Enterprise Risk Management	3.84	3.96	3.84
Benchmarking	3.85	3.84	3.89
Decision Rights Tools	<span style="border: 1px solid black; border-radius: 50%;">3.64</span>	<span style="border: 1px solid black;">4.16</span>	3.95
Price Optimization Models	<span style="border: 1px solid black; border-radius: 50%;">3.68</span>	4.04	3.96
Rapid Prototyping	3.67	4.04	3.91
Business Process Reengineering	3.85	3.82	3.87
Open Innovation	3.69	3.85	3.97
Scenario and Contingency Planning	3.82	3.75	3.85
Change Management Programs	3.78	3.92	3.74
Shared Service Centers	3.76	3.79	3.75
Knowledge Management	<span style="border: 1px solid black; border-radius: 50%;">3.62</span>	<span style="border: 1px solid black;">3.92</span>	3.81
Social Media Programs	3.71	3.72	3.76
Outsourcing	<span style="border: 1px solid black; border-radius: 50%;">3.58</span>	3.67	<span style="border: 1px solid black;">3.82</span>
Downsizing	3.45	3.42	3.65

Significantly higher satisfaction rate than other sized companies  Significantly lower satisfaction rate

- Respondents who are satisfied with their organization's financial performance are also more satisfied with most of the tools

"Not Satisfied" – indicated they were "Extremely Dissatisfied", "Somewhat Dissatisfied", or "Neither" with their firm's financial results; "Satisfied" – Executives who are "Extremely Satisfied" or "Somewhat Satisfied"

# Those satisfied with Financial Results are also more satisfied with most management tools

	<b>Not Satisfied</b>	<b>Satisfied</b>
Strategic Planning	3.83	4.15
Mission and Vision Statements	3.75	4.07
Total Quality Management	3.67	4.06
Customer Segmentation	3.70	4.03
Strategic Alliances	3.81	3.99
Customer Relationship Management	3.66	3.99
Satisfaction and Loyalty Management	3.68	3.97
Balanced Scorecard	3.68	3.96
Supply Chain Management	3.76	3.93
Core Competencies	3.63	3.96
Mergers and Acquisitions	3.62	3.96
Enterprise Risk Management	3.65	3.94
Benchmarking	3.67	3.92
Decision Rights Tools	3.51	3.96
Price Optimization Models	3.71	3.90
Rapid Prototyping	3.57	3.94
Business Process Reengineering	3.61	3.93
Open Innovation	3.50	3.93
Scenario and Contingency Planning	3.56	3.90
Change Management Programs	3.50	3.90
Shared Service Centers	3.57	3.82
Knowledge Management	3.55	3.82
Social Media Programs	3.67	3.75
Outsourcing	3.52	3.77
Downsizing	3.49	3.53

Significantly higher than those not in group

- The five tools with the largest increases in satisfaction from 2008
  - Decision Rights Tools
  - Total Quality Management
  - Open Innovation
  - Satisfaction and Loyalty Management
  - Strategic Alliances
- Two tools with declines in satisfaction
  - Outsourcing
  - Downsizing

# Largest satisfaction changes since 2008

	<b>2008</b>	<b>2010</b>	<b>2008</b>	<b>2010</b>
<u>Increases</u>	<u>mean</u>	<u>mean</u>	<u>rank</u>	<u>rank</u>
• Decision Rights Tools	3.68	3.86	22(t)	13(t)
• Total Quality Management	3.80	3.97	16	3
• Open Innovation*	3.71	3.84	20	18
• Satisfaction and Loyalty Management**	3.79	3.91	17(t)	7(t)
• Strategic Alliances	3.82	3.94	12(t)	5
 <u>Decreases</u>				
• Outsourcing	3.79	3.70	18(t)	24
• Downsizing	3.59	3.52	25	25

\*Named "Collaborative Innovation" in 2008; \*\*Named "Loyalty Management Tools" in 2008

- The odds of success vary widely for different tools. For example, 34% of those who use Strategic Planning report that they are extremely satisfied with the tool, while only 6% say they are dissatisfied, creating a positive “satisfaction spread” of 28 points (34–6)
- At the bottom of the page are tools that dissatisfied almost as many users as they pleased, with Downsizing having more dissatisfied than extremely satisfied users

# Satisfaction spreads

	<b><u>Spread</u></b>	<b><u>% Extremely satisfied</u></b>	<b><u>% Dissatisfied</u></b>
Strategic Planning	28	34%	-6%
Mission and Vision Statements	28	34%	-6%
Total Quality Management	25	31%	-6%
Rapid Prototyping	20	29%	-9%
Customer Segmentation	19	26%	-7%
Strategic Alliances	19	27%	-8%
Mergers and Acquisitions	19	28%	-9%
Satisfaction and Loyalty Management	19	27%	-8%
Customer Relationship Management	18	26%	-8%
Price Optimization Models	18	25%	-7%
Enterprise Risk Management	18	23%	-5%
Supply Chain Management	17	26%	-9%
Core Competencies	17	23%	-6%
Open Innovation	17	27%	-10%
Decision Rights Tools	16	24%	-8%
Balanced Scorecard	15	22%	-7%
Change Management Programs	15	18%	-3%
Scenario and Contingency Planning	14	22%	-8%
Benchmarking	12	17%	-5%
Social Media Programs	12	22%	-10%
Business Process Reengineering	12	19%	-7%
Knowledge Management	10	19%	-9%
Shared Service Centers	9	21%	-12%
Outsourcing	7	20%	-13%
Downsizing	-1	15%	-16%

- Major efforts achieve better satisfaction scores than limited efforts do for all tools. Perhaps some tools should not be used on a limited basis at all
- For some tools, the differences are enormous. Open Innovation is the 3rd highest rated tool when used as part of a major effort, but 23<sup>rd</sup> when used on a limited basis
- It is important to understand incremental benefits of pursuing a major versus minor effort with each of these tools before deciding which tools to use and how much effort will be devoted to implementing them

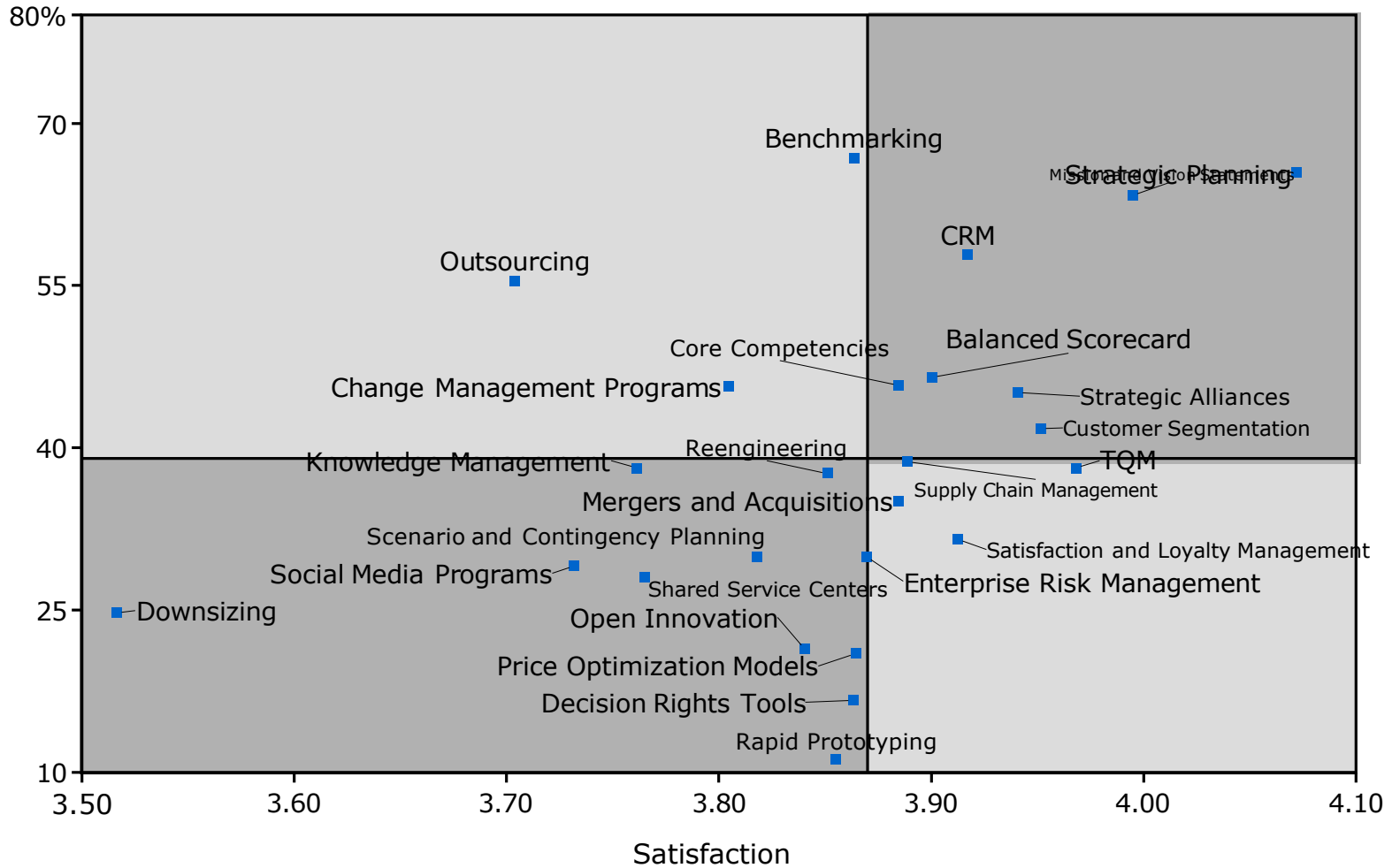
# Major efforts achieve higher satisfaction

	<u>Major effort score</u>	<u>Limited effort score</u>
Balanced Scorecard	4.27	3.53
Strategic Planning	4.26	3.61
Mission and Vision Statements	4.25	3.60
Open Innovation	4.25	3.44
Rapid Prototyping	4.25	3.48
Total Quality Management	4.24	3.62
Customer Segmentation	4.21	3.62
Strategic Alliances	4.19	3.66
Benchmarking	4.18	3.62
Decision Rights Tools	4.16	3.62
Core Competencies	4.15	3.59
Enterprise Risk Management	4.15	3.61
Price Optimization Models	4.14	3.54
Customer Relationship Management	4.13	3.55
Satisfaction and Loyalty Management	4.13	3.66
Scenario and Contingency Planning	4.13	3.51
Mergers and Acquisitions	4.12	3.56
Supply Chain Management	4.12	3.51
Social Media Programs	4.09	3.43
Knowledge Management	4.05	3.53
Business Process Reengineering	4.00	3.69
Change Management Programs	4.00	3.57
Outsourcing	3.94	3.47
Shared Service Centers	3.92	3.54
Downsizing	3.77	3.31

- The tools in the upper right quadrant are both heavily used and have satisfaction scores above the mean
- Total Quality Management, Satisfaction and Loyalty Management and Mergers and Acquisitions are all above average satisfaction, but below average usage
- The tools that performed the worst are in the bottom left quadrant
- Outsourcing and Change Management Programs have above average usage, but below average satisfaction

# 2010 usage and satisfaction

Usage



- All tools are projected to have higher usage levels in 2011. Those with the biggest projected gain are:
  - Open Innovation
  - Scenario and Contingency Planning
  - Price Optimization Models
  - Satisfaction and Loyalty Management
  - Knowledge Management

# Expected change in usage

	<b><u>Projected Increase</u></b>	<b><u>Projected 2011 Usage</u></b>	<b><u>Actual 2010 Usage</u></b>
Open Innovation	36%	57%	21%
Scenario and Contingency Planning	35%	65%	30%
Price Optimization Models	34%	55%	21%
Satisfaction and Loyalty Management	32%	64%	32%
Knowledge Management	31%	69%	38%
Customer Segmentation	29%	71%	42%
Decision Rights Tools	29%	46%	17%
Business Process Reengineering	29%	67%	38%
Strategic Alliances	28%	73%	45%
Core Competencies	27%	73%	46%
Social Media Programs	27%	56%	29%
Enterprise Risk Management	27%	57%	30%
Shared Services Centers	25%	53%	28%
Total Quality Management	24%	62%	38%
Customer Relationship Management	24%	82%	58%
Change Management Programs	23%	69%	46%
Supply Chain Management	21%	60%	39%
Rapid Prototyping	21%	32%	11%
Strategic Planning	21%	86%	65%
Mergers and Acquisitions	18%	53%	35%
Benchmarking	16%	83%	67%
Balanced Scorecard	16%	63%	47%
Mission and Vision Statements	15%	78%	63%
Outsourcing	13%	68%	55%
Downsizing	6%	31%	25%

- We analyzed respondents' loyalty to each tool by calculating the percentage that stopped using the tool in 2010 after using it at least once in the past five years
- The tools with the highest defection rates are
  - Downsizing
  - Mergers and Acquisitions
- Of course, managers might stop using a tool for many reasons:
  - The tool may have served its purpose, and no longer be required (as is likely with Mergers and Acquisitions)
  - The company's needs may have changed
  - The management team may be dissatisfied with the value they received from the tool

# Defection rates in 2010

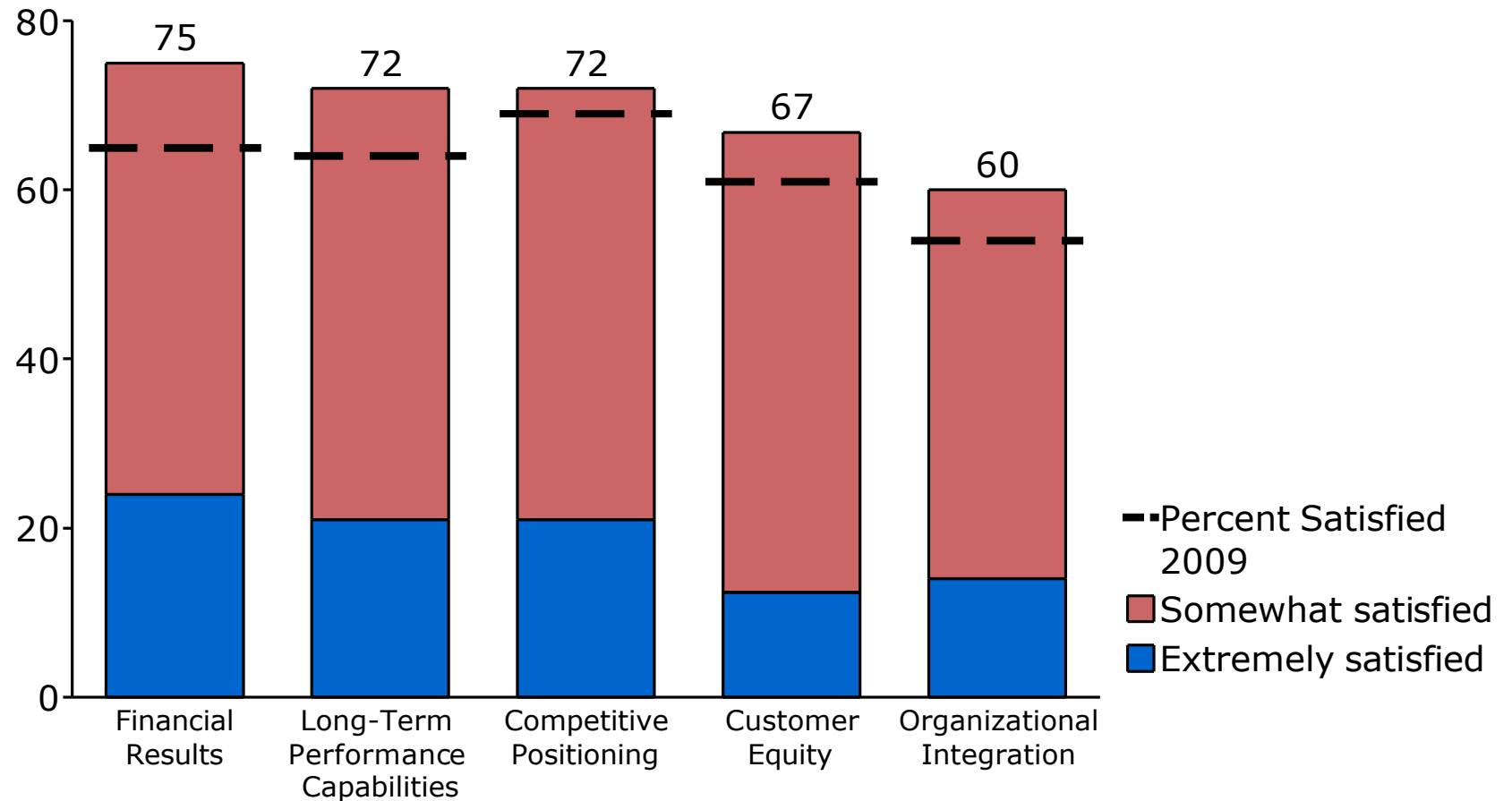
Downsizing*	17%	
Mergers and Acquisitions*	14%	
Rapid Prototyping	9%	
Decision Rights Tools	8%	
Balanced Scorecard*	7%	
Open Innovation	7%	
Price Optimization Models	7%	
Scenario and Contingency Planning	6%	
Change Management Programs	6%	
Business Process Reengineering	5%	
Core Competencies	5%	Mean =
----- Enterprise Risk Management	5%	5%
Shared Service Centers	5%	
Total Quality Management	4%	
Mission and Vision Statements	4%	
Outsourcing	4%	
Customer Segmentation	4%	
Knowledge Management	4%	
Benchmarking*	4%	
Social Media Programs	4%	
Satisfaction and Loyalty Management*	3%	
Strategic Alliances*	3%	
Supply Chain Management*	3%	
Customer Relationship Management*	3%	
Strategic Planning*	2%	

\*Denotes a tool that is significantly above/below the mean

- Few executives are extremely satisfied with their organization's performance on any of the key metrics
- However, a higher percentage of firms are satisfied with their firms' performance on all metrics than were in 2008

# Satisfaction with firm performance

Percent of respondents  
(n = 1230)



Percent not satisfied (1/2)

18%

15%

16%

12%

18%

**On the basis of our research to date, we offer four suggestions for the usage of tools:**

- 1. Get the facts:** Every tool carries a set of strengths and weaknesses. Success requires understanding the full effects—and side effects—of each tool and then creatively combining the right ones in the right ways at the right times. Use the research. Talk to other tool users. Don't naively accept hyperbole and simplistic solutions
- 2. Champion enduring strategies, not fleeting fads:** Line managers and tool gurus don't always have perfectly aligned agendas. Tool gurus may provoke stimulating discussions, but managers must manage. Managers who promote fleeting fads undermine employees' confidence that they can create needed change; such managers' programs are greeted with increasing skepticism. Executives would be better served by championing realistic, strategic directions and regarding the specific tools for getting there as ancillary
- 3. Choose the best tools for the job:** Managers need a rational system for selecting, implementing and integrating the tools appropriate for their companies. A management tool will improve results only to the extent that it:
  - a. Discovers unmet customer needs;
  - b. Builds distinctive capabilities;
  - c. Exploits competitor vulnerabilities;
  - d. Develops breakthrough strategies by effectively integrating these accomplishments.
- 4. Adapt tools to your business system** (not vice versa)

# Tool tips

- Get the facts
- Champion enduring strategies, not fleeting fads
- Choose the best tool for the job
- Adapt tools to your business system

\*This page intentionally left blank

# Appendix

\*This page intentionally left blank

# Balanced Scorecard

*"Balanced Scorecard: Translates Mission and Vision Statements into quantifiable measures and gauges whether management is achieving desired results. Related Topics: Management by Objectives (MBO), Pay-for-Performance, Strategic Balance Sheet."*

	Usage	Satisfaction		2010 Usage	2010 Satisfaction	2011 Expected
2010:	47% (6th)	3.90 (8th)	Global:	47%	3.90	63%
2008:	53% (6th)	3.83 (8th)	N. America:	34%	3.89	49%
2006:	66% (12th)	3.60 (21st)	Europe:	42%	3.72	53%
2004:	57% (13th)	3.86 (18th)	Asia-Pacific:	42%	3.85	63%
2002:	62% (16 <sup>th</sup> )	3.88 (8th)	Latin America:	57%	3.99	75%
2000:	36% (14th)	3.94 (5th)	Large companies (\$2B+):	60%	3.88	73%
1999:	40% (14 <sup>th</sup> )	3.84 (13th)	Medium companies (\$600M-2B):	52%	3.90	67%
1998:	38% (19 <sup>th</sup> )	3.89 (13th)	Small companies (<\$600M):	34%	3.93	54%
1997:	46% (14 <sup>th</sup> )	3.94 (5 <sup>th</sup> )				
1996:	39% (15 <sup>th</sup> )	3.81 (7 <sup>th</sup> )				
1995:	-	-				
1994:	-	-				
1993:	-	-				

- Industries with highest percentage of usage: Chemicals & Metals; CPG; Utilities & Energy
- Industries with highest satisfaction: Transport, Tourism & Gaming; Utilities & Energy

□ Significantly higher rate than other regions/company size

○ Significantly lower rate

\*This page intentionally left blank

# Benchmarking

*"Benchmarking: Compares processes and performance with internal and external benchmarks. Companies incorporate identified best practices to meet improvement targets. Related topics: Best Demonstrated Practices, Competitor Profiles."*

	Usage	Satisfaction		2010 Usage	2010 Satisfaction	2011 Expected
2010:	67% (1st)	3.86 (13 <sup>th</sup> )	Global:	67%	3.86	83%
2008:	76% (1st)	3.82 (12 <sup>th</sup> )	N. America:	61%	3.86	78%
2006:	81% (4 <sup>th</sup> )	3.80 (6 <sup>th</sup> )	Europe:	72%	3.78	82%
2004:	73% (3 <sup>rd</sup> )	3.98 (3 <sup>rd</sup> )	Asia-Pacific:	56%	3.87	81%
2002:	84% (2 <sup>nd</sup> )	3.96 (6 <sup>th</sup> )	Latin America:	72%	3.90	88%
2000:	69% (3 <sup>rd</sup> )	3.89 (11 <sup>th</sup> )	Large companies (\$2B+):	78%	3.85	89%
1999:	77% (3 <sup>rd</sup> )	3.89 (11 <sup>th</sup> )	Medium companies (\$600M-2B):	72%	3.84	91%
1998:	82% (2 <sup>nd</sup> )	3.99 (4 <sup>th</sup> )	Small companies (<\$600M):	56%	3.95	75%
1997:	82% (1 <sup>st</sup> )	3.88 (11 <sup>th</sup> )				
1996:	79% (3 <sup>rd</sup> )	3.93 (2 <sup>nd</sup> )				
1995:	76% (3 <sup>rd</sup> )	3.80 (2 <sup>nd</sup> )				
1994:	77% (3 <sup>rd</sup> )	3.76 (6 <sup>th</sup> )				
1993:	70% (6 <sup>th</sup> )	3.70 (13 <sup>th</sup> )				

- Industries with highest percentage of usage: Chemicals & Metals; Pharma & Biotech; CPG
- Industries with highest satisfaction: Transport & Tourism; CPG; Healthcare

□ Significantly higher rate than other regions/company size

○ Significantly lower rate

\*This page intentionally left blank

# Business Process Reengineering

*"Business Process Reengineering: Radically redesigns core business processes to achieve dramatic improvements in productivity, cycle times and quality. Related Topics: Cycle Time Reduction, Horizontal Organizations, Overhead Value Analysis, Process Redesign."*

	Usage	Satisfaction		2010 Usage	2010 Satisfaction	2011 Expected
2010:	38% (12th)	3.85 (17th)	Global:	38%	3.85	67%
2008:	50% (8th)	3.85 (7th)	N. America:	28%	3.80	58%
2006:	69% (8th)	3.77 (11th)	Europe:	36%	3.78	61%
2004:	61% (10th)	3.90 (11th)	Asia-Pacific:	39%	3.77	68%
2002:	54% (19th)	3.75 (20th)	Latin America:	43%	3.93	73%
2000:	38% (13th)	3.85 (16th)	Large companies (\$2B+):	47%	3.85	74%
1999:	44% (12th)	3.75 (21st)	Medium companies (\$600M-2B):	45%	3.82	71%
1998:	58% (12th)	3.81 (21st)	Small companies (<\$600M):	27%	3.97	59%
1997:	61% (8th)	3.72 (21st)				
1996:	65% (7th)	3.71 (18th)				
1995:	69% (7th)	3.61 (17th)				
1994:	68% (6 <sup>h</sup> )	3.76 (7th)				
1993:	67% (7 <sup>th</sup> )	3.81 (5 <sup>th</sup> )				

- Industries with highest percentage of usage: Pharma & Biotech; Financial Services
- Industries with highest satisfaction: Manufacturing; Pharma & Biotech; Healthcare

□ Significantly higher rate than other regions/company size

○ Significantly lower rate

\*This page intentionally left blank

# Change Management Programs

*"Change Management Programs involve devising change initiatives, generating organizational buy-in, implementing the initiatives as seamlessly as possible and generating a repeatable model for ensuring continued success in future change efforts. Related Topics: Cultural Transformation, Process Redesign"*

	Usage	Satisfaction		2010 Usage	2010 Satisfaction	2011 Expected
2010:	46% (7th)	3.80 (20th)	Global:	46%	3.80	69%
2008:	-	-	N. America:	39%	3.72	63%
2006:	-	-	Europe:	56%	3.79	68%
2004:	59% (12 <sup>th</sup> )	3.75 (20 <sup>th</sup> )	Asia-Pacific:	45%	3.75	72%
2002:	64% (14 <sup>th</sup> )	3.80 (15 <sup>th</sup> )	Latin America:	44%	3.88	72%
2000:	-	-	Large companies (\$2B+):	58%	3.78	78%
1999:	-	-	Medium companies (\$600M-2B):	51%	3.92	77%
1998:	-	-	Small companies (<\$600M):	34%	3.75	59%
1997:	-	-				
1996:	-	-				
1995:	-	-				
1994:	-	-				
1993:	-	-				

- Industries with highest percentage of usage: Pharma & Biotech; Utilities & Energy
- Industries with highest satisfaction: Manufacturing; Food & Beverage; CPG

□ Significantly higher rate than other regions/company size

○ Significantly lower rate

\*This page intentionally left blank

# Core Competencies

"Core Competencies: Identifies and invests in special skills or technologies that create unique customer value. Related Topics: Core Capabilities, Key Success Factors."

	Usage	Satisfaction		2010 Usage	2010 Satisfaction	2011 Expected
2010:	46% (7 <sup>th</sup> )	3.88 (10 <sup>th</sup> )	Global:	46%	3.88	73%
2008:	48% (9 <sup>th</sup> )	3.82 (12 <sup>th</sup> )	N. America:	51%	3.90	74%
2006:	79% (5 <sup>th</sup> )	3.86 (5 <sup>th</sup> )	Europe:	42%	3.73	72%
2004:	65% (7 <sup>th</sup> )	3.97 (4 <sup>th</sup> )	Asia-Pacific:	51%	4.06	81%
2002:	75% (11 <sup>th</sup> )	4.01 (3 <sup>rd</sup> )	Latin America:	43%	3.85	70%
2000:	48% (10 <sup>th</sup> )	3.83 (18 <sup>th</sup> )	Large companies (\$2B+):	54%	3.82	77%
1999:	50% (10 <sup>th</sup> )	3.79 (17 <sup>th</sup> )	Medium companies (\$600M-2B):	48%	4.02	79%
1998:	60% (9 <sup>th</sup> )	3.88 (15 <sup>th</sup> )	Small companies (<\$600M):	39%	3.87	68%
1997:	61% (7 <sup>th</sup> )	3.88 (12 <sup>th</sup> )				
1996:	69% (5 <sup>th</sup> )	3.83 (6 <sup>th</sup> )				
1995:	66% (9 <sup>th</sup> )	3.75 (6 <sup>th</sup> )				
1994:	60% (9 <sup>th</sup> )	3.70 (11 <sup>th</sup> )				
1993:	52% (11 <sup>th</sup> )	3.60 (20 <sup>th</sup> )				

- Industries with highest percentage of usage: Chemicals & Metals; Manufacturing; CPG
- Industries with highest satisfaction: Food & Beverage; CPG; Transport, Tourism & Gaming

□ Significantly higher rate than other regions/company size

○ Significantly lower rate

\*This page intentionally left blank

# Customer Relationship Management (CRM)

*"Customer Relationship Management: Collects data about customers to optimize marketing, sales and service processes to increase customer value. Related Topics: Collaborative Commerce, Customer Retention, Customer Segmentation, Customer Surveys, Loyalty Management."*

	Usage	Satisfaction		2010 Usage	2010 Satisfaction	2011 Expected
2010:	58% (4th)	3.92 (6th)	Global:	58%	3.92	82%
2008:	63% (4th)	3.83 (8th)	N. America:	64%	3.92	85%
2006:	84% (2 <sup>nd</sup> )	3.87 (4 <sup>th</sup> )	Europe:	60%	3.82	83%
2004:	75% (2 <sup>nd</sup> )	3.91 (9 <sup>th</sup> )	Asia-Pacific:	64%	4.02	87%
2002:	78% (7 <sup>th</sup> )	3.81 (13 <sup>th</sup> )	Latin America:	51%	3.91	77%
2000:	35% (15 <sup>th</sup> )	3.67 (22 <sup>nd</sup> )	Large companies (\$2B+):	60%	3.77	82%
1999:	-	-	Medium companies (\$600M-2B):	64%	3.99	84%
1998:	-	-	Small companies (<\$600M):	54%	3.99	80%
1997:	-	-				
1996:	-	-				
1995:	-	-				
1994:	-	-				
1993:	-	-				

- Industries with highest percentage of usage: Transport, Tourism & Gaming; Financial Services
- Industries with highest satisfaction: Food & Beverage; Wholesale, Distribution & Logistics

□ Significantly higher rate than other regions/company size

○ Significantly lower rate

\*This page intentionally left blank

# Customer Segmentation

"Customer Segmentation: Subdivides markets into discrete customer groups that share similar characteristics in order to develop tailored product offerings or marketing programs. Related Topics: Customer Surveys, Market Segmentation, One-to-One Marketing."

	Usage	Satisfaction		2010 Usage	2010 Satisfaction	2011 Expected
2010:	42% (10th)	3.95 (4th)	Global:	42%	3.95	71%
2008:	53% (6th)	3.95 (2nd)	N. America:	31%	4.01	63%
2006:	82% (3rd)	3.93 (1st)	Europe:	38%	3.87	67%
2004:	72% (5th)	3.97 (4th)	Asia-Pacific:	42%	4.03	79%
2002:	79% (4th)	4.01 (4th)	Latin America:	49%	3.93	73%
2000:	51% (9th)	3.99 (3rd)	Large companies (\$2B+):	53%	4.01	76%
1999:	52% (9th)	3.94 (8th)	Medium companies (\$600M-2B):	45%	4.00	73%
1998:	60% (9th)	3.87 (17th)	Small companies (<\$600M):	32%	3.85	67%
1997:	-	-				
1996:	-	-				
1995:	-	-				
1994:	-	-				
1993:	-	-				

- Industries with highest percentage of usage: Transport, Tourism & Gaming; Financial Services
- Industries with highest satisfaction: Pharma & Biotech; Financial Services; Transport, Tourism & Gaming

□ Significantly higher rate than other regions/company size

○ Significantly lower rate

\*This page intentionally left blank

# Decision Rights Tools

*"Decision Rights Tools: Helps companies to organize their decision making and execution by setting clear roles and accountabilities and by giving all those involved a sense of ownership of decisions: when to provide input, who should follow through and what is beyond their scope."*

	Usage	Satisfaction		2010 Usage	2010 Satisfaction	2011 Expected
2010:	17% (24 <sup>th</sup> )	3.86 (13 <sup>th</sup> )	Global:	17%	3.86	46%
2008:	10% (25 <sup>th</sup> )	3.68 (22 <sup>nd</sup> )	N. America:	8%	3.63	29%
2006:	-	-	Europe:	7%	3.56	30%
2004:	-	-	Asia-Pacific:	14%	3.88	50%
2002:	-	-	Latin America:	27%	3.93	60%
2000:	-	-	Large companies (\$2B+):	24%	3.64	52%
1999:	-	-	Medium companies (\$600M-2B):	20%	4.16	51%
1998:	-	-	Small companies (<\$600M):	10%	3.96	39%
1997:	-	-				
1996:	-	-				
1995:	-	-				
1994:	-	-				
1993:	-	-				

- Industries with highest percentage of usage: Utilities & Energy; Chemicals & Metals; CPG
- Industries with highest satisfaction: Food & Beverage; Transport & Tourism

□ Significantly higher rate than other regions/company size

○ Significantly lower rate

\*This page intentionally left blank

# Downsizing

*"Downsizing: In the face of slowing or declining sales, companies often downsize their employee base as a means of cutting costs to boost profitability. Related Topics: Layoffs, Reengineering, Rightsizing."*

	Usage	Satisfaction		2010 Usage	2010 Satisfaction	2011 Expected
2008:	25% (21st)	3.52 (25 <sup>th</sup> )	Global:	25%	3.52	31%
2008:	34% (17 <sup>th</sup> )	3.59 (25 <sup>th</sup> )	N. America:	<span style="border: 1px solid black; padding: 2px;">35%</span>	<span style="border: 1px solid black; border-radius: 50%; padding: 2px;">3.22</span>	29%
2006:	-	-	Europe:	26%	3.61	31%
2004:	-	-	Asia-Pacific:	28%	3.46	35%
2002:	59% (17 <sup>th</sup> )	3.49 (24 <sup>th</sup> )	Latin America:	<span style="border: 1px solid black; border-radius: 50%; padding: 2px;">17%</span>	<span style="border: 1px solid black; padding: 2px;">3.81</span>	30%
2000:	-	-	Large companies (\$2B+):	<span style="border: 1px solid black; padding: 2px;">30%</span>	3.45	<span style="border: 1px solid black; padding: 2px;">36%</span>
1999:	-	-	Medium companies (\$600M-2B):	27%	3.42	29%
1998:	-	-	Small companies (<\$600M):	<span style="border: 1px solid black; border-radius: 50%; padding: 2px;">20%</span>	3.65	<span style="border: 1px solid black; border-radius: 50%; padding: 2px;">28%</span>
1997:	-	-				
1996:	-	-				
1995:	-	-				
1994:	-	-				
1993:	-	-				

- Industries with highest percentage of usage: Transport, Tourism & Gaming; CPG
- Industries with highest satisfaction: Utilities & Energy; Healthcare

Significantly higher rate than other regions/company size

Significantly lower rate

\*This page intentionally left blank

# Enterprise Risk Management

*"Enterprise Risk Management: An approach to making strategic and business decisions after considering major risks and opportunities. Related Topics: Risk Governance; Scenario & Contingency Planning"*

	Usage	Satisfaction		2010 Usage	2010 Satisfaction	2011 Expected
2010:	30% (17 <sup>th</sup> )	3.87 (12 <sup>th</sup> )	Global:	30%	3.87	57%
2008:	-	-	N. America:	24%	3.71	49%
2006:	-	-	Europe:	28%	3.79	48%
2004:	-	-	Asia-Pacific:	29%	3.84	62%
2002:	-	-	Latin America:	35%	3.97	62%
2000:	-	-	Large companies (\$2B+):	45%	3.84	69%
1999:	-	-	Medium companies (\$600M-2B):	30%	3.96	61%
1998:	-	-	Small companies (<\$600M):	19%	3.89	46%
1997:	-	-				
1996:	-	-				
1995:	-	-				
1994:	-	-				
1993:	-	-				

- Industries with highest percentage of usage: Chemicals & Metals; Financial Services; CPG
- Industries with highest satisfaction: Media & Entertainment; Utilities & Energy; Financial Services

□ Significantly higher rate than other regions/company size

○ Significantly lower rate

\*This page intentionally left blank

# Knowledge Management

*"Knowledge Management: Develops systems and processes to capture and share a company's intellectual assets. Related Topics: Groupware, Intellectual Capital Management, Learning Organization, Managing Innovation."*

	Usage	Satisfaction		2010 Usage	2010 Satisfaction	2011 Expected
2010:	38% (12 <sup>th</sup> )	3.76 (22 <sup>nd</sup> )	Global:	38%	3.76	69%
2008:	41% (14 <sup>th</sup> )	3.66 (24 <sup>th</sup> )	N. America:	29%	3.88	63%
2006:	69% (8 <sup>th</sup> )	3.59 (22 <sup>nd</sup> )	Europe:	40%	3.69	66%
2004:	54% (15 <sup>th</sup> )	3.73 (22 <sup>nd</sup> )	Asia-Pacific:	47%	3.73	81%
2002:	62% (15 <sup>th</sup> )	3.63 (23 <sup>rd</sup> )	Latin America:	37%	3.77	68%
2000:	32% (19 <sup>th</sup> )	3.61 (23 <sup>rd</sup> )	Large companies (\$2B+):	46%	3.62	75%
1999:	30% (18 <sup>th</sup> )	3.43 (25 <sup>th</sup> )	Medium companies (\$600M-2B):	41%	3.92	71%
1998:	33% (23 <sup>rd</sup> )	3.63 (25 <sup>th</sup> )	Small companies (<\$600M):	31%	3.75	64%
1997:	30% (21 <sup>st</sup> )	3.58 (25 <sup>th</sup> )				
1996:	28% (21 <sup>st</sup> )	3.48 (23 <sup>rd</sup> )				
1995:	-	-				
1994:	-	-				
1993:	-	-				

- Industries with highest percentage of usage: Chemicals & Metals; Utilities & Energy; Tech & Telecom
- Industries with highest satisfaction: Wholesale, Distribution & Logistics; Services

□ Significantly higher rate than other regions/company size

○ Significantly lower rate

\*This page intentionally left blank

# Mergers and Acquisitions

*"Mergers and Acquisitions: Acquisitions occur when a larger company takes over a smaller one; a merger typically involves two relative equals joining forces and creating a new company. Related Topics: Merger Integration Teams, Strategic Alliances."*

	Usage	Satisfaction		2010 Usage	2010 Satisfaction	2011 Expected
2010:	35% (15th)	3.88 (10 <sup>th</sup> )	Global:	35%	3.88	53%
2008:	46% (10th)	3.83 (8th)	N. America:	34%	3.95	47%
2006:	50% (20 <sup>th</sup> )	3.88 (3 <sup>rd</sup> )	Europe:	36%	3.73	45%
2004:	-	-	Asia-Pacific:	33%	3.83	60%
2002:	-	-	Latin America:	36%	3.96	56%
2000:	-	-	Large companies (\$2B+):	48%	3.89	65%
1999:	-	-	Medium companies (\$600M-2B):	43%	3.93	60%
1998:	-	-	Small companies (<\$600M):	22%	3.83	41%
1997:	-	-				
1996:	-	-				
1995:	-	-				
1994:	-	-				
1993:	-	-				

- Industries with highest percentage of usage: Pharma & Biotech; CPG
- Industries with highest satisfaction: Pharma & Biotech; Chemicals & Metals; Food & Beverage

□ Significantly higher rate than other regions/company size

○ Significantly lower rate

\*This page intentionally left blank

# Mission and Vision Statements

*"Mission and Vision Statements: Codify definitions of a company's business, objectives, approach and desired future position. Related Topics: Corporate Value Statements, Culture Transformation, Strategic Planning."*

	Usage	Satisfaction		2010 Usage	2010 Satisfaction	2011 Expected
2010:	63% (3rd)	3.99 (2nd)	Global:	63%	3.99	78%
2008:	65% (3rd)	3.91 (3rd)	N. America:	57%	4.03	73%
2006:	79% (5 <sup>th</sup> )	3.78 (8 <sup>th</sup> )	Europe:	55%	3.73	72%
2004:	72% (5 <sup>th</sup> )	3.87 (16 <sup>th</sup> )	Asia-Pacific:	57%	3.93	81%
2002:	84% (2nd)	3.74 (21 <sup>st</sup> )	Latin America:	74%	4.10	81%
2000:	70% (2 <sup>nd</sup> )	3.94 (6 <sup>th</sup> )	Large companies (\$2B+):	72%	4.00	81%
1999:	79% (2nd)	3.99 (4 <sup>th</sup> )	Medium companies (\$600M-2B):	62%	4.15	80%
1998:	74% (4 <sup>th</sup> )	3.93 (11 <sup>th</sup> )	Small companies (<\$600M):	58%	3.91	75%
1997:	78% (3rd)	3.84 (16 <sup>th</sup> )				
1996:	82% (2nd)	3.81 (8 <sup>th</sup> )				
1995:	84% (1 <sup>st</sup> )	3.79 (4 <sup>th</sup> )				
1994:	86% (1 <sup>st</sup> )	3.80 (3rd)				
1993:	88% (1 <sup>st</sup> )	3.90 (2 <sup>nd</sup> )				

- Industries with highest percentage of usage: Utilities & Energy; Chemicals & Metal
- Industries with highest satisfaction: CPG; Wholesale, Distribution & Logistics; Healthcare

□ Significantly higher rate than other regions/company size

○ Significantly lower rate

\*This page intentionally left blank

# Open Innovation

*"Open Innovation: Applies the principles of free trade to the marketplace for new ideas, enabling the laws of comparative advantage to drive the efficient allocation of R&D resources. Related topics: New Product Development, Open Innovation, Open-Market Innovation."*

	Usage	Satisfaction		2010 Usage	2010 Satisfaction	2011 Expected
2010:	21% (22 <sup>nd</sup> )	3.84 (18 <sup>th</sup> )	Global:	21%	3.84	57%
2008*	24% (22 <sup>nd</sup> )	3.71 (20 <sup>th</sup> )	N. America:	12%	3.90	45%
2006*	53% (18 <sup>th</sup> )	3.72 (15 <sup>th</sup> )	Europe:	21%	3.82	49%
2004*	26% (23 <sup>rd</sup> )	3.70 (23 <sup>rd</sup> )	Asia-Pacific:	26%	3.87	64%
2002:	-	-	Latin America:	24%	3.82	63%
2000:	-	-	Large companies (\$2B+):	24%	3.69	61%
1999:	-	-	Medium companies (\$600M-2B):	22%	3.85	60%
1998:	-	-	Small companies (<\$600M):	19%	3.85	52%
1997:	-	-				
1996:	-	-				
1995:	-	-				
1994:	-	-				
1993:	-	-				

\*Called "Open-Market Innovation" in 2004, "Collaborative Innovation in 2006, 2008

- Industries with highest percentage of usage: Tech & Telecom; Chemicals & Metals; Food & Beverage
- Industries with highest satisfaction: Retail; Pharma & Biotech

□ Significantly higher rate than other regions/company size

○ Significantly lower rate

\*This page intentionally left blank

# Outsourcing

*"Outsourcing: Uses third parties to perform non-core business activities. Related Topics: Core Capabilities, Strategic Alliances, Value Chain Analysis."*

	Usage	Satisfaction		2010 Usage	2010 Satisfaction	2011 Expected
2010:	55% (5th)	3.70 (24th)	Global:	55%	3.70	68%
2008:	63% (4th)	3.79 (17th)	N. America:	49%	3.59	59%
2006:	77% (7th)	3.68 (17 <sup>th</sup> )	Europe:	55%	3.68	68%
2004:	73% (3rd)	3.89 (14 <sup>th</sup> )	Asia-Pacific:	53%	3.77	72%
2002:	78% (5 <sup>th</sup> )	3.84 (10 <sup>th</sup> )	Latin America:	60%	3.73	72%
2000:	63% (4 <sup>th</sup> )	3.80 (19 <sup>th</sup> )	Large companies (\$2B+):	61%	3.59	73%
1999:	62% (5 <sup>th</sup> )	3.79 (17 <sup>th</sup> )	Medium companies (\$600M-2B):	54%	3.67	68%
1998:	71% (6 <sup>th</sup> )	3.89 (13 <sup>h</sup> )	Small companies (<\$600M):	52%	3.82	66%
1997:	-	-				
1996:	-	-				
1995:	-	-				
1994:	-	-				
1993:	-	-				

- Industries with highest percentage of usage: Pharma & Biotech; Transport, Tourism & Gaming
- Industries with highest satisfaction: Retail; Pharma & Biotech

□ Significantly higher rate than other regions/company size

○ Significantly lower rate

\*This page intentionally left blank

# Price Optimization Models

*"Price Optimization Models: Mathematical programs that calculate how demand varies at different price levels, then combines the data with information on costs and inventory levels to recommend prices that will improve profits. Related topics; Demand-Based Management, Pricing Strategy, Revenue Enhancement."*

	Usage	Satisfaction		2010 Usage	2010 Satisfaction	2011 Expected
2008:	21% (22nd)	3.86 (13th)	Global:	21%	3.86	55%
2008:	24% (22nd)	3.75 (19 <sup>th</sup> )	N. America:	18%	3.74	51%
2006:	-	-	Europe:	19%	3.84	50%
2004:	36% (20 <sup>th</sup> )	3.87 (16 <sup>th</sup> )	Asia-Pacific:	24%	3.82	61%
2002:	-	-	Latin America:	23%	3.95	57%
2000:	-	-	Large companies (\$2B+):	27%	3.68	62%
1999:	-	-	Medium companies (\$600M-2B):	27%	4.04	63%
1998:	-	-	Small companies (<\$600M):	13%	3.91	46%
1997:	-	-				
1996:	-	-				
1995:	-	-				
1994:	-	-				
1993:	-	-				

- Industries with highest percentage of usage: Retail; CPG; Manufacturing
- Industries with highest satisfaction: Transport, Tourism & Gaming; Wholesale, Distribution & Logistics

□ Significantly higher rate than other regions/company size

○ Significantly lower rate

\*This page intentionally left blank

# Rapid Prototyping

*"Rapid Prototyping: Creates real-world tests by quickly putting models in front of customers and then making improvements based on their responses. Related Topics: Computer-Aided Design; Design Thinking; Discovery-Driven Innovation; Managing Innovation"*

	Usage	Satisfaction		2010 Usage	2010 Satisfaction	2011 Expected
2008:	11% (25th)	3.86 (13th)	Global:	11%	3.86	32%
2008:	-	-	N. America:	15%	3.82	33%
2006:	-	-	Europe:	11%	3.88	29%
2004:	-	-	Asia-Pacific:	13%	3.74	40%
2002:	-	-	Latin America:	9%	3.95	30%
2000:	-	-	Large companies (\$2B+):	11%	3.67	34%
1999:	-	-	Medium companies (\$600M-2B):	10%	4.04	33%
1998:	-	-	Small companies (<\$600M):	12%	3.87	31%
1997:	-	-				
1996:	-	-				
1995:	-	-				
1994:	-	-				
1993:	-	-				

- Industries with highest percentage of usage: Tech & Telecom; Manufacturing
- Industries with highest satisfaction: Media & Entertainment; Manufacturing

□ Significantly higher rate than other regions/company size

○ Significantly lower rate

\*This page intentionally left blank

# Satisfaction and Loyalty Management

"Satisfaction and Loyalty Management: Used to grow a business's revenues and profits by improving retention among its customers, employees and investors. Quantifiably links financial results to changes in retention rates. Related Topics: Customer and employee surveys, Customer Loyalty and Retention, Net Promoter Scores."

	Usage	Satisfaction		2010 Usage	2010 Satisfaction	2011 Expected
2010:	32% (16th)	3.91 (7 <sup>th</sup> )	Global:	32%	3.91	64%
2008*	17% (24th)	3.79 (17th)	N. America:	32%	4.16	65%
2006:	51% (19 <sup>th</sup> )	3.59 (22nd)	Europe:	30%	3.68	56%
2004:	40% (19 <sup>th</sup> )	3.67 (25 <sup>th</sup> )	Asia-Pacific:	34%	3.80	66%
2002:	-	-	Latin America:	31%	3.95	67%
2000:	-	-	Large companies (\$2B+):	34%	3.86	67%
1999:	-	-	Medium companies (\$600M-2B):	38%	3.85	68%
1998:	-	-	Small companies (<\$600M):	27%	4.00	60%
1997:	-	-				
1996:	-	-				
1995:	-	-				
1994:	-	-				
1993:	-	-				

\*Called "Loyalty Management Tools" in 2004, 2006, 2008

- Industries with highest percentage of usage: Transport, Tourism & Gaming; Healthcare
- Industries with highest satisfaction: Retail; Transport, Tourism & Gaming

□ Significantly higher rate than other regions/company size

○ Significantly lower rate

\*This page intentionally left blank

# Scenario and Contingency Planning

"Scenario and Contingency Planning: Involves raising and testing various "what-if" scenarios. Related Topics: Crisis Management, Disaster Recovery, Groupthink, Real Options Analysis, Simulation Models."

	Usage	Satisfaction		2010 Usage	2010 Satisfaction	2011 Expected
2010:	30% (17th)	3.82 (19 <sup>th</sup> )	Global:	30%	3.82	65%
2008:	42% (13th)	3.83 (8 <sup>th</sup> )	N. America:	26%	3.80	57%
2006:	69% (8th)	3.78 (8 <sup>th</sup> )	Europe:	26%	3.48	58%
2004:	54% (15 <sup>th</sup> )	3.90 (11 <sup>th</sup> )	Asia-Pacific:	22%	3.78	60%
2002:	70% (12 <sup>th</sup> )	3.81 (13 <sup>th</sup> )	Latin America:	38%	3.95	74%
2000:	33% (16 <sup>th</sup> )	3.86 (15 <sup>th</sup> )	Large companies (\$2B+):	40%	3.82	73%
1999:	28% (20th)	3.90 (10th)	Medium companies (\$600M-2B):	29%	3.75	69%
1998:	35% (22nd)	3.78 (22nd)	Small companies (<\$600M):	23%	3.74	57%
1997:	35% (19 <sup>th</sup> )	3.78 (18 <sup>th</sup> )				
1996:	35% (18 <sup>th</sup> )	3.69 (19th)				
1995:	39% (17 <sup>th</sup> )	3.53 (21st)				
1994:	44% (15 <sup>th</sup> )	3.59 (18 <sup>th</sup> )				
1993:	38% (16 <sup>th</sup> )	3.68 (15 <sup>th</sup> )				

- Industries with highest percentage of usage: Chemicals & Metals; Pharma & Biotech;
- Industries with highest satisfaction: Financial Services; Media & Entertainment; Chemicals & Metals

□ Significantly higher rate than other regions/company size

○ Significantly lower rate

\*This page intentionally left blank

# Shared Service Centers

"Shared Service Centers: Method of reducing costs through consolidating one or more back-office operations used by multiple divisions of the same company – such as finance, information technology, customer service and human resources – into a shared operation. Related Topics: Joint Ventures, Offshoring, Outsourcing, Performance Improvement, Strategic Partnerships"

	Usage	Satisfaction		2010 Usage	2010 Satisfaction	2011 Expected
2010:	28% (20th)	3.77 (21st)	Global:	28%	3.77	53%
2008:	41% (14th)	3.68 (22nd)	N. America:	21%	3.73	42%
2006:	55% (16 <sup>th</sup> )	3.63 (19 <sup>th</sup> )	Europe:	24%	3.50	44%
2004:	-	-	Asia-Pacific:	31%	3.92	57%
2002:	-	-	Latin America:	32%	3.80	61%
2000:	-	-	Large companies (\$2B+):	47%	3.76	70%
1999:	-	-	Medium companies (\$600M-2B):	30%	3.79	61%
1998:	-	-	Small companies (<\$600M):	13%	3.81	36%
1997:	-	-				
1996:	-	-				
1995:	-	-				
1994:	-	-				
1993:	-	-				

- Industries with highest percentage of usage: Chemicals & Metals; Pharma & Biotech
- Industries with highest satisfaction: Media & Entertainment; Food & Beverage

□ Significantly higher rate than other regions/company size

○ Significantly lower rate

\*This page intentionally left blank

# Social Media Programs

"Social Media Programs: Allow individuals and organizations to interact with their employees, friends, customers and partners electronically across a range of devices. Social media options include everything from online community pages and micro-blogging platforms to company-operated websites and forums to social gaming. Related Topics: Blogs, Multimedia Chat Rooms, Online Communities"

	Usage	Satisfaction		2010 Usage	2010 Satisfaction	2011 Expected
2010:	29% (19 <sup>th</sup> )	3.73 (23 <sup>rd</sup> )	Global:	29%	3.73	56%
2008:	-	-	N. America:	41%	3.85	64%
2006:	-	-	Europe:	28%	3.62	49%
2004:	-	-	Asia-Pacific:	23%	3.68	55%
2002:	-	-	Latin America:	26%	3.72	57%
2000:	-	-	Large companies (\$2B+):	28%	3.71	57%
1999:	-	-	Medium companies (\$600M-2B):	30%	3.72	57%
1998:	-	-	Small companies (<\$600M):	29%	3.81	55%
1997:	-	-				
1996:	-	-				
1995:	-	-				
1994:	-	-				
1993:	-	-				

- Industries with highest percentage of usage: Media & Entertainment; Transport, Tourism & Gaming
- Industries with highest satisfaction: Chemicals & Metals; Healthcare

□ Significantly higher rate than other regions/company size

○ Significantly lower rate

\*This page intentionally left blank

# Strategic Alliances

*"Strategic Alliances: Create agreements between firms in which each commits resources to achieve a common set of objectives. Related Topics: Corporate Venturing, Joint Ventures, Value-Managed Relationships, Virtual Organizations."*

	Usage	Satisfaction		2010 Usage	2010 Satisfaction	2011 Expected
2010:	45% (9th)	3.94 (5th)	Global:	45%	3.94	73%
2008:	44% (11th)	3.82 (12th)	N. America:	46%	3.95	69%
2006:	68% (11th)	3.78 (8 <sup>th</sup> )	Europe:	43%	3.77	69%
2004:	63% (8 <sup>th</sup> )	3.95 (6 <sup>th</sup> )	Asia-Pacific:	45%	3.89	73%
2002:	69% (13 <sup>th</sup> )	3.80 (18th)	Latin America:	46%	4.04	77%
2000:	53% (7 <sup>th</sup> )	3.74 (21st)	Large companies (\$2B+):	47%	3.88	74%
1999:	53% (8 <sup>th</sup> )	3.73 (23rd)	Medium companies (\$600M-2B):	46%	4.02	76%
1998:	60% (9 <sup>th</sup> )	3.88 (16 <sup>th</sup> )	Small companies (<\$600M):	43%	3.95	70%
1997:	60% (9 <sup>th</sup> )	3.96 (4 <sup>th</sup> )				
1996:	61% (9 <sup>th</sup> )	3.73 (15 <sup>th</sup> )				
1995:	68% (8 <sup>th</sup> )	3.74 (7 <sup>th</sup> )				
1994:	68% (6 <sup>th</sup> )	3.72 (9 <sup>th</sup> )				
1993:	62% (8 <sup>th</sup> )	3.70 (13 <sup>th</sup> )				

- Industries with highest percentage of usage: Tech & Telecomm; Pharma & Biotech
- Industries with highest satisfaction: Wholesale, Distribution & Logistics; Food & Beverage

□ Significantly higher rate than other regions/company size

○ Significantly lower rate

\*This page intentionally left blank

# Strategic Planning

*"Strategic Planning: involves a comprehensive process for determining what a business should become and how to allocate scarce resources to achieve that objective. Related topics: Core Competencies, Mission and Vision Statements, Scenario and Contingency Planning."*

	Usage	Satisfaction		2010 Usage	2010 Satisfaction	2011 Expected
2010:	65% (2nd)	4.07 (1 <sup>st</sup> )	Global:	65%	4.07	86%
2008:	67% (2nd)	4.01 (1 <sup>st</sup> )	N. America:	62%	4.09	85%
2006:	88% (1 <sup>st</sup> )	3.93 (1 <sup>st</sup> )	Europe:	58%	3.89	77%
2004:	79% (1 <sup>st</sup> )	4.14 (1 <sup>st</sup> )	Asia-Pacific:	60%	4.03	81%
2002:	89% (1 <sup>st</sup> )	4.04 (2 <sup>nd</sup> )	Latin America:	74%	4.15	93%
2000:	76% (1 <sup>st</sup> )	4.06 (2 <sup>nd</sup> )	Large companies (\$2B+):	76%	4.05	90%
1999:	81% (1 <sup>st</sup> )	4.02 (3 <sup>rd</sup> )	Medium companies (\$600M-2B):	72%	4.13	88%
1998:	84% (1 <sup>st</sup> )	4.11 (1 <sup>st</sup> )	Small companies (<\$600M):	55%	4.06	82%
1997:	80% (2 <sup>nd</sup> )	4.04 (1 <sup>st</sup> )				
1996:	83% (1 <sup>st</sup> )	3.99 (1 <sup>st</sup> )				
1995:	-	-				
1994:	-	-				
1993:	-	-				

- Industries with highest percentage of usage: Chemicals & Metals; Transport, Tourism & Gaming
- Industries with highest satisfaction: Chemicals & Metals; CPG

\*This page intentionally left blank

# Supply Chain Management

*"Supply Chain Management: Synchronizes the efforts of multiple parties – suppliers, manufacturers, distributors, dealers and customers – to enable the seamless exchange of information, goods and services across organizational boundaries. Related Topics: Borderless Corporation, Collaborative Commerce, Value Chain Analysis."*

	Usage	Satisfaction		2010 Usage	2010 Satisfaction	2011 Expected
2010:	39% (11th)	3.89 (9th)	Global:	39%	3.89	60%
2008:	43% (12th)	3.81 (15th)	N. America:	31%	3.68	51%
2006:	66% (12th)	3.77 (11th)	Europe:	42%	3.92	59%
2004:	56% (14 <sup>th</sup> )	3.99 (2nd)	Asia-Pacific:	38%	3.92	55%
2002:	52% (20 <sup>th</sup> )	3.80(15th)	Latin America:	41%	3.93	68%
2000:	32% (17 <sup>th</sup> )	3.85 (16th)	Large companies (\$2B+):	53%	3.88	75%
1999:	31% (17 <sup>th</sup> )	3.88 (12 <sup>th</sup> )	Medium companies (\$600M-2B):	43%	3.97	64%
1998:	-	-	Small companies (<\$600M):	27%	3.84	48%
1997:	-	-				
1996:	-	-				
1995:	-	-				
1994:	-	-				
1993:	-	-				

- Industries with highest percentage of usage: CPG; Manufacturing
- Industries with highest satisfaction: Wholesale, Distribution & Logistics; CPG

□ Significantly higher rate than other regions/company size

○ Significantly lower rate

\*This page intentionally left blank

# Total Quality Management (TQM)

*"Total Quality Management: Marries customer performance requirements to product and service specifications with the goal of producing with zero defects. Related Topics: Continuous Improvement, Malcolm Baldrige National Quality Award, Quality Assurance, Six Sigma."*

	Usage	Satisfaction		2010 Usage	2010 Satisfaction	2011 Expected
2010:	38% (12th)	3.97 (3rd)	Global:	38%	3.97	62%
2008:	34% (17th)	3.80 (16th)	N. America:	36%	3.90	56%
2006:	64% (15th)	3.80 (6th)	Europe:	32%	3.83	55%
2004:	61% (10 <sup>th</sup> )	3.93 (7th)	Asia-Pacific:	41%	4.03	67%
2002:	57% (18 <sup>th</sup> )	3.80 (15th)	Latin America:	41%	4.02	66%
2000:	41% (11 <sup>th</sup> )	3.89 (11th)	Large companies (\$2B+):	45%	3.86	69%
1999:	49% (11 <sup>th</sup> )	3.95 (6 <sup>th</sup> )	Medium companies (\$600M-2B):	41%	4.02	68%
1998:	61% (8 <sup>th</sup> )	3.94 (9 <sup>th</sup> )	Small companies (<\$600M):	32%	4.05	55%
1997:	62% (6 <sup>th</sup> )	3.78 (18th)				
1996:	66% (6 <sup>th</sup> )	3.73 (15 <sup>th</sup> )				
1995:	73% (4 <sup>th</sup> )	3.69 (9 <sup>th</sup> )				
1994:	72% (4 <sup>th</sup> )	3.71 (10 <sup>th</sup> )				
1993:	72% (3 <sup>rd</sup> )	3.78 (8 <sup>th</sup> )				

- Industries with highest percentage of usage: Chemicals & Metals; CPG; Manufacturing
- Industries with highest satisfaction: Wholesale, Distribution & Logistics; Transport, Tourism & Gaming

□ Significantly higher rate than other regions/company size

○ Significantly lower rate

\*This page intentionally left blank

# 2011 Survey of Management Tools & Trends

- If you are a corporate executive, please check this box and provide survey answers related to your corporation as a whole.**
- If you are a division head, please check this box and provide survey answers related to your division.**

**All responses will be kept completely confidential and used only in aggregate.  
No company names will be linked to specific responses.**

The purpose of this section is to understand your organization's use of management tools and techniques. To record your answers, please check the appropriate box(es) in the grid below.

- 1a.** Within the last five years (2006-2010), which of the following techniques have been used by your current employer?
- 1b.** In the past year (2010), which of the 25 techniques listed has your organization used? Please indicate whether the technique was *not used at all*, was used on a *limited or trial basis*, or was a *major organizational effort*.
- 1c.** To what extent do you think your organization will use each technique in 2011? Please indicate whether you think it is *not likely to be used at all*, it will be used on a *limited or trial basis*, or it will be a *major organizational effort*. Please note whether or not you have used each technique in the past.

## II. Overall satisfaction with tools

For this next section, please answer only for those techniques that your company has used in the past five years. Also, in thinking about your satisfaction, consider both the benefits achieved and all costs associated with using each technique.

- 2.** How satisfied was your organization with the overall results achieved through the usage of each technique? Please use the following scale: *extremely satisfied, somewhat satisfied, neither satisfied nor dissatisfied, somewhat dissatisfied, or extremely dissatisfied*.

Tools and techniques	Q. 1a Tool usage past 5 Years <i>(current employer only)</i>				Q. 1b Tool usage 2010			Q. 1c Expected 2011 tool usage			Q. 2 Satisfaction with tools <i>(Answer only for those tools used in the past 5 years.)</i>		
	Used in past 5 years	Not used at all	Limited basis	Major effort	Not likely to use at all	Limited basis	Major effort	Extremely satisfied	Somewhat satisfied	Neither satisfied nor dissatisfied	Somewhat dissatisfied	Extremely dissatisfied	
	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Balanced Scorecard	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Benchmarking	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Business Process Reengineering	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Change Management Programs	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Core Competencies	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Customer Relationship Management	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Customer Segmentation	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Decision Rights Tools	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Downsizing	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Enterprise Risk Management	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Knowledge Management	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Mergers and Acquisitions	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Mission and Vision Statements	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Open Innovation	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Outsourcing	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Price Optimization Models	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Rapid Prototyping	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Satisfaction and Loyalty Management	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Scenario and Contingency Planning	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Shared Service Centers	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Social Media Programs	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Strategic Alliances	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Strategic Planning	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Supply Chain Management	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Total Quality Management	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Other _____	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	

### III. Management trends

The purpose of this section is to understand your organization's needs and priorities for management tools. There are no right or wrong answers. We are interested in your opinions.

3. How strongly do you agree or disagree with how well each statement describes your organization or your organization's beliefs? Please check the appropriate box to indicate whether you *strongly agree...strongly disagree* with the statement as a description of your organization.

	Strongly agree	Somewhat agree	Neither agree nor disagree	Somewhat disagree	Strongly disagree
Government regulation of business will increase over the next five years	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Insufficient consumer insight is hurting our performance	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
We have used the recession to improve our competitive position	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
It feels like economic conditions are improving in our industry	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
The recent downturn has changed consumer behaviors for at least three more years	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
We will pursue sustainability initiatives even if they hurt our profits	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Almost all of today's market leaders will still be leaders five years from now	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Innovation is more important than cost reduction for long-term success	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Countries should reduce trade barriers and increase free trade agreements	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Taking care of customers and employees should come before shareholders	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
I am very concerned about how we will meet earnings targets in 2011	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Our top executives are comfortable taking higher risks for potentially higher returns	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Over the next three years, we will focus more on revenue growth than cost reduction	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Outsourcing may be politically unpopular, but everyone benefits in the end	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Our ability to adapt to change is a significant competitive advantage	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
We are planning for economic stagnation over the next 2 or 3 years	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Local companies will be more successful than multi-nationals in emerging markets	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Culture is as important as strategy for business success	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Our international revenues will grow faster than domestic revenues over the next 5 years	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
A growing percentage of our products and services behave like commodities	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

4. What is your organization's most important priority over the next 3 years? (open ended)

**BAIN & COMPANY**

## IV. Demographics

This section is for classification purposes only. All responses will remain completely confidential and will be used only in aggregate. Please be assured that specific answers will never be attached to individual companies.

- 5.** How satisfied are executives with your organization's current results on each performance dimension? Please indicate whether they are extremely satisfied (ES), somewhat satisfied (SS), neither satisfied nor dissatisfied (N), somewhat dissatisfied (SD), or extremely dissatisfied (ED).

	<u>ES</u>	<u>SS</u>	<u>N</u>	<u>SD</u>	<u>ED</u>
Financial Results	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Customer Equity	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Long-Term Performance Capabilities	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Competitive Positioning	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Organizational Integration	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

- 6a.** Please record your company's basic business statistics under the first column. If you are responsible for a division, record the statistics for that division under the second column.

	<u>Corporate Statistics</u>	<u>Division Statistics</u>
<b>• 2010 sales:</b>		
Less than \$600MM	<input type="checkbox"/>	<input type="checkbox"/>
\$600MM to less than \$2B	<input type="checkbox"/>	<input type="checkbox"/>
\$2B or more	<input type="checkbox"/>	<input type="checkbox"/>
<b>• 2010 assets:</b>		
Less than \$1B	<input type="checkbox"/>	<input type="checkbox"/>
\$1B to less than \$20B	<input type="checkbox"/>	<input type="checkbox"/>
\$20B or more	<input type="checkbox"/>	<input type="checkbox"/>

- 6b.** Describe the industry your organization is in, both at the corporate level and at the division level, if appropriate.

Corporate: \_\_\_\_\_

Division: \_\_\_\_\_

**6c.** What is your title? \_\_\_\_\_

**6d.** Would you be willing to participate in a follow-up discussion on this topic?

Yes  No

Please record the information below so that we may send you the results from the survey.

Company name: \_\_\_\_\_

Division: \_\_\_\_\_

Name of respondent: \_\_\_\_\_

Mailing address: \_\_\_\_\_

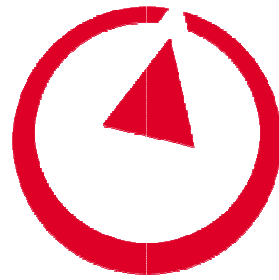
Country: \_\_\_\_\_

Zip/Postal code: \_\_\_\_\_

Business telephone: \_\_\_\_\_

E-mail address: \_\_\_\_\_

**Thank you very much for your help with this important project.**



**BAIN & COMPANY**