BAIN & COMPANY

Management Tools and Trends 2009

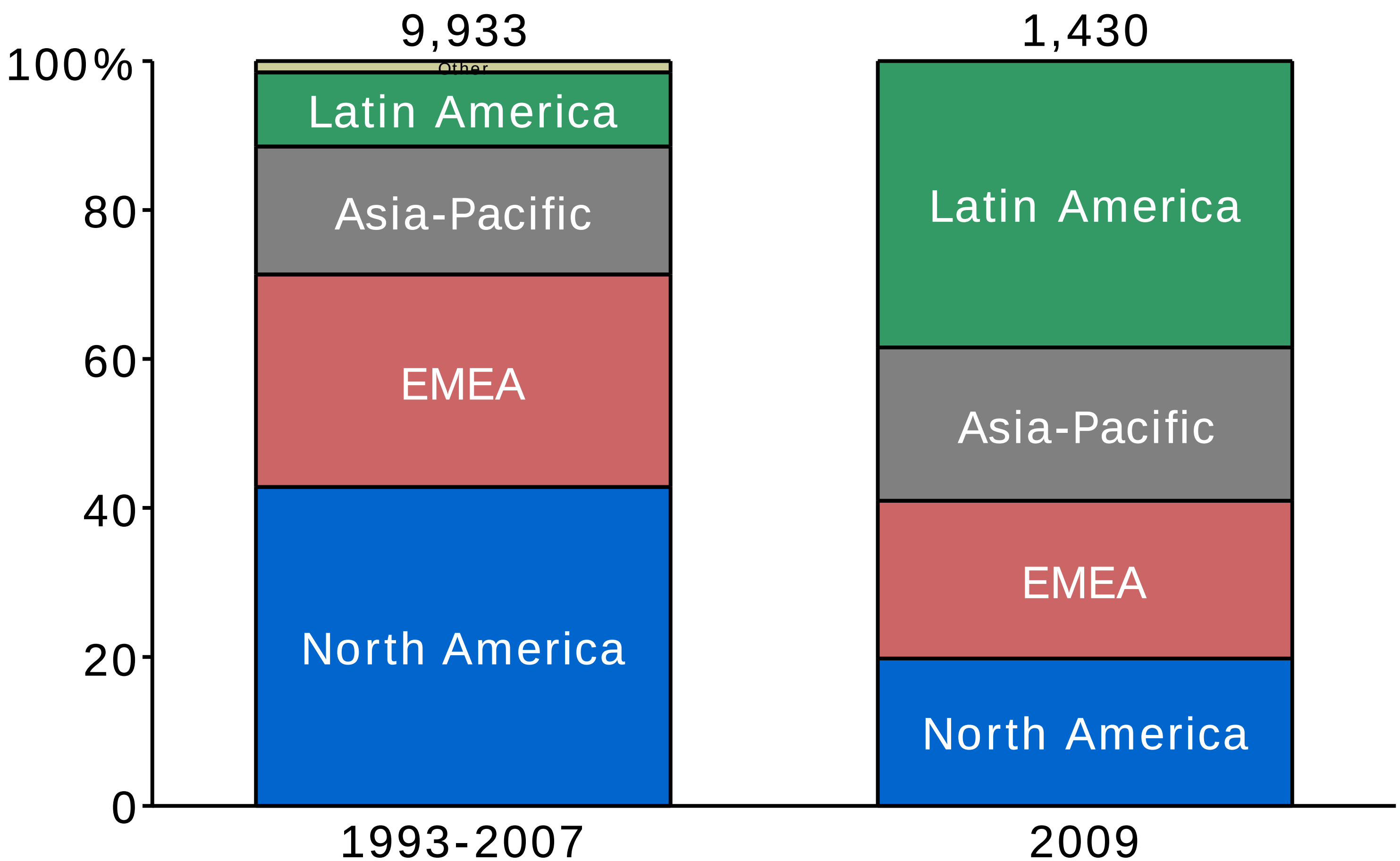
Author: Darrell Rigby
Co-author: Barbara Bilodeau

- 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 16 years, we have completed 12 surveys, assembling a database that now includes 9,933 respondents from more than 70 countries in North America, Europe, Asia, Africa, the Middle East and Latin America

- This year, we received 1430 completed surveys from a broad range of international executives. We also conducted personal follow-up interviews to further probe the circumstances under which tools are most likely to produce desired results

12 surveys, 9,933 respondents covering a 16-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 2009, 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
- Collaborative Innovation
- Core Competencies
- Customer Relationship Management
- Customer Segmentation
- Decision Rights Tools*
- Downsizing*
- Growth Strategy Tools
- Knowledge Management
- Lean Six Sigma
- Loyalty Management Tools
- Mergers and Acquisitions
- Mission and Vision Statements
- Online Communities*
- Outsourcing
- Price Optimization Models*
- Scenario & Contingency Planning
- Shared Service Centers
- Strategic Alliances
- Strategic Planning
- Supply Chain Management
- Total Quality Management
- Voice of the Customer Innovation*

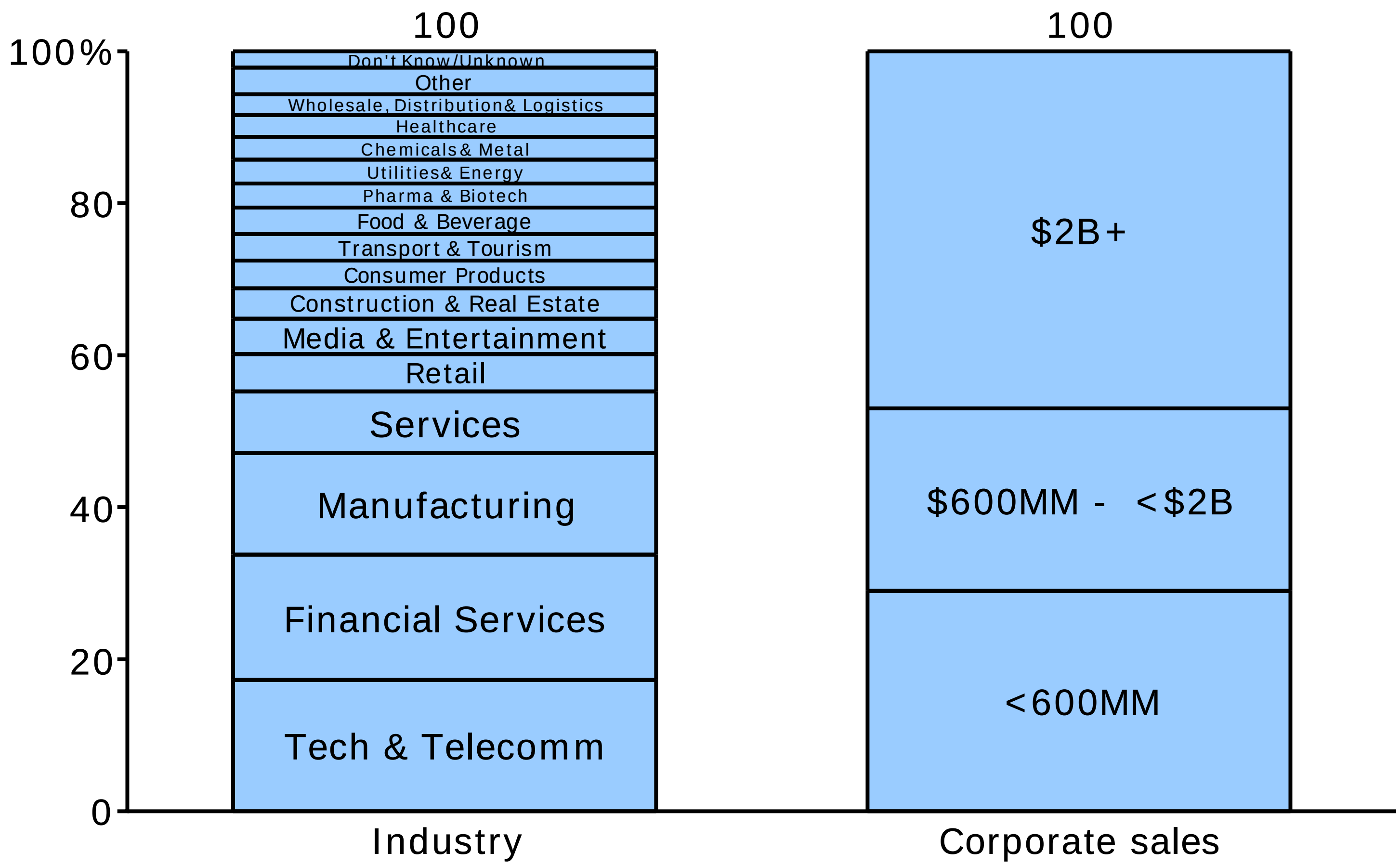
* Tool added to the survey in 2009

- Global respondents represent a full range of industries and company sizes

- With results of 9,933 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

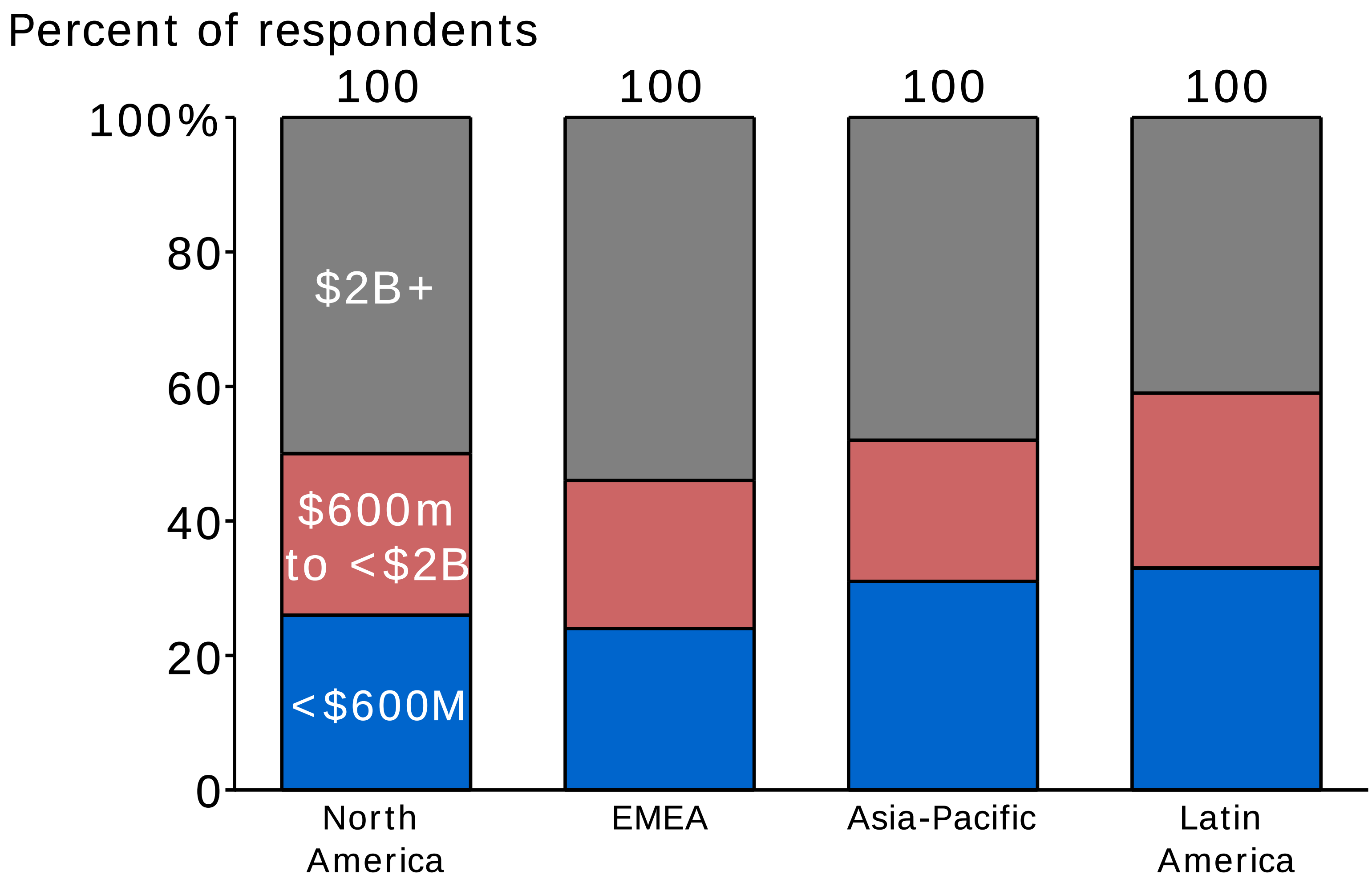
Global respondents represent the full range of industries and company sizes

Demographics of 2009 global respondents



- Company sizes are similar across all regions, with Latin American companies slightly smaller

Company size was similar in each region



This year’s trends analysis highlights:

- **Executives are concerned about the short-term, but optimistic about the long-term**
  - Seven of ten are “very concerned about how they will meet growth targets in 2009” and six of ten are “planning for a downturn that will last at least until early 2010”
  - Almost eight of ten executives agree “our company will use this recession to improve our competitive position”
- **Despite this long-term optimism, many executives have concerns about how they are currently being operated**
  - Half of executives believe “unclear decision making is hurting our performance”, and “insufficient customer insight is hurting our performance”
  - Four of ten believe “our decisions are being driven by short-term financials, not long-term strategies”
- **The short-term pain will include many layoffs**
  - Thirty-six percent of executives say their organization will have significant layoffs. Six of ten organizations either downsized in 2008 and/or are likely to in 2009. This, despite the fact that half of executives believe “we should focus more on revenue growth and less on cost reduction”
- **Long-term success will include the need to adapt as executives believe current conditions will have long-term impact**
  - Seven of ten executives believe “government regulation of business will increase over the next five years” and that “the current downturn will change consumer behaviors for at least three years”
  - Only one quarter of executives believe “today’s market leaders will still be leaders five years from now”
- **Innovation continues to be very important – and difficult**
  - Eight of ten executives agree that “Innovation is more important than cost reduction for long-term success”, six of ten believe they could dramatically boost innovation by collaborating with other companies” and half say “their entire organization is actively engaged in improving innovation”
  - Collaborative Innovation and Voice of the Customer Innovation are two of the five tools that show the largest likely increase in usage from 2008 to 2009

The view on management trends

	Agree	Disagree
Culture is as important as strategy for business success	88%	4%
Innovation is more important than cost reduction for long-term success	76%	13%
Our company will use this recession to improve our competitive position	75%	9%
Government regulation of business will increase over the next five years	71%	11%
The current downturn will change consumer behaviors for at least three years	71%	17%
I am very concerned about how we will meet growth targets in 2009	70%	15%
International growth will be vital to our performance over the next five years	66%	19%
We are planning for a downturn that will last at least until early 2010	64%	20%
We could dramatically boost innovation by collaborating with other companies	58%	16%
We should focus more on revenue growth and less on cost reductions	53%	30%
Our entire organization is actively engaged in improving innovation	52%	25%
Unclear decision making authority is hurting our performance	50%	33%
Insufficient customer insight is hurting our performance	46%	34%
Our decisions are being driven by short-term financials, not long-term strategies	44%	43%
We will pursue sustainability initiatives even if they hurt our profits	44%	31%
Our top executives are comfortable taking higher risks for potentially higher returns	40%	41%
Other emerging markets now offer better opportunities than China and India	38%	26%
Our company will have significant layoffs in 2009	36%	44%
Our company waited too long to respond to this economic downturn	25%	59%
Almost all of today's market leaders will still be leaders five years from now	24%	58%

- Some of these attitudes vary by region
  - North American executives are:
    - More likely to believe that “government regulation of business will increase over the next five years”
    - Less likely to believe that “innovation is more important than cost reduction for long-term success”
    - Less concerned with international growth and less likely to believe that other emerging markets offer better opportunities than China and India
    - Less likely to pursue sustainability initiatives if they hurt profits
  - European executives are:
    - Less concerned with meeting their growth targets in 2009
    - More critical of many aspects of firm management as they are more likely to agree that “unclear decision making is hurting our performance”, “insufficient consumer insight is hurting our performance” and “our decisions are driven by short-term financials, not long term strategies.
    - More likely to feel “international growth will be vital to our performance over the next five years”
  - Asian executives are:
    - More focused on the need for innovation as they agree more with “innovation is more important than cost reduction for long-term success” and “we could dramatically boost innovation by collaborating with other companies”
    - Less concerned with meeting growth targets in 2009, perhaps explaining why they are least likely to have significant layoffs in 2009
    - Most in agreement that their organization waited too long to respond to the downturn
    - Most in need of international markets for growth over the next five years
  - Latin American executives are:
    - By far most concerned with meeting growth targets in 2009, but most confident that their organizations will use the downturn to improve their competitive position
    - More confident about their firm management

Attitudes vary by region

	N.Amer.	Europe	Asia	L. Amer.
• Culture is as important as strategy for business success	86%	86%	90%	89%
• Innovation is more important than cost reduction for long-term success	67%	75%	84%	78%
• Our company will use this recession to improve our competitive position	69%	72%	74%	80%
• Government regulation of business will increase over the next five years	77%	70%	68%	70%
• The current downturn will change consumer behaviors for at least three years	73%	66%	71%	71%
• I am very concerned about how we will meet growth targets in 2009	69%	60%	62%	81%
• International growth will be vital to our performance over the next five years	55%	75%	82%	58%
• We are planning for a downturn that will last at least until early 2010	67%	62%	63%	65%
• We could dramatically boost innovation by collaborating with other companies	57%	55%	66%	57%
• We should focus more on revenue growth and less on cost reductions	54%	50%	55%	53%
• Our entire organization is actively engaged in improving innovation	55%	52%	53%	51%
• Unclear decision making authority is hurting our performance	48%	56%	55%	46%
• Insufficient customer insight is hurting our performance	45%	54%	53%	38%
• Our decisions are driven by short-term financials, not long-term strategies	48%	50%	46%	38%
• We will pursue sustainability initiatives even if they hurt our profits	37%	44%	46%	45%
• Our executives are comfortable taking higher risks for potentially higher returns	40%	32%	36%	45%
• Other emerging markets now offer better opportunities than China and India	28%	38%	26%*	51%
• Our company will have significant layoffs in 2009	38%	36%	31%	38%
• Our company waited too long to respond to this economic downturn	27%	21%	31%	22%
• Almost all of today's market leaders will still be leaders five years from now	24%	27%	23%	24%

Significantly higher than executives not in that region

Significantly lower than executives not in that region

*34% when exclude China and India

- Within Asia-Pacific, there are several clear differences between Chinese and Indian companies
  - Chinese firms are **more** likely to
    - Believe that unclear decision making authority is hurting their performance and that their organization waited too long to respond to the economic downturn
    - Think their firm will have significant layoffs in 2009
  - Indian executives seem to be more confident and optimistic. They are
    - Less likely to be planning for an economic downturn that will last until 2010
    - More confident they will use the recession to improve their competitive position
    - Less likely to feel their decisions are being driven by short-term financials rather than long-term strategies
    - Far less likely to feel they will have significant layoffs in 2009
    - Less critical of their firm management
    - More focused on innovation

Indian executives appear more optimistic than their Asian counterparts

	China	India	Other A-P
• Culture is as important as strategy for business success	86%	95%	88%
• Innovation is more important than cost reduction for long-term success	85%	89%	72%
• Our company will use this recession to improve our competitive position	70%	80%	70%
• Government regulation of business will increase over the next five years	69%	67%	67%
• The current downturn will change consumer behaviors for at least three years	72%	64%	82%
• I am very concerned about how we will meet growth targets in 2009	69%	62%	54%
• International growth will be vital to our performance over the next five years	88%	72%	93%
• We are planning for a downturn that will last at least until early 2010	70%	56%	67%
• We could dramatically boost innovation by collaborating with other companies	62%	72%	58%
• We should focus more on revenue growth and less on cost reductions	54%	53%	61%
• Our entire organization is actively engaged in improving innovation	44%	63%	45%
• Unclear decision making authority is hurting our performance	63%	49%	54%
• Insufficient customer insight is hurting our performance	61%	43%	61%
• Our decisions are driven by short-term financials, not long-term strategies	54%	38%	49%
• We will pursue sustainability initiatives even if they hurt our profits	47%	49%	40%
• Our executives are comfortable taking higher risks for potentially higher returns	34%	40%	31%
• Other emerging markets now offer better opportunities than China and India	24%	22%	34%
• Our company will have significant layoffs in 2009	40%	23%	33%
• Our company waited too long to respond to this economic downturn	40%	22%	34%
• Almost all of today's market leaders will still be leaders five years from now	27%	23%	18%

Significantly higher than executives not in that country
Significantly lower than executives not in that country

- We divided the companies into emerging vs. established markets to understand how their attitudes and behavior differ
  - Companies from emerging markets are **more** likely to
    - Believe innovation is more important than cost reduction for long-term success
    - Feel their organization will use the recession to improve their competitive position
    - Be concerned with meeting growth targets in 2009
  - Companies from established markets are **more** likely to
    - Believe government regulation of business will increase over the next five years
    - Believe international growth will be vital over the next five years
    - Feel their decisions are being driven by short-term financials, not long-term strategies
    - Believe insufficient customer insight is hurting their performance

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

	Established	Emerging
• Culture is as important as strategy for business success	87%	89%
• Innovation is more important than cost reduction for long-term success	70%	$\boxed{81\%}$
• Our company will use this recession to improve our competitive position	70%	$\boxed{79\%}$
• Government regulation of business will increase over the next five years	$\boxed{74\%}$	68%
• The current downturn will change consumer behaviors for at least three years	71%	71%
• I am very concerned about how we will meet growth targets in 2009	63%	$\boxed{76\%}$
• International growth will be vital to our performance over the next five years	$\boxed{69\%}$	64%
• We are planning for a downturn that will last at least until early 2010	65%	64%
• We could dramatically boost innovation by collaborating with other companies	57%	59%
• We should focus more on revenue growth and less on cost reductions	53%	53%
• Our entire organization is actively engaged in improving innovation	53%	52%
• Unclear decision making authority is hurting our performance	52%	49%
• Insufficient customer insight is hurting our performance	$\boxed{50\%}$	43%
• Our decisions are being driven by short-term financials, not long-term strategies	$\boxed{49\%}$	40%
• We will pursue sustainability initiatives even if they hour our profits	41%	46%
• Our top executives are comfortable taking higher risks for potentially higher returns	36%	$\boxed{42\%}$
• Other emerging markets now offer better opportunities than China and India	33%	$\boxed{43\%}$
• Our company will have significant layoffs in 2009	36%	36%
• Our company waited too long to respond to this economic downturn	25%	24%
• Almost all of today's market leaders will still be leaders five years from now	24%	25%

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
  - Government regulation of business will increase over the next five years
  - The current downturn will change consumer behaviors for at least 3 years
  - International growth will be vital to their performance over the next 5 years
  - The downturn will last until at least 2010
  - Their company will have significant layoffs in 2009

- Large company executives are **less** likely to feel
  - Innovation is more important than cost reduction for long-term success
  - They should focus more on revenue growth and less on cost reduction
  - Their top executives are comfortable taking higher risks for potentially higher returns

Large company executives are less positive than executives in smaller firms

	Large	Medium	Small
• Culture is as important as strategy for business success	89%	88%	88%
• Innovation is more important than cost reduction for long-term success	73%	80%	79%
• Our company will use this recession to improve our competitive position	74%	77%	79%
• Government regulation of business will increase over the next five years	74%	71%	64%
• The current downturn will change consumer behaviors for at least three years	75%	69%	66%
• I am very concerned about how we will meet growth targets in 2009	68%	72%	72%
• International growth will be vital to our performance over the next five years	73%	60%	57%
• We are planning for a downturn that will last at least until early 2010	69%	66%	58%
• We could dramatically boost innovation by collaborating with other companies	57%	60%	56%
• We should focus more on revenue growth and less on cost reductions	50%	55%	56%
• Our entire organization is actively engaged in improving innovation	54%	49%	51%
• Unclear decision making authority is hurting our performance	50%	48%	50%
• Insufficient customer insight is hurting our performance	47%	45%	45%
• Our decisions are driven by short-term financials, not long-term strategies	46%	41%	44%
• We will pursue sustainability initiatives even if they hurt our profits	43%	44%	46%
• Our executives are comfortable taking higher risks for potentially higher returns	37%	43%	44%
• Other emerging markets now offer better opportunities than China and India	39%	42%	36%
• Our company will have significant layoffs in 2009	41%	30%	31%
• Our company waited too long to respond to this economic downturn	25%	22%	24%
• Almost all of today's market leaders will still be leaders five years from now	25%	25%	23%

□ 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 **not satisfied with their financial results** demonstrated differences in three key areas
  - They are more concerned with how their organization is currently being operated, as **more of their executives believe**
    - Unclear decision making authority is hurting our performance
    - Insufficient customer insight is hurting our performance
    - Our decisions are being driven by short-term financials, not long-term strategies
    - Our company waited too long to respond to the economic downturn
  - They are less focused on innovation and taking risks. Significantly **fewer of them agree** with:
    - Innovation is more important than cost reduction for long-term success
    - Our entire organization is engaged in improving innovation
    - Our top executives are comfortable taking higher risks for potentially higher returns
  - They are also less likely to feel confident that the situation is going to improve for their firm. Significantly **more of them agree** with:
    - I am very concerned about how we will meet our growth targets in 2009
    - We are planning for a downturn that will last at least until early 2010
    - Our company will have significant layoffs in 2009

Agreement level varies by satisfaction with Financial Results

	Not satisfied	Satisfied
• Culture is as important as strategy for business success	85%	$\boxed{89\%}$
• Innovation is more important than cost reduction for long-term success	71%	$\boxed{79\%}$
• Our company will use this recession to improve our competitive position	68%	$\boxed{79\%}$
• Government regulation of business will increase over the next five years	69%	72%
• The current downturn will change consumer behaviors for at least three years	72%	70%
• I am very concerned about how we will meet growth targets in 2009	$\boxed{81\%}$	65%
• International growth will be vital to our performance over the next five years	63%	68%
• We are planning for a downturn that will last at least until early 2010	$\boxed{68\%}$	63%
• We could dramatically boost innovation by collaborating with other companies	58%	58%
• We should focus more on revenue growth and less on cost reductions	52%	54%
• Our entire organization is actively engaged in improving innovation	43%	$\boxed{57\%}$
• Unclear decision making authority is hurting our performance	$\boxed{59\%}$	45%
• Insufficient customer insight is hurting our performance	$\boxed{53\%}$	42%
• Our decisions are being driven by short-term financials, not long-term strategies	$\boxed{56\%}$	37%
• We will pursue sustainability initiatives even if they hour our profits	37%	$\boxed{48\%}$
• Our top executives are comfortable taking higher risks for potentially higher returns	33%	$\boxed{43\%}$
• Other emerging markets now offer better opportunities than China and India	35%	$\boxed{40\%}$
• Our company will have significant layoffs in 2009	$\boxed{50\%}$	28%
• Our company waited too long to respond to this economic downturn	$\boxed{36\%}$	18%
• Almost all of today's market leaders will still be leaders five years from now	20%	$\boxed{27\%}$

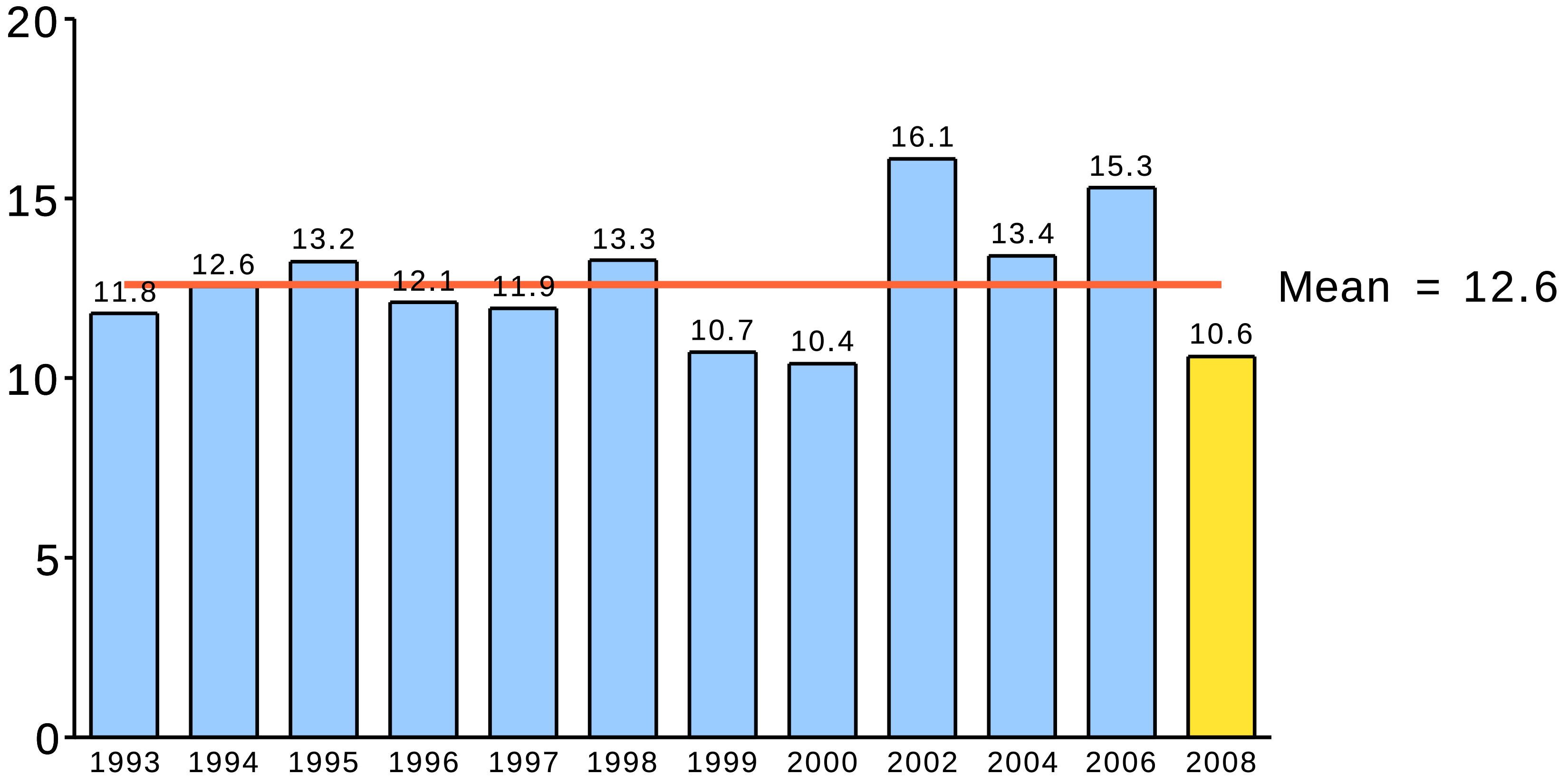
Significantly higher than companies not in that group

"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"

- Tool usage declined worldwide
  - An average of 11 tools were used in 2008, down from 15 in 2006
  - This number is much closer to what we saw in the pre-crash years of 1999 and 2000

Tool usage declined in 2008

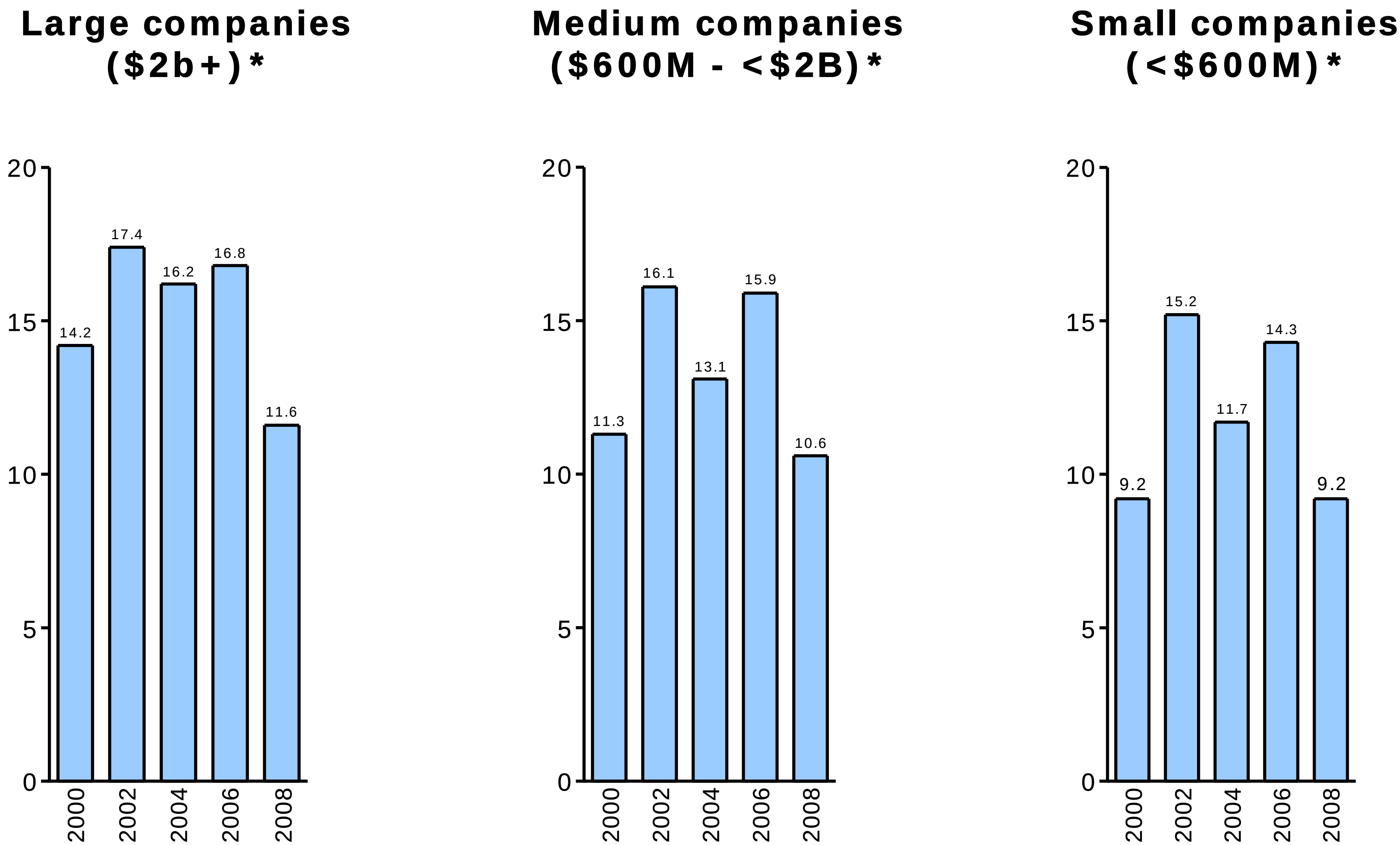
Average number of tools used



- As we have found every year, larger companies use more tools

- This year we found that both medium and small companies usage rates went back to their 2000 levels, while large companies decreased usage greatly from past years

Larger firms use more management tools



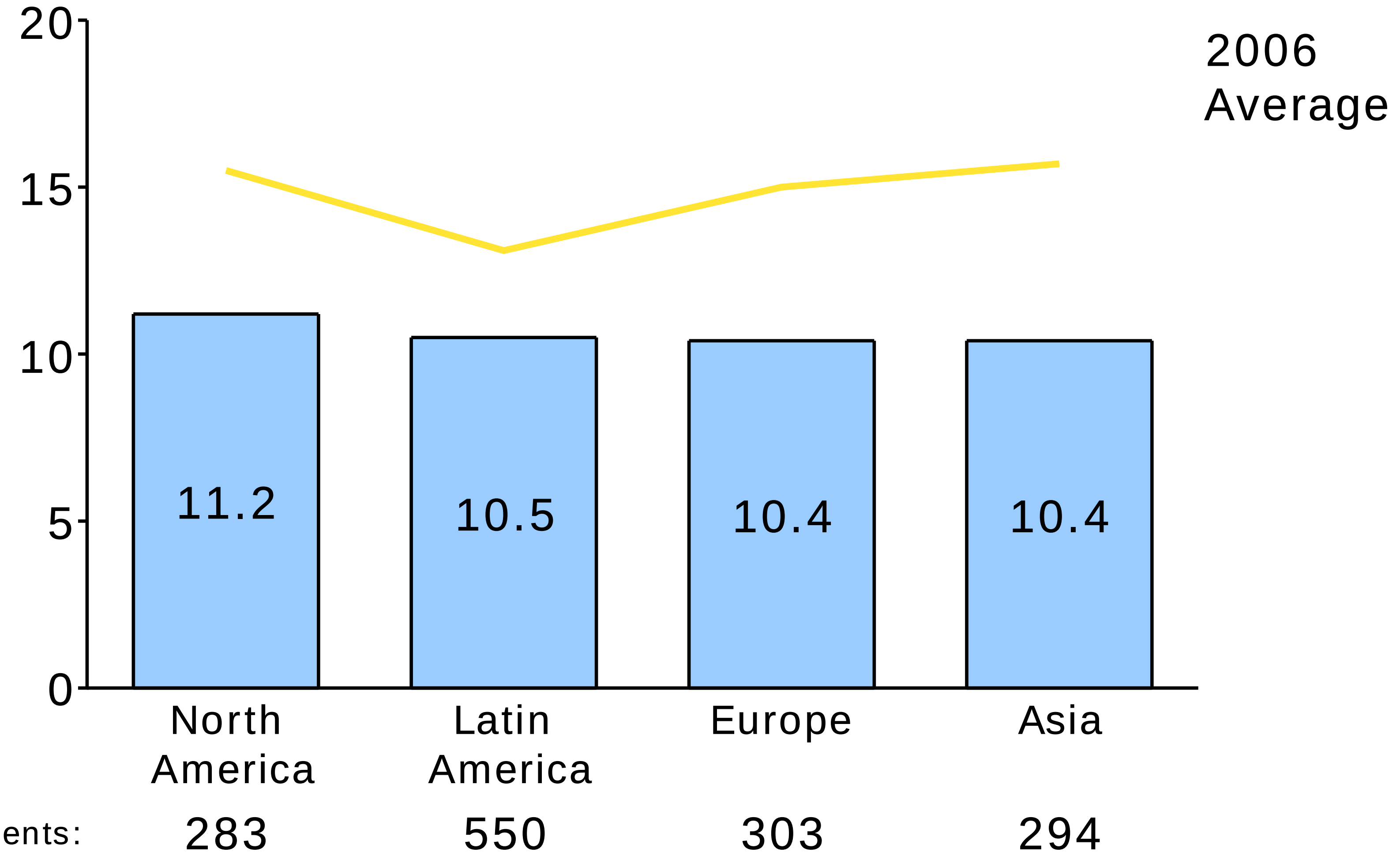
*Based on annual revenues

- Number of tools used were similar across regions, with slightly higher usage in North America

- Usage in all regions declined from 2006

Number of tools used is similar across the globe

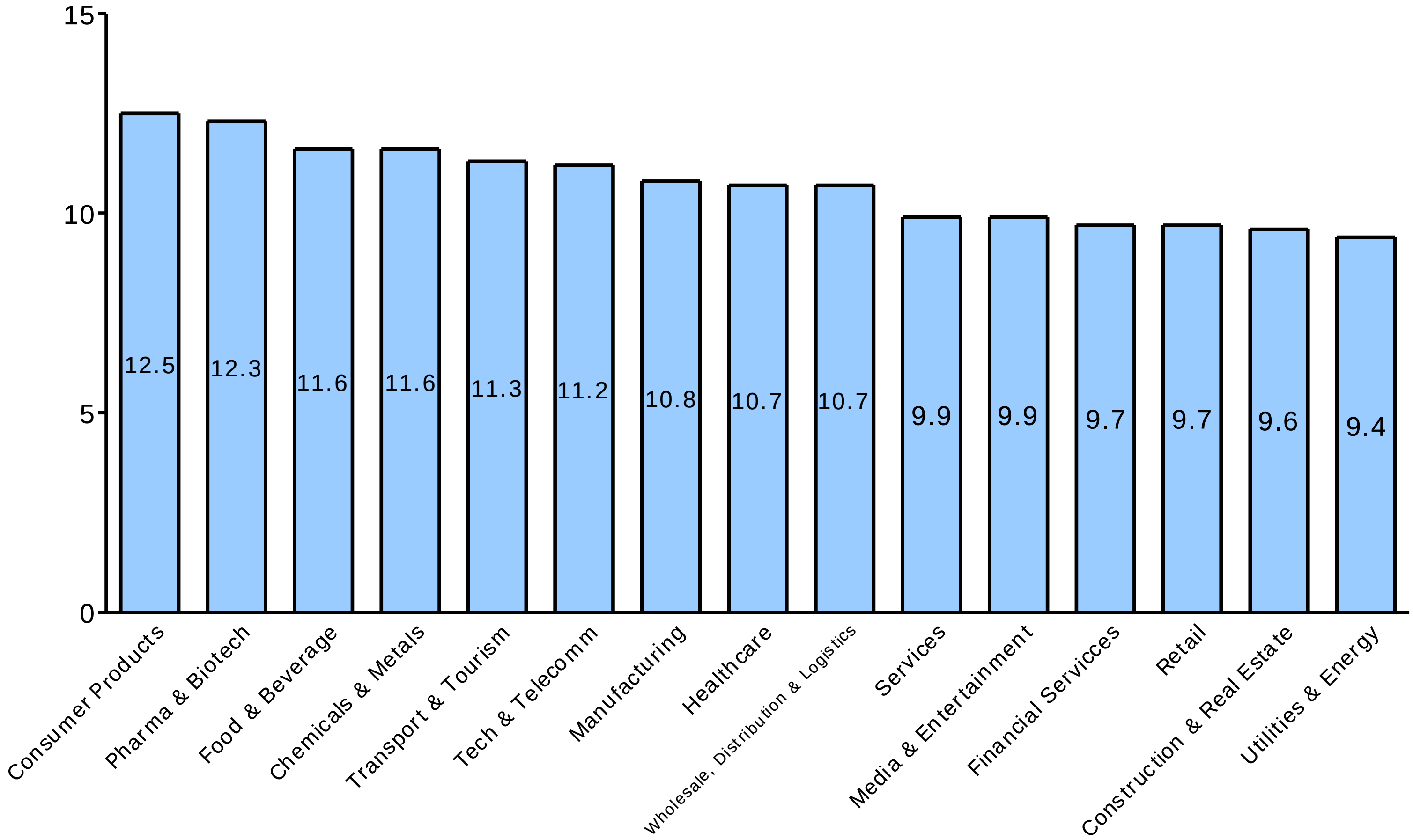
Average number of tools used in 2008



- The number of tools used varies by industry
  - Heaviest users are:
    - Consumer Products
    - Pharma and Biotech
    - Food and Beverage
    - Chemicals and Metals
  - Lightest users are:
    - Utilities and Energy
    - Construction and Real Estate
    - Retail
    - Financial Services

Tool usage varies by industry

Average number of tools used in 2008



Respondents	52	45	50	43	50	247	191	41	39	116	67	236	70	57	45

- Benchmarking passed Strategic Planning as the most used tool
  - Strategic Planning had been the most used tool every year since 1997

- 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, Online Communities, Downsizing, and Collaborative Innovation are all below average on both usage and satisfaction

Usage and satisfaction rates in 2008

	Usage	Satisfaction
Benchmarking	76%*	3.82
Strategic Planning	67%*	4.01*
Mission and Vision Statements	65%*	3.91*
Customer Relationship Management	63%*	3.83
Outsourcing	63%*	3.79
Balanced Scorecard	53%*	3.83
Customer Segmentation	53%*	3.95*
Business Process Reengineering	50%*	3.85
Core Competencies	48%*	3.82
Mergers and Acquisitions	46%*	3.83
Strategic Alliances	44%	3.82
Supply Chain Management	43%	3.81
Scenario and Contingency Planning	42%	3.83
Knowledge Management	41%	3.66**
Shared Service Centers	41%	3.68**
Growth Strategy Tools	38%**	3.87
Total Quality Management	34%**	3.80
Downsizing	34%**	3.59**
Lean Six Sigma	31%**	3.87
Voice of the Customer Innovation	27%**	3.88
Online Communities	26%**	3.69**
Collaborative Innovation	24%**	3.71**
Price Optimization Models	24%**	3.75
Loyalty Management Tools	17%**	3.79
Decision Rights Tools	10%**	3.68

*Significantly above the overall mean **Significantly below the overall mean (usage = 42%, satisfaction = 3.82)

- We identified the top 10 tools globally and by region
  - The top 10 tools were similar across the regions
  - Benchmarking is the most used tool in three regions, second most used in Asia-Pacific
  - Downsizing and Strategic Alliances are more widely used in North America
  - Scenario and Contingency Planning and Growth Strategy Tools are used more heavily in Latin America

Top 10 most used tools

	Global	North America	Europe	Asia	Latin America
Benchmarking	1	1	1	2	1
Strategic Planning	2	2	5(t)	5	2
Mission and Vision Statements	3	3	3	4	3(t)
Customer Relationship Management	4(t)	4	2	1	6(t)
Outsourcing	4(t)	5	5(t)	3	3(t)
Balanced Scorecard	6(t)	10(t)	7	7	5
Customer Segmentation	6(t)	10(t)	4	8	6(t)
Business Process Reengineering	8	7	9	10	9(t)
Core Competencies	9	6	11(t)	6	15
Mergers and Acquisitions	10	10(t)	8	11(t)	13(t)
Downsizing	17(t)	8(t)	-	-	-
Strategic Alliances	11	8(t)	-	-	-
Supply Chain Management	12	-	10	-	-
Knowledge Management	14(t)			9	-
Scenario and Contingency Planning	13	-	-	-	8
Growth Strategy Tools	16	-	-	-	9(t)

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	2006	2008
Mission & Vision Statements (88%)	**Strategic Planning* (76%)**	**Strategic Planning* (88%)**	**Benchmarking (76%)**
Customer Satisfaction (86%)	Mission & Vision Statements (70%)	CRM***(84%)	**Strategic Planning* (67%)**
TQM (72%)	**Benchmarking (69%)**	**Customer Segmentation (82%)**	Mission and Vision Statements (65%)
Competitor Profiling (71%)	***Outsourcing*** (63%)	**Benchmarking (81%)**	CRM***(63%)
Benchmarking (70%)	Customer Satisfaction (60%)	Mission and Vision Statements (79%)	***Outsourcing** (63%)***
Pay-for-Performance (70%)	**Growth Strategies* (55%)**	Core Competencies (79%)	Balanced Scorecard (53%)
Reengineering (67%)	**Strategic Alliances (53%)**	***Outsourcing** (77%)***	**Customer Segmentation (53%)**
Strategic Alliances (62%)	Pay-for-Performance (52%)	Business Process Reengineering (69%)	Business Process Reengineering (50%)
Cycle Time Reduction (55%)	**Customer Segmentation (51%)**	**Scenario and Contingency Planning (69%)**	Core Competencies (48%)
Self-Directed Teams (55%)	Core Competencies (48%)	Knowledge Management (69%)	Mergers & Acquisitions (46%)

*Tool added in 1996　　***Tool added in 2000
**Tool added in 1998

- Usage of Strategic Planning is much lower in Europe and Asia-Pacific than in North and Latin America

- North American firms are heavier users of many tools across the spectrum
  - Above average usage of long-time tools such as Strategic Planning, Business Process Reengineering, Strategic Alliances
  - Also above average usage of newer tools such as Online Communities and Collaborative Innovation
  - North American firms are also the heaviest Downsizers

- Other interesting differences
  - Latin American and European firms are less likely to use Core Competencies
  - European firms are least likely to use Strategic Alliances
  - Latin American firms are most likely to use Scenario and Contingency Planning and Growth Strategy Tools

Usage rates vary by region

	N. America	Europe	Asia	L. America
• Benchmarking	75%	79%	67%	79%
• Strategic Planning	73%	56%	58%	74%
• Mission and Vision Statements	70%	63%	61%	67%
• Customer Relationship Management	69%	68%	70%	53%
• Outsourcing	61%	56%	62%	67%
• Balanced Scorecard	49%	54%	52%	56%
• Customer Segmentation	49%	57%	51%	53%
• Business Process Reengineering	58%	49%	46%	50%
• Core Competencies	60%	44%	56%	39%
• Mergers and Acquisitions	49%	53%	45%	41%
• Strategic Alliances	51%	38%	45%	43%
• Supply Chain Management	38%	47%	45%	43%
• Scenario and Contingency Planning	37%	38%	33%	51%
• Knowledge Management	45%	43%	50%	34%
• Shared Service Centers	38%	44%	39%	41%
• Growth Strategy Tools	31%	26%	33%	50%
• Downsizing	51%	34%	35%	25%
• Total Quality Management	30%	33%	37%	36%
• Lean Six Sigma	33%	34%	31%	28%
• Voice of the Customer Innovation	28%	24%	32%	26%
• Online Communities	35%	25%	26%	21%
• Collaborative Innovation	34%	24%	22%	21%
• Price Optimization Models	25%	25%	22%	23%
• Loyalty Management Tools	17%	16%	18%	17%
• Decision Rights Tools	11%	11%	9%	9%

Use tool significantly more than those not in region

Use tool significantly less than those not in region

- Tool usage is similar across Asia-Pacific, with some key differences
  - Chinese firms use Benchmarking, Strategic Planning, Supply Chain Management and Total Quality Management more than their counterparts elsewhere in Asia
  - Fewer Indian firms use Customer Segmentation

Tool usage is similar within Asia-Pacific

	China	India	Other A-P
Benchmarking	80%	63%	54%
Strategic Planning	66%	49%	63%
Mission and Vision Statements	66%	61%	54%
Customer Relationship Management	67%	71%	75%
Outsourcing	65%	57%	66%
Balanced Scorecard	54%	52%	48%
Customer Segmentation	55%	43%	63%
Business Process Reengineering	40%	49%	46%
Core Competencies	63%	50%	58%
Mergers and Acquisitions	44%	42%	51%
Strategic Alliances	42%	47%	45%
Supply Chain Management	61%	35%	39%
Scenario and Contingency Planning	35%	29%	36%
Knowledge Management	48%	55%	43%
Shared Service Centers	35%	37%	51%
Growth Strategy Tools	36%	35%	25%
Downsizing	37%	34%	33%
Total Quality Management	49%	35%	24%
Lean Six Sigma	33%	33%	24%
Voice of the Customer Innovation	25%	34%	37%
Online Communities	29%	24%	24%
Collaborative Innovation	25%	22%	18%
Price Optimization Models	24%	24%	15%
Loyalty Management Tools	16%	19%	21%
Decision Rights Tools	8%	9%	10%

Use tool significantly more than those not in country

Use tool significantly less than those not in country

- Tool Usage differs between Established and Emerging Market firms
  - -Established market firms are more likely to use
    - Customer Relationship Management
    - Business Process Reengineering
    - Core Competencies
    - Mergers and Acquisitions
    - Downsizing
    - Online Communities
    - Collaborative Innovation
  - -Four tools are used more in Emerging markets
    - Outsourcing
    - Scenario and Contingency Planning
    - Growth Strategy Tools
    - Total Quality Management

Tool usage varies by market type

	Established	Emerging
Benchmarking	74%	77%
Strategic Planning	65%	68%
Mission and Vision Statements	65%	66%
Customer Relationship Management	$\boxed{69\%}$	58%
Outsourcing	59%	$\boxed{65\%}$
Balanced Scorecard	52%	55%
Customer Segmentation	53%	53%
Business Process Reengineering	$\boxed{54\%}$	48%
Core Competencies	$\boxed{53\%}$	44%
Mergers and Acquisitions	$\boxed{52\%}$	41%
Strategic Alliances	46%	42%
Supply Chain Management	42%	44%
Scenario and Contingency Planning	38%	$\boxed{44\%}$
Knowledge Management	44%	40%
Shared Service Centers	43%	39%
Growth Strategy Tools	29%	$\boxed{44\%}$
Downsizing	$\boxed{41\%}$	28%
Total Quality Management	31%	$\boxed{37\%}$
Lean Six Sigma	33%	29%
Voice of the Customer Innovation	28%	26%
Online Communities	$\boxed{30\%}$	22%
Collaborative Innovation	$\boxed{29\%}$	21%
Price Optimization Models	24%	23%
Loyalty Management Tools	17%	18%
Decision Rights Tools	11%	9%

☐ Use tool significantly more than those not in market type

- A greater percentage of large firms use the majority of the tools

Large firms use more management tools

	Large	Medium	Small
Benchmarking	80%	77%	67%
Strategic Planning	68%	70%	62%
Mission and Vision Statements	69%	66%	59%
Customer Relationship Management	65%	65%	58%
Outsourcing	65%	63%	58%
Balanced Scorecard	61%	54%	41%
Customer Segmentation	58%	50%	45%
Business Process Reengineering	55%	51%	45%
Core Competencies	52%	52%	40%
Mergers and Acquisitions	54%	42%	41%
Strategic Alliances	44%	47%	47%
Supply Chain Management	52%	35%	33%
Scenario and Contingency Planning	44%	44%	37%
Knowledge Management	47%	45%	35%
Shared Service Centers	48%	37%	29%
Growth Strategy Tools	37%	42%	36%
Downsizing	40%	28%	31%
Total Quality Management	35%	34%	32%
Lean Six Sigma	37%	30%	19%
Voice of the Customer Innovation	30%	24%	21%
Online Communities	30%	20%	24%
Collaborative Innovation	26%	26%	23%
Price Optimization Models	28%	24%	16%
Loyalty Management Tools	21%	18%	12%
Decision Rights Tools	12%	10%	7%

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

- 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 several tools more than those who are not satisfied:
    - Benchmarking
    - Strategic Planning
    - Balanced Scorecard
    - Scenario and Contingency Planning
    - Knowledge Management
    - Growth Strategy Tools
    - Voice of the Customer Innovation
    - Online Communities
    - Collaborative Innovation

- Downsizing was the only tool used more by those not satisfied with their financial performance

Firms satisfied with Financial Results use several tools more

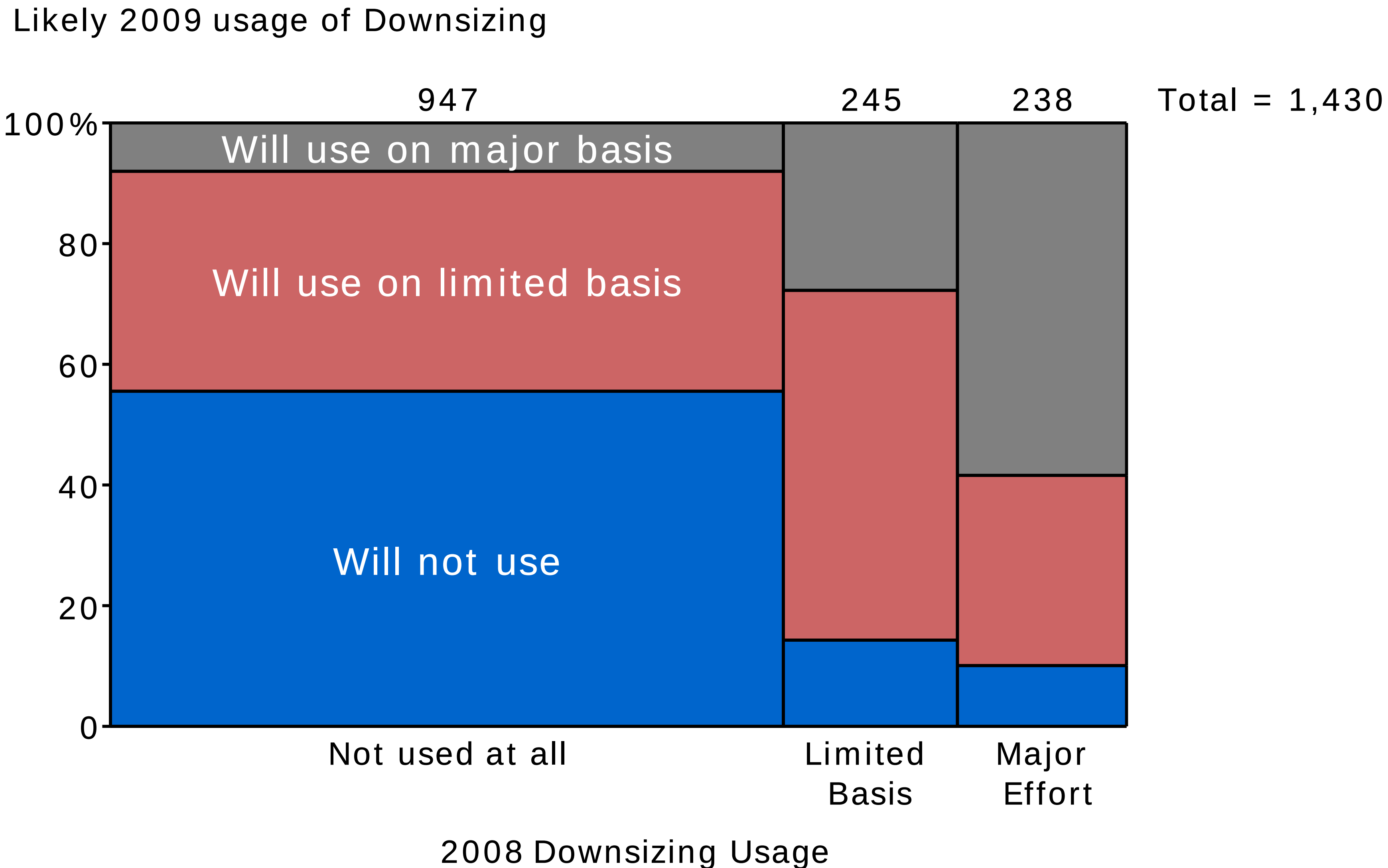
	Not Satisfied	Satisfied
• Benchmarking	71%	$\boxed{78\%}$
• Strategic Planning	63%	$\boxed{69\%}$
• Mission and Vision Statements	61%	$\boxed{68\%}$
• Customer Relationship Management	62%	63%
• Outsourcing	63%	62%
• Balanced Scorecard	51%	55%
• Customer Segmentation	48%	$\boxed{55\%}$
• Business Process Reengineering	48%	52%
• Core Competencies	47%	48%
• Mergers and Acquisitions	46%	46%
• Strategic Alliances	42%	45%
• Supply Chain Management	44%	43%
• Scenario and Contingency Planning	37%	$\boxed{44\%}$
• Knowledge Management	37%	$\boxed{44\%}$
• Shared Service Centers	39%	41%
• Growth Strategy Tools	32%	$\boxed{41\%}$
• Downsizing	$\boxed{42\%}$	29%
• Total Quality Management	32%	36%
• Lean Six Sigma	30%	32%
• Voice of the Customer Innovation	22%	$\boxed{30\%}$
• Online Communities	22%	$\boxed{27\%}$
• Collaborative Innovation	21%	$\boxed{26\%}$
• Price Optimization Models	22%	24%
• Loyalty Management Tools	15%	19%
• Decision Rights Tools	8%	11%

$\boxed{}$ 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"

- Six of ten firms either downsized in 2008 and/or will downsize in 2009
- Most firms that downsized in 2008 plan to do further downsizing in 2009

Six of ten firms downsized in 2008 and/or expect to in 2009



- The average overall satisfaction rating is 3.82, slightly higher than the average of 3.75 in 2006
- Satisfaction leaders are
  - Strategic Planning
  - Customer Segmentation
  - Mission and Vision Statements
- Tools with below average satisfaction ratings are
  - Downsizing
  - Knowledge Management
  - Shared Service Centers
  - Decision Rights Tools
  - Online Communities
  - Collaborative Innovation
- There were few differences in satisfaction across regions

Overall satisfaction scores are similar across regions

	Global	N. Amer.	Europe	Asia	L. Amer.
Strategic Planning	4.01*	3.91	3.89	3.90	4.17
Customer Segmentation	3.95*	3.87	3.83	3.92	4.08
Mission and Vision Statements	3.91*	3.93	3.72	3.88	4.02
Voice of the Customer Innovation	3.88	3.88	3.89	3.97	3.81
Growth Strategy Tools	3.87	3.77	3.75	3.66	4.01
Lean Six Sigma	3.87	3.91	3.68	3.90	3.96
Business Process Reengineering	3.85	3.80	3.76	3.93	3.90
Balanced Scorecard	3.83	3.82	3.74	3.74	3.93
Customer Relationship Management	3.83	3.79	3.77	3.82	3.92
Mergers and Acquisitions	3.83	3.91	3.77	3.72	3.90
Scenario and Contingency Planning	3.83	3.81	3.69	3.78	3.90
Benchmarking	3.82	3.78	3.85	3.83	3.83
Core Competencies	3.82	3.90	3.71	3.83	3.82
Strategic Alliances	3.82	3.71	3.77	3.73	3.97
Supply Chain Management	3.81	3.75	3.77	3.81	3.87
Total Quality Management	3.80	3.64	3.71	3.88	3.87
Loyalty Management Tools	3.79	3.90	3.56	3.78	3.84
Outsourcing	3.79	3.70	3.71	3.88	3.81
Price Optimization Models	3.75	3.61	3.62	3.94	3.82
Collaborative Innovation	3.71**	3.90	3.72	3.60	3.60
Online Communities	3.69**	3.80	3.49	3.64	3.76
Decision Rights Tools	3.68**	3.80	3.76	3.33	3.75
Shared Service Centers	3.68**	3.64	3.56	3.84	3.69
Knowledge Management	3.66**	3.64	3.64	3.65	3.70
Downsizing	3.59**	3.60	3.53	3.55	3.66

Global Avg = 3.82

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

- Indian firms are more satisfied with four tools than other firms throughout Asia-Pacific
  - -Core Competences
  - -Benchmarking
  - -Strategic Alliances
  - -Collaborative Innovation

Satisfaction is similar within Asia-Pacific

	China	India	Other A-P
Strategic Planning	3.75	4.05	3.90
Customer Segmentation	3.83	3.91	4.05
Mission and Vision Statements	3.81	3.92	3.89
Voice of the Customer Innovation	3.71	4.16	3.88
Growth Strategy Tools	3.54	3.78	3.59
Lean Six Sigma	3.69	4.00	4.06
Business Process Reengineering	4.00	3.90	3.84
Balanced Scorecard	3.75	3.78	3.63
Customer Relationship Management	3.80	3.91	3.66
Mergers and Acquisitions	3.67	3.78	3.71
Scenario and Contingency Planning	3.65	3.95	3.71
Benchmarking	3.71	$\boxed{4.00}$	3.72
Core Competencies	3.77	$\boxed{4.05}$	3.56
Strategic Alliances	3.44	$\boxed{3.92}$	3.77
Supply Chain Management	3.68	4.00	3.77
Total Quality Management	3.77	4.07	3.69
Loyalty Management Tools	3.69	3.83	3.79
Outsourcing	3.81	4.03	3.73
Price Optimization Models	4.13	3.71	4.20
Collaborative Innovation	3.17	$\boxed{3.97}$	3.58
Online Communities	3.71	3.58	3.63
Decision Rights Tools	3.25	3.25	3.57
Shared Service Centers	3.59	3.87	4.03
Knowledge Management	3.62	3.61	3.83
Downsizing	3.61	3.61	3.32

Significantly higher than those not in country   Significantly lower than those not in country

- Respondents in Emerging markets are more satisfied with several tools
  - -Strategic planning
  - -Mission and Vision Statements
  - -Growth Strategy Tools
  - -Customer Relationship Management
  - -Total Quality Management
  - -Strategic Alliances

- The only tool executives in Established markets are more satisfied with is Collaborative Innovation

Emerging versus Established market satisfaction

	Established	Emerging
Strategic Planning	3.90	$\boxed{4.10}$
Customer Segmentation	3.88	4.01
Mission and Vision Statements	3.84	$\boxed{3.97}$
Voice of the Customer Innovation	3.89	3.87
Growth Strategy Tools	3.72	$\boxed{3.95}$
Lean Six Sigma	3.81	3.92
Business Process Reengineering	3.80	3.90
Balanced Scorecard	3.77	3.87
Customer Relationship Management	3.76	$\boxed{3.90}$
Mergers and Acquisitions	3.82	3.84
Scenario and Contingency Planning	3.75	3.88
Benchmarking	3.81	3.83
Core Competencies	3.81	3.83
Strategic Alliances	3.73	$\boxed{3.90}$
Supply Chain Management	3.78	3.84
Total Quality Management	3.68	$\boxed{3.88}$
Loyalty Management Tools	3.74	3.82
Outsourcing	3.72	3.83
Price Optimization Models	3.66	3.83
Collaborative Innovation	$\boxed{3.81}$	3.61
Online Communities	3.72	3.66
Decision Rights Tools	3.72	3.65
Shared Service Centers	3.65	3.70
Knowledge Management	3.68	3.65
Downsizing	3.58	3.61

Significantly higher than those not in market type

- Satisfaction does not significantly differ by company size

Satisfaction rates are similar regardless of company size

	Large	Medium	Small
Strategic Planning	4.03	3.99	4.05
Customer Segmentation	4.01	3.92	3.84
Mission and Vision Statements	3.95	3.86	3.88
Voice of the Customer Innovation	3.92	3.67	3.93
Growth Strategy Tools	3.93	3.86	3.87
Lean Six Sigma	3.89	3.90	3.70
Business Process Reengineering	3.87	3.82	3.91
Balanced Scorecard	3.83	3.80	3.84
Customer Relationship Management	3.82	3.79	3.86
Mergers and Acquisitions	3.90	3.74	3.76
Scenario and Contingency Planning	3.91	3.78	3.73
Benchmarking	3.84	3.85	3.80
Core Competencies	3.80	3.80	3.83
Strategic Alliances	3.76	3.86	3.87
Supply Chain Management	3.82	3.88	3.79
Total Quality Management	3.84	3.73	3.90
Loyalty Management Tools	3.79	3.88	3.69
Outsourcing	3.76	3.82	3.80
Price Optimization Models	3.73	3.80	3.75
Collaborative Innovation	3.67	3.78	3.70
Online Communities	3.73	3.55	3.72
Decision Rights Tools	3.64	3.70	3.69
Shared Service Centers	3.70	3.62	3.65
Knowledge Management	3.64	3.58	3.79
Downsizing	3.60	3.54	3.78

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 many 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 many management tools

	Not Satisfied	Satisfied
Strategic Planning	3.80	$\boxed{4.12}$
Customer Segmentation	3.88	3.99
Mission and Vision Statements	3.80	$\boxed{3.97}$
Voice of the Customer Innovation	3.70	$\boxed{3.95}$
Growth Strategy Tools	3.61	$\boxed{3.98}$
Lean Six Sigma	3.69	$\boxed{3.97}$
Business Process Reengineering	3.73	$\boxed{3.92}$
Balanced Scorecard	3.70	$\boxed{3.89}$
Customer Relationship Management	3.76	3.87
Mergers and Acquisitions	3.66	$\boxed{3.92}$
Scenario and Contingency Planning	3.69	$\boxed{3.89}$
Benchmarking	3.71	$\boxed{3.88}$
Core Competencies	3.75	3.86
Strategic Alliances	3.61	$\boxed{3.93}$
Supply Chain Management	3.72	3.87
Total Quality Management	3.66	$\boxed{3.87}$
Loyalty Management Tools	3.80	3.78
Outsourcing	3.75	3.81
Price Optimization Models	3.73	3.77
Collaborative Innovation	3.60	3.76
Online Communities	3.53	$\boxed{3.76}$
Decision Rights Tools	3.76	3.65
Shared Service Centers	3.66	3.69
Knowledge Management	3.58	3.70
Downsizing	3.58	3.60

$\boxed{}$ Significantly higher than those not in group

- Five tools saw large increases in satisfaction from 2006
  - -Balanced Scorecard
  - -Lean Six Sigma
  - -Loyalty Management Tools
  - -Mission and Vision Statements
  - -Growth Strategy Tools

Largest satisfaction changes since 2006

	2006 mean	2008 mean	2006 rank	2008 rank
• Balanced Scorecard	3.60	3.83	21	8(t)
• Lean Six Sigma*	3.66	3.87	18	5(t)
• Loyalty Management Tools	3.59	3.79	22(t)	17(t)
• Mission and Vision Statements	3.78	3.91	8(t)	3
• Growth Strategy Tools	3.75	3.87	13	5(t)

*Called Six Sigma in 2006

All differences significantly different

- The odds of success vary widely for different tools. For example, 32% of those who use Strategic Planning report that they are extremely satisfied with the tool, while only 8% say they are dissatisfied, creating a positive “satisfaction spread” of 24 points (32–8)

- At the bottom of the page are tools that dissatisfied almost as many users as they pleased

Satisfaction spreads

	Spread	% Extremely satisfied	% Dissatisfied
Strategic Planning	24	32%	-8%
Mission and Vision Statements	21	29%	-8%
Customer Segmentation	20	28%	-8%
Lean Six Sigma	16	28%	-12%
Growth Strategy Tools	16	24%	-8%
Supply Chain Management	14	24%	-10%
Voice of the Customer Innovation	14	24%	-10%
Total Quality Management	13	23%	-10%
Mergers and Acquisitions	13	25%	-12%
Business Process Reengineering	13	21%	-8%
Scenario and Contingency Planning	13	19%	-6%
Core Competencies	12	19%	-7%
Strategic Alliances	12	22%	-10%
Customer Relationship Management	12	22%	-10%
Loyalty Management Tools	11	22%	-11%
Decision Rights Tools	10	18%	-8%
Balanced Scorecard	10	20%	-10%
Price Optimization Models	10	19%	-9%
Outsourcing	10	21%	-11%
Benchmarking	8	15%	-7%
Collaborative Innovation	8	17%	-9%
Shared Service Centers	7	21%	-14%
Online Communities	7	17%	-10%
Knowledge Management	3	15%	-12%
Downsizing	3	15%	-12%

- 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. Lean Six Sigma is the highest ranked tool when used as part of a major effort, but is 24th when used as part of a limited effort

- 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

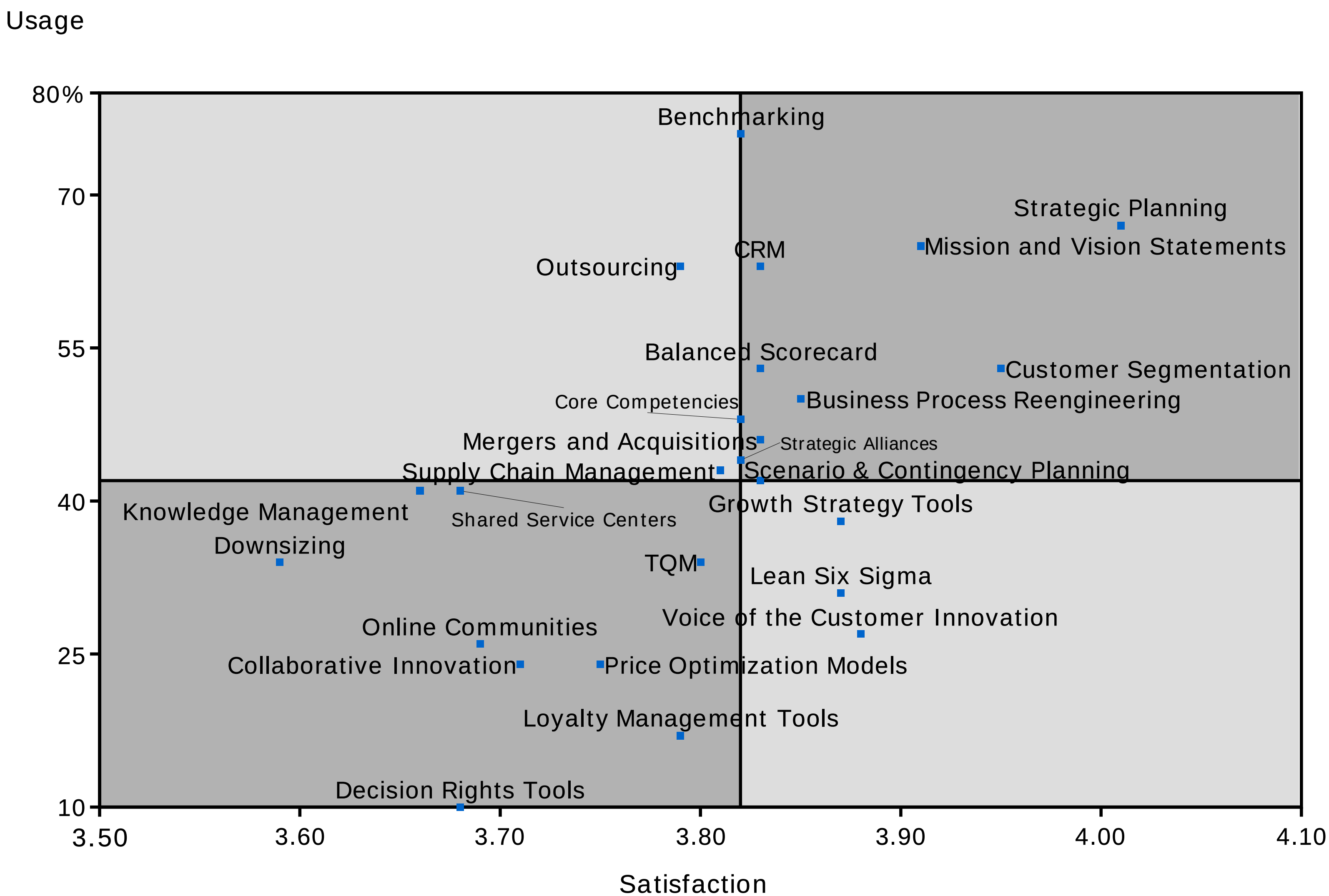
	Major effort score	Limited effort score
Lean Six Sigma	4.29	3.36
Mission and Vision Statements	4.24	3.47
Customer Segmentation	4.20	3.53
Strategic Planning	4.17	3.58
Balanced Scorecard	4.16	3.50
Voice of the Customer Innovation	4.16	3.59
Loyalty Management Tools	4.15	3.49
Benchmarking	4.12	3.61
Scenario and Contingency Planning	4.11	3.52
Core Competencies	4.10	3.51
Total Quality Management	4.09	3.44
Business Process Reengineering	4.08	3.57
Collaborative Innovation	4.08	3.38
Growth Strategy Tools	4.07	3.51
Strategic Alliances	4.07	3.57
Customer Relationship Management	4.05	3.47
Supply Chain Management	4.05	3.44
Online Communities	4.04	3.38
Outsourcing	4.03	3.51
Mergers and Acquisitions	4.02	3.52
Decision Rights Tools	4.00	3.44
Price Optimization Models	3.99	3.51
Knowledge Management	3.98	3.42
Shared Service Centers	3.89	3.39
Downsizing	3.84	3.35

- The tools in the upper right quadrant are both heavily used and have satisfaction scores above the mean

- Lean Six Sigma and Voice of the Customer Innovation are the only tools with below average usage and above average satisfaction

- The tools that performed the worst are in the bottom left quadrant. They include Downsizing, Online Communities and Decision Rights Tools

2008 Usage and Satisfaction



- All tools are projected to have higher usage levels in 2009. Those with the biggest projected gain are:

  -Price Optimization Models

  -Scenario and Contingency Planning

  -Growth Strategy Tools

  -Collaborative Innovation

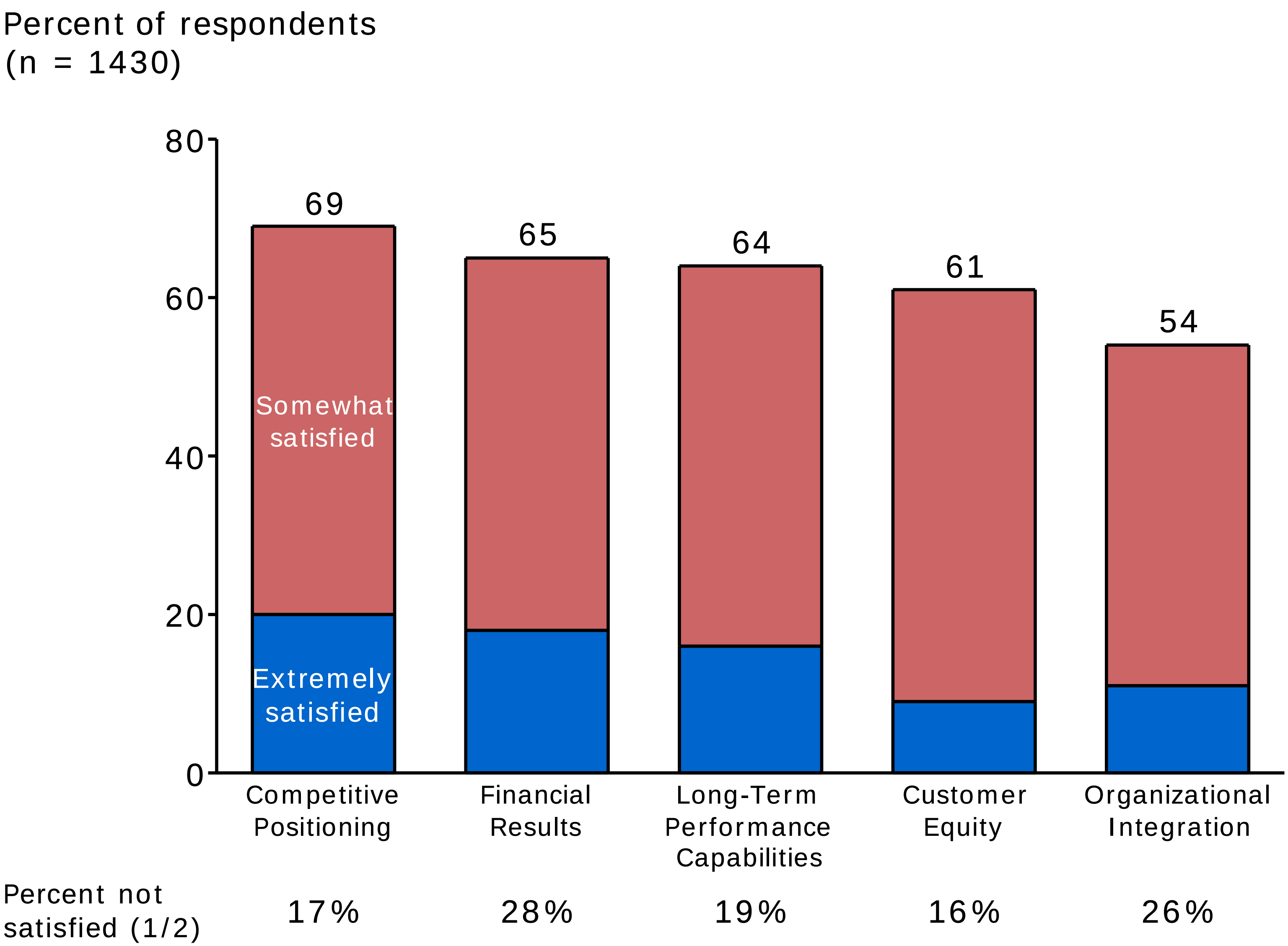
  -Voice of the Customer Innovation

Expected change in usage

	Projected Increase	Projected 2009 Usage	Actual 2008 Usage
Price Optimization Models	35%	59%	24%
Scenario and Contingency Planning	33%	75%	42%
Growth Strategy Tools	33%	71%	38%
Collaborative Innovation	33%	57%	24%
Voice of the Customer Innovation	31%	58%	27%
Decision Rights Tools	29%	39%	10%
Knowledge Management	29%	70%	41%
Loyalty Management Tools	29%	46%	17%
Strategic Alliances	28%	72%	44%
Total Quality Management	28%	62%	34%
Core Competencies	27%	75%	48%
Business Process Reengineering	27%	77%	50%
Downsizing	25%	59%	34%
Online Communities	25%	51%	26%
Customer Segmentation	24%	77%	53%
Shared Service Centers	22%	63%	41%
Strategic Planning	22%	89%	67%
Customer Relationship Management	21%	84%	63%
Supply Chain Management	20%	63%	43%
Balanced Scorecard	16%	69%	53%
Mission and Vision Statements	13%	78%	65%
Outsourcing	12%	75%	63%
Benchmarking	11%	87%	76%
Mergers and Acquisitions	11%	57%	46%
Lean Six Sigma	11%	42%	31%

- Few executives are extremely satisfied with their organization's performance on any of the key metrics

Satisfaction with firm performance



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
2008:	53% (6th)	3.83 (8th)
2006:	66% (12th)	3.60 (21st)
2004:	57% (13th)	3.86 (18th)
2002:	62% (16th)	3.88 (8th)
2000:	36% (14th)	3.94 (5th)
1999:	40% (14th)	3.84 (13th)
1998:	38% (19th)	3.89 (13th)
1997:	46% (14th)	3.94 (5th)
1996:	39% (15th)	3.81 (7th)
1995:	-	-
1994:	-	-
1993:	-	-

	2008 Usage	2008 Satisfaction	2009 Expected
Global:	53%	3.83	69%
N. America:	49%	3.82	63%
Europe:	54%	3.74	68%
Asia-Pacific:	52%	3.74	69%
Latin America:	56%	$\boxed{3.93}$	$\boxed{72\%}$
Large companies ($2B+):	$\boxed{61\%}$	3.83	$\boxed{75\%}$
Medium companies ($600M-2B):	54%	3.80	66%
Small companies (<$600M):	41%	3.84	63%

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

▭ 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
2008:	76% (1st)	3.82 (12th)
2006:	81% (4th)	3.80 (6th)
2004:	73% (3rd)	3.98 (3rd)
2002:	84% (2nd)	3.96 (6th)
2000:	69% (3rd)	3.89 (11th)
1999:	77% (3rd)	3.89 (11th)
1998:	82% (2nd)	3.99 (4th)
1997:	82% (1st)	3.88 (11th)
1996:	79% (3rd)	3.93 (2nd)
1995:	76% (3rd)	3.80 (2nd)
1994:	77% (3rd)	3.76 (6th)
1993:	70% (6th)	3.70 (13th)

	2008 Usage	2008 Satisfaction	2009 Expected
Global:	76%	3.82	87%
N. America:	75%	3.78	86%
Europe:	79%	3.85	86%
Asia-Pacific:	67%	3.83	84%
Latin America:	$\boxed{79\%}$	3.83	$\boxed{90\%}$
Large companies ($2B+):	$\boxed{80\%}$	3.84	$\boxed{90\%}$
Medium companies ($600M-2B):	77%	3.85	87%
Small companies (<$600M):	67%	3.80	81%

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

▭ 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
2008:	50% (8th)	3.85 (7th)
2006:	69% (8th)	3.77 (11th)
2004:	61% (10th)	3.90 (11th)
2002:	54% (19th)	3.75 (20th)
2000:	38% (13th)	3.85 (16th)
1999:	44% (12th)	3.75 (21st)
1998:	58% (12th)	3.81 (21st)
1997:	61% (8th)	3.72 (21st)
1996:	65% (7th)	3.71 (18th)
1995:	69% (7th)	3.61 (17th)
1994:	68% (6th)	3.76 (7th)
1993:	67% (7th)	3.81 (5th)

	2008 Usage	2008 Satisfaction	2009 Expected
Global:	50%	3.85	77%
N. America:	$\boxed{58\%}$	3.80	78%
Europe:	49%	3.76	73%
Asia-Pacific:	46%	3.93	79%
Latin America:	50%	3.90	77%
Large companies ($2B+):	55%	3.87	$\boxed{81\%}$
Medium companies ($600M-2B):	51%	3.82	77%
Small companies (<$600M):	45%	3.91	72%

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

Significantly higher rate than other regions/company size

Significantly lower rate

*This page intentionally left blank

Collaborative Innovation

"Collaborative 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
2008:	24% (22nd)	3.71 (20th)
2006:	53% (18th)	3.72 (15th)
2004*:	26% (23rd)	3.70 (23rd)
2002:	-	-
2000:	-	-
1999:	-	-
1998:	-	-
1997:	-	-
1996:	-	-
1995:	-	-
1994:	-	-
1993:	-	-

	2008 Usage	2008 Satisfaction	2009 Expected
Global:	24%	3.71	57%
N. America:	$\boxed{34\%}$	$\boxed{3.90}$	$\boxed{64\%}$
Europe:	24%	3.72	49%
Asia-Pacific:	22%	3.60	62%
Latin America:	21%	3.60	56%
Large companies ($2B+):	26%	3.67	$\boxed{61\%}$
Medium companies ($600M-2B):	26%	3.78	59%
Small companies (<$600M):	23%	3.70	51%

- Industries with highest percentage of usage: CPG; Healthcare; Media & Entertainment; Food & Beverage
- Industries with highest satisfaction: Pharma & Biotech; Construction & Real Estate; Utilities & Energy

*Called "Open-Market Innovation"

☐ 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
2008:	48% (9th)	3.82 (12th)
2006:	79% (5th)	3.86 (5th)
2004:	65% (7th)	3.97 (4th)
2002:	75% (11th)	4.01 (3rd)
2000:	48% (10th)	3.83 (18th)
1999:	50% (10th)	3.79 (17th)
1998:	60% (11th)	3.88 (15th)
1997:	61% (7th)	3.88 (12th)
1996:	69% (5th)	3.83 (6th)
1995:	66% (9th)	3.75 (6th)
1994:	60% (9th)	3.70 (11th)
1993:	52% (11th)	3.60 (20th)

	2008 Usage	2008 Satisfaction	2009 Expected
Global:	48%	3.82	75%
N. America:	$\boxed{60\%}$	3.90	80%
Europe:	44%	3.71	73%
Asia-Pacific:	56%	3.83	$\boxed{83\%}$
Latin America:	39%	3.82	70%
Large companies ($2B+):	$\boxed{52\%}$	3.80	$\boxed{79\%}$
Medium companies ($600M-2B):	52%	3.80	77%
Small companies (<$600M):	40%	3.83	69%

- Industries with highest percentage of usage: Pharma & Biotech; Healthcare; Food & Beverages
- Industries with highest satisfaction: Retail; Media & Entertainment: Transport & Tourism

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
2008:	63% (4th)	3.83 (8th)
2006:	84% (2nd)	3.87 (4th)
2004:	75% (2nd)	3.91 (9th)
2002:	78% (7th)	3.81 (13th)
2000:	35% (15th)	3.67 (22nd)
1999:	-	-
1998:	-	-
1997:	-	-
1996:	-	-
1995:	-	-

	2008 Usage	2006 Satisfaction	2009 Expected
Global:	63%	3.83	84%
N. America:	69%	3.79	84%
Europe:	68%	3.77	85%
Asia-Pacific:	70%	3.82	88%
Latin America:	53%	3.92	79%
Large companies ($2B+):	65%	3.82	86%
Medium companies ($600M-2B):	65%	3.79	83%
Small companies (<$600M):	58%	3.86	81%

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

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
2008:	53% (6th)	3.95 (2nd)
2006:	82% (3rd)	3.93 (1st)
2004:	72% (5th)	3.97 (4th)
2002:	79% (4th)	4.01 (4th)
2000:	51% (9th)	3.99 (3rd)
1999:	52% (9th)	3.94 (8th)
1998:	60% (9th)	3.87 (17th)
1997:	-	-
1996:	-	-
1995:	-	-
1994:	-	-
1993:	-	-

	2008 Usage	2006 Satisfaction	2009 Expected
Global:	53%	3.95	77%
N. America:	49%	3.87	70%
Europe:	57%	3.83	77%
Asia-Pacific:	51%	3.92	81%
Latin America:	53%	$\boxed{4.08}$	80%
Large companies ($2B+):	$\boxed{58\%}$	4.01	79%
Medium companies ($600M-2B):	50%	3.92	76%
Small companies (<$600M):	45%	3.84	73%

- Industries with highest percentage of usage: Transport & Tourism; Food & Beverage
- Industries with highest satisfaction: Construction & Real Estate; Food & Beverage; Transport & Tourism

$\boxed{}$ 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
2008:	10% (25th)	3.68 (22nd)
2006:	-	-
2004:	-	-
2002:	-	-
2000:	-	-
1999:	-	-
1998:	-	-
1997:	-	-
1996:	-	-
1995:	-	-
1994:	-	-
1993:	-	-

	2008 Usage	2008 Satisfaction	2009 Expected
Global:	10%	3.68	39%
N. America:	11%	3.80	39%
Europe:	11%	3.60	34%
Asia-Pacific:	9%	3.33	46%
Latin America:	9%	3.75	38%
Large companies ($2B+):	36%	3.64	$\boxed{43\%}$
Medium companies ($600M-2B):	38%	3.70	38%
Small companies (<$600M):	34%	3.69	31%

- Industries with highest percentage of usage: CPG; Pharma & Biotech
- Industries with highest satisfaction: Healthcare; Retail

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
2008:	34% (17th)	3.59 (25th)
2006:	-	-
2004:	-	-
2002:	59% (17th)	3.49 (24th)
2000:	-	-
1999:	-	-
1998:	-	-
1997:	-	-
1996:	-	-
1995:	-	-
1994:	-	-
1993:	-	-

	2008 Usage	2008 Satisfaction	2009 Expected
Global:	34%	3.59	59%
N. America:	$\boxed{51\%}$	3.60	$\boxed{70\%}$
Europe:	34%	3.53	60%
Asia-Pacific:	35%	3.55	61%
Latin America:	25%	3.66	52%
Large companies ($2B+):	$\boxed{40\%}$	3.60	$\boxed{67\%}$
Medium companies ($600M-2B):	28%	3.54	51%
Small companies (<$600M):	31%	3.78	50%

- Industries with highest percentage of usage: Media & Entertainment; Construction & Real Estate
- Industries with highest satisfaction: Transport & Tourism; Food & Beverage

Significantly higher rate than other regions/company size

Significantly lower rate

*This page intentionally left blank

Growth Strategy Tools

"Growth Strategy Tools: Used to identify and direct resources toward opportunities for profitable growth. Related Topics: Adjacency Expansion, Managing Innovation, Market Migration Analysis."

	Usage	Satisfaction
2008:	38% (16th)	3.87 (5th)
2006:	65% (14th)	3.75 (13th)
2004:	62% (9th)	3.91 (9th)
2002:	78% (9th)	3.82 (12th)
2000:	55% (6th)	3.78 (20th)
1999:	55% (97h)	3.82 (16th)
1998:	63% (7th)	3.93 (10th)
1997:	55% (10th)	3.85 (15th)
1996:	55% (10th)	3.77 (13th)
1995:	-	-
1994:	-	-
1993:	-	-

	2008 Usage	2008 Satisfaction	2009 Expected
Global:	38%	3.87	71%
N. America:	31%	3.77	67%
Europe:	26%	3.75	57%
Asia-Pacific:	33%	3.66	72%
Latin America:	$\boxed{50\%}$	$\boxed{4.01}$	$\boxed{79\%}$
Large companies ($2B+):	37%	3.93	72%
Medium companies ($600M-2B):	42%	3.86	69%
Small companies (<$600M):	36%	3.87	67%

- Industries with highest percentage of usage: Mining, Chemical & Metals; Food & Beverage; CPG
- Industries with highest satisfaction: CPG; Utilities & Energy

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
2008:	41% (14th)	3.66 (24th)
2006:	69% (8th)	3.59 (22nd)
2004:	54% (15th)	3.73 (22nd)
2002:	62% (15th)	3.63 (23rd)
2000:	32% (19th)	3.61 (23rd)
1999:	30% (18th)	3.43 (25th)
1998:	33% (23rd)	3.63 (25th)
1997:	30% (21st)	3.58 (25th)
1996:	28% (21st)	3.48 (23rd)
1995:	-	-
1994:	-	-
1993:	-	-

	2008 Usage	2008 Satisfaction	2009 Expected
Global:	41%	3.66	70%
N. America:	45%	3.64	70%
Europe:	43%	3.64	67%
Asia-Pacific:	$\boxed{50\%}$	3.65	$\boxed{78\%}$
Latin America:	34%	3.70	68%
Large companies ($2B+):	$\boxed{47\%}$	3.64	$\boxed{74\%}$
Medium companies ($600M-2B):	45%	3.58	70%
Small companies (<$600M):	35%	3.79	66%

- Industries with highest percentage of usage: Tech & Telecomm; Services
- Industries with highest satisfaction: Retail; Food & Beverages

Significantly higher rate than other regions/company size

Significantly lower rate

*This page intentionally left blank

Lean Six Sigma

"Lean Six Sigma: Combines elements of Lean Manufacturing and Six Sigma approaches. Goal is to help companies achieve higher quality in a fast and efficient way by creating a culture of responsiveness and accountability. Related Topics: Lean Manufacturing, Six Sigma, Statistical Process Control, TQM

	Usage	Satisfaction
2008*:	31% (19th)	3.87 (5th)
2006:	40% (21st)	3.66 (18th)
2004:	34% (21st)	3.89 (14th)
2002:	-	-
2000:	-	-
1999:	-	-
1998:	-	-
1997:	-	-
1996:	-	-
1995:	-	-
1994:	-	-
1993:	-	-

	2008 Usage	2008 Satisfaction	2009 Expected
Global:	31%	3.87	42%
N. America:	33%	3.91	42%
Europe:	34%	3.68	40%
Asia-Pacific:	31%	3.90	$\boxed{51\%}$
Latin America:	28%	3.96	39%
Large companies ($2B+):	$\boxed{37\%}$	3.89	$\boxed{51\%}$
Medium companies ($600M-2B):	30%	3.90	40%
Small companies (<$600M):	19%	3.70	29%

- Industries with highest percentage of usage: Chemicals & Metals; Manufacturing; Healthcare
- Industries with highest satisfaction: Utilities & Energy; Chemicals & Metals; Transport & Tourism

*Name changed from "Six Sigma" to "Lean Six Sigma"

☐ Significantly higher rate than other regions/company size

◯ Significantly lower rate

*This page intentionally left blank

Loyalty Management Tools

"Loyalty Management Tools: 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
2008:	17% (24th)	3.79 (17th)
2006:	51% (19th)	3.59 (22nd)
2004:	40% (19th)	3.67 (25th)
2002:	-	-
2000:	-	-
1999:	-	-
1998:	-	-
1997:	-	-
1996:	-	-
1995:	-	-
1994:	-	-
1993:	-	-

	2008 Usage	2008 Satisfaction	2009 Expected
Global:	17%	3.79	46%
N. America:	17%	3.90	46%
Europe:	16%	3.56	38%
Asia-Pacific:	18%	3.78	$\boxed{54\%}$
Latin America:	17%	3.84	46%
Large companies ($2B+):	$\boxed{21\%}$	3.79	$\boxed{51\%}$
Medium companies ($600M-2B):	18%	3.88	47%
Small companies (<$600M):	12%	3.69	38%

- Industries with highest percentage of usage: Media and Entertainment; Retail; CPG
- Industries with highest satisfaction: Retail; 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
2008:	46% (10th)	3.83 (8^{th})
2006:	50% (20th)	3.88 (3rd)
2004:	-	-
2002:	-	-
2000:	-	-
1999:	-	-
1998:	-	-
1997:	-	-
1996:	-	-
1995:	-	-
1994:	-	-
1993:	-	-

	2008 Usage	2008 Satisfaction	2009 Expected
Global:	46%	3.83	57%
N. America:	49%	3.91	58%
Europe:	53%	3.77	$\boxed{66\%}$
Asia-Pacific:	45%	3.72	57%
Latin America:	41%	3.90	52%
Large companies ($2B+):	$\boxed{54\%}$	3.90	$\boxed{63\%}$
Medium companies ($600M-2B):	42%	3.74	59%
Small companies (<$600M):	41%	3.76	53%

- Industries with highest percentage of usage: Utilities & Energy; Wholesale, Distribution & Logistics
- Industries with highest satisfaction: Construction & Real Estate; Chemicals & Metals

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
2008:	65% (3rd)	3.91 (3rd)
2006:	79% (5th)	3.78 (8th)
2004:	72% (5th)	3.87 (16th)
2002:	84% (3rd)	3.74 (21st)
2000:	70% (2nd)	3.94 (6th)
1999:	79% (2nd)	3.99 (4th)
1998:	74% (4th)	3.93 (11th)
1997:	78% (3rd)	3.84 (16th)
1996:	82% (2nd)	3.81 (8th)
1995:	84% (1st)	3.79 (4th)
1994:	86% (1st)	3.80 (3rd)
1993:	88% (1st)	3.90 (2nd)

	2008 Usage	2008 Satisfaction	2009 Expected
Global:	65%	3.91	78%
N. America:	70%	3.93	77%
Europe:	63%	3.72	78%
Asia-Pacific:	61%	3.88	79%
Latin America:	67%	4.02	78%
Large companies ($2B+):	69%	3.95	81%
Medium companies ($600M-2B):	66%	3.86	82%
Small companies (<$600M):	59%	3.88	71%

- Industries with highest percentage of usage: Wholesale, Distribution & Logistics; CPG
- Industries with highest satisfaction: Construction & Real Estate; Healthcare

Significantly higher rate than other regions/company size   Significantly lower rate

*This page intentionally left blank

Online Communities

"Online Communities: a form of internet-based social networking that allows organizations to have two-way communication with their employees, customers and partners through computer networks. By tapping into the multimedia capabilities, companies can also display and sell products, solicit and respond to feedback and rapidly correct misinformation. Related Topics: e-communities, Social Networking"

	Usage	Satisfaction
2008:	26%(21st)	3.69 (21st)
2006:	-	-
2004:	-	-
2002:	-	-
2000:	-	-
1999:	-	-
1998:	-	-
1997:	-	-
1996:	-	-
1995:	-	-
1994:	-	-
1993:	-	-

	2008 Usage	2008 Satisfaction	2009 Expected
Global:	26%	3.69	51%
N. America:	$\boxed{35\%}$	3.80	$\boxed{59\%}$
Europe:	25%	3.49	53%
Asia-Pacific:	26%	3.64	54%
Latin America:	21%	3.74	43%
Large companies ($2B+):	$\boxed{30\%}$	3.73	$\boxed{57\%}$
Medium companies ($600M-2B):	20%	3.55	48%
Small companies (<$600M):	24%	3.72	46%

- Industries with highest percentage of usage: Tech and Telecom; Media & Entertainment
- Industries with highest satisfaction: Healthcare; Transport & Tourism

☐ 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
2008:	63% (4th)	3.79 (17th)
2006:	77% (7th)	3.68 (17th)
2004:	73% (3rd)	3.89 (14th)
2002:	78% (5th)	3.84 (10th)
2000:	63% (4th)	3.80 (19th)
1999:	62% (5th)	3.79 (18th)
1998:	71% (6th)	3.89 (14th)
1997:	-	-
1996:	-	-
1995:	-	-
1994:	-	-
1993:	-	-

	2008 Usage	2008 Satisfaction	2009 Expected
Global:	63%	3.79	75%
N. America:	61%	3.70	73%
Europe:	56%	3.71	70%
Asia-Pacific:	62%	3.88	78%
Latin America:	$\boxed{67\%}$	3.87	$\boxed{78\%}$
Large companies ($2B+):	65%	3.76	$\boxed{80\%}$
Medium companies ($600M-2B):	63%	3.82	76%
Small companies (<$600M):	58%	3.80	66%

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

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
2008:	24% (23rd)	3.75 (19th)
2006:	-	-
2004:	36% (20th)	3.87 (16th)
2002:	-	-
2000:	-	-
1999:	-	-
1998:	-	-
1997:	-	-
1996:	-	-
1995:	-	-
1994:	-	-
1993:	-	-

	2008 Usage	2008 Satisfaction	2009 Expected
Global:	24%	3.75	59%
N. America:	25%	3.61	54%
Europe:	25%	3.62	60%
Asia-Pacific:	22%	3.94	61%
Latin America:	23%	3.82	59%
Large companies ($2B+):	$\boxed{28\%}$	3.73	$\boxed{65\%}$
Medium companies ($600M-2B):	24%	3.80	58%
Small companies (<$600M):	16%	3.75	45%

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

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
2008:	42% (13th)	3.83 (8th)
2006:	69% (8th)	3.78 (8th)
2004:	54% (15th)	3.90 (11th)
2002:	70% (12th)	3.81 (14th)
2000:	35% (16th)	3.86 (15th)
1999:	28% (20th)	3.90 (10th)
1998:	35% (22nd)	3.78 (22nd)
1997:	35% (19th)	3.78 (18th)
1996:	35% (18th)	3.69 (19th)
1995:	39% (17th)	3.53 (21st)
1994:	44% (15th)	3.59 (19th)
1993:	38% (16th)	3.68 (15th)

	2008 Usage	2008 Satisfaction	2009 Expected
Global:	42%	3.83	75%
N. America:	37%	3.81	67%
Europe:	38%	3.69	70%
Asia-Pacific:	33%	3.78	75%
Latin America:	$\boxed{51\%}$	$\boxed{3.90}$	$\boxed{82\%}$
Large companies ($2B+):	44%	$\boxed{3.91}$	$\boxed{79\%}$
Medium companies ($600M-2B):	44%	3.78	75%
Small companies (<$600M):	37%	3.73	67%

- Industries with highest percentage of usage: Transport & Tourism; Pharma & Biotech
- Industries with highest satisfaction: Construction & Real Estate; Healthcare

□ 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
2008:	41% (14th)	3.68 (22nd)
2006:	55% (16th)	3.63 (19th)
2004:	-	-
2002:	-	-
2000:	-	-
1999:	-	-
1998:	-	-
1997:	-	-
1996:	-	-
1995:	-	-
1994:	-	-
1993:	-	-

	2008 Usage	2008 Satisfaction	2009 Expected
Global:	41%	3.68	63%
N. America:	38%	3.64	61%
Europe:	44%	3.56	65%
Asia-Pacific:	39%	3.84	68%
Latin America:	41%	3.69	61%
Large companies ($2B+):	48%	3.70	73%
Medium companies ($600M-2B):	37%	3.62	62%
Small companies (<$600M):	29%	3.65	47%

- Industries with highest percentage of usage: Utilities & Energy; CPG; Wholesale, Distribution & Logistics
- Industries with highest satisfaction: Food & Beverage; Retail

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
2008:	44% (11th)	3.82 (12th)
2006:	68% (11th)	3.78 (8th)
2004:	63% (8th)	3.95 (6th)
2002:	69% (13th)	3.80 (18th)
2000:	53% (7th)	3.74 (21st)
1999:	53% (8th)	3.73 (23rd)
1998:	60% (10th)	3.88 (16th)
1997:	60% (9th)	3.96 (4th)
1996:	61% (9th)	3.73 (15th)
1995:	68% (8th)	3.74 (7th)
1994:	68% (8th)	3.72 (9th)
1993:	62% (8th)	3.70 (14th)

	2008 Usage	2008 Satisfaction	2009 Expected
Global:	44%	3.82	72%
N. America:	$\boxed{51\%}$	3.71	73%
Europe:	38%	3.77	66%
Asia-Pacific:	45%	3.73	$\boxed{78\%}$
Latin America:	43%	$\boxed{3.97}$	72%
Large companies ($2B+):	44%	3.76	72%
Medium companies ($600M-2B):	47%	3.86	72%
Small companies (<$600M):	47%	3.87	73%

- Industries with highest percentage of usage: Tech & Telecomm; Pharma & Biotech
- Industries with highest satisfaction: Utilities & Energy; Construction & Real Estate

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
2008:	67% (2nd)	4.01 (1st)
2006:	88% (1st)	3.93 (1st)
2004:	79% (1st)	4.14 (1st)
2002:	89% (1st)	4.04 (2nd)
2000:	76% (1st)	4.06 (2nd)
1999:	81% (1st)	4.02 (3rd)
1998:	84% (1st)	4.11 (1st)
1997:	80% (2nd)	4.04 (1st)
1996:	83% (1st)	3.99 (1st)
1995:	-	-
1994:	-	-
1993:	-	-

	2008 Usage	2008 Satisfaction	2009 Expected
Global:	67%	4.01	89%
N. America:	73%	3.91	89%
Europe:	56%	3.89	80%
Asia-Pacific:	58%	3.90	90%
Latin America:	74%	4.17	94%
Large companies ($2B+):	68%	4.03	90%
Medium companies ($600M-2B):	70%	3.99	91%
Small companies (<$600M):	62%	4.05	86%

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

*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
2008:	43% (12th)	3.81 (15th)
2006:	66% (12th)	3.77 (11th)
2004:	56% (14th)	3.99 (2nd)
2002:	52% (20th)	3.80 (16th)
2000:	32% (18th)	3.85(17th)
1999:	31% (17th)	3.88 (12th)
1998:	-	-
1997:	-	-
1996:	-	-
1995:	-	-
1994:	-	-
1993:	-	-

	2008 Usage	2008 Satisfaction	2009 Expected
Global:	43%	3.81	63%
N. America:	38%	3.75	53%
Europe:	47%	3.77	62%
Asia-Pacific:	45%	3.81	68%
Latin America:	43%	3.87	$\boxed{67\%}$
Large companies ($2B+):	$\boxed{52\%}$	3.82	$\boxed{71\%}$
Medium companies ($600M-2B):	35%	3.88	59%
Small companies (<$600M):	33%	3.79	54%

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

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 Baldridge National Quality Award, Quality Assurance, Six Sigma."

	Usage	Satisfaction
2008:	34% (17th)	3.80 (16th)
2006:	64% (15th)	3.80 (6th)
2004:	61% (10th)	3.93 (7th)
2002:	57% (18th)	3.80 (17th)
2000:	41% (11th)	3.89 (13th)
1999:	49% (11th)	3.95 (7th)
1998:	61% (8th)	3.94 (9th)
1997:	62% (6th)	3.78 (19th)
1996:	66% (6th)	3.73 (16th)
1995:	73% (4th)	3.69 (9th)
1994:	72% (4th)	3.71 (10th)
1993:	72% (3rd)	3.78 (8th)

	2008 Usage	2008 Satisfaction	2009 Expected
Global:	34%	3.80	62%
N. America:	30%	3.64	54%
Europe:	33%	3.71	62%
Asia-Pacific:	37%	3.88	$\boxed{70\%}$
Latin America:	36%	3.87	62%
Large companies ($2B+):	35%	3.84	64%
Medium companies ($600M-2B):	34%	3.73	60%
Small companies (<$600M):	32%	3.90	58%

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

Significantly higher rate than other regions/company size

Significantly lower rate

*This page intentionally left blank

Voice of the Customer Innovation

"Voice of the Customer Innovation: a method of using a combination of qualitative and quantitative research techniques to identify and prioritize customers' needs and wants to improve product development and service quality. Related Topics: Customer visit teams, ethnography, focus groups."

	Usage	Satisfaction
2008:	27% (20th)	3.88 (4th)
2006:	-	-
2004:	-	-
2002:	-	-
2000:	-	-
1999:	-	-
1998:	-	-
1997:	-	-
1996:	-	-
1995:	-	-
1994:	-	-
1993:	-	-

	2008 Usage	2008 Satisfaction	2009 Expected
Global:	27%	3.88	58%
N. America:	28%	3.88	55%
Europe:	24%	3.89	50%
Asia-Pacific:	32%	3.97	$\boxed{65\%}$
Latin America:	26%	3.81	59%
Large companies ($2B+):	$\boxed{30\%}$	3.92	$\boxed{63\%}$
Medium companies ($600M-2B):	24%	3.67	57%
Small companies (<$600M):	21%	3.93	51%

- Industries with highest percentage of usage: Healthcare; Tech & Telecomm
- Industries with highest satisfaction: Construction & Real Estate; Retail; Manufacturing; Wholesale, Distribution & Logistics

☐ Significantly higher rate than other regions/company size ◯ Significantly lower rate

*This page intentionally left blank

2009 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.

BAIN & COMPANY

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 (2004-2008), which of the following techniques have been used by your current employer?

1b. In the past year (2008), 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 2009? 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

Tools and techniques	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
Balanced Scorecard												
Benchmarking												
Business Process Reengineering												
Collaborative Innovation												
Core Competencies												
Customer Relationship Management												
Customer Segmentation												
Decision Rights Tools												
Downsizing												
Growth Strategy Tools												
Knowledge Management												
Lean Six Sigma												
Loyalty Management Tools												
Mergers and Acquisitions												
Mission and Vision Statements												
Online Communities												
Outsourcing												
Price Optimization Models												
Scenario and Contingency Planning												
Shared Service Centers												
Strategic Alliances												
Strategic Planning												
Supply Chain Management												
Total Quality Management												
Voice of the Customer Innovation												
Other ______________________												

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
Culture is as important as strategy for business success	☐	☐	☐	☐	☐
Innovation is more important than cost reduction for long-term success	☐	☐	☐	☐	☐
Insufficient customer insight is hurting our performance	☐	☐	☐	☐	☐
Our entire organization is actively engaged in improving innovation	☐	☐	☐	☐	☐
Other emerging markets now offer better opportunities than China and India	☐	☐	☐	☐	☐
We will pursue sustainability initiatives even if they hurt our profits	☐	☐	☐	☐	☐
Our decisions are being driven by short-term financials, not long-term strategies	☐	☐	☐	☐	☐
The current downturn will change consumer behaviors for at least 3 years	☐	☐	☐	☐	☐
We are planning for a downturn that will last at least until early 2010	☐	☐	☐	☐	☐
Government regulation of business will increase over the next 5 years	☐	☐	☐	☐	☐
Unclear decision making authority is hurting our performance	☐	☐	☐	☐	☐
International growth will be vital to our performance over the next 5 years	☐	☐	☐	☐	☐
Our top executives are comfortable taking higher risks for potentially higher returns	☐	☐	☐	☐	☐
We should focus more on revenue growth and less on cost reductions	☐	☐	☐	☐	☐
Our company waited too long to respond to this economic downturn	☐	☐	☐	☐	☐
I am very concerned about how we will meet our growth targets in 2009	☐	☐	☐	☐	☐
Our company will use this recession to improve our competitive position	☐	☐	☐	☐	☐
Our company will have significant layoffs in 2009	☐	☐	☐	☐	☐
We could dramatically boost innovation by collaborating with other companies	☐	☐	☐	☐	☐
Almost all of today's market leaders will still be leaders 5 years from now	☐	☐	☐	☐	☐

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.

4. 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).

	ES	SS	N	SD	ED
Financial Results	☐	☐	☐	☐	☐
Customer Equity	☐	☐	☐	☐	☐
Long-Term Performance Capabilities	☐	☐	☐	☐	☐
Competitive Positioning	☐	☐	☐	☐	☐
Organizational Integration	☐	☐	☐	☐	☐

5a. 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.

	Corporate Statistics	Division Statistics
• **2008 sales:**		
Less than $600MM	☐	☐
$600MM to less than $2B	☐	☐
$2B or more	☐	☐
• **2008 assets:**		
Less than $1B	☐	☐
$1B to less than $20B	☐	☐
$20B or more	☐	☐

5b. Describe the industry your organization is in, both at the corporate level and at the division level, if appropriate.

Corporate: ______________________________

Division: ______________________________

5c. What is your title? ______________________________

5d. 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

BAIN & COMPANY