BAIN & COMPANY

Management Tools and Trends 2007

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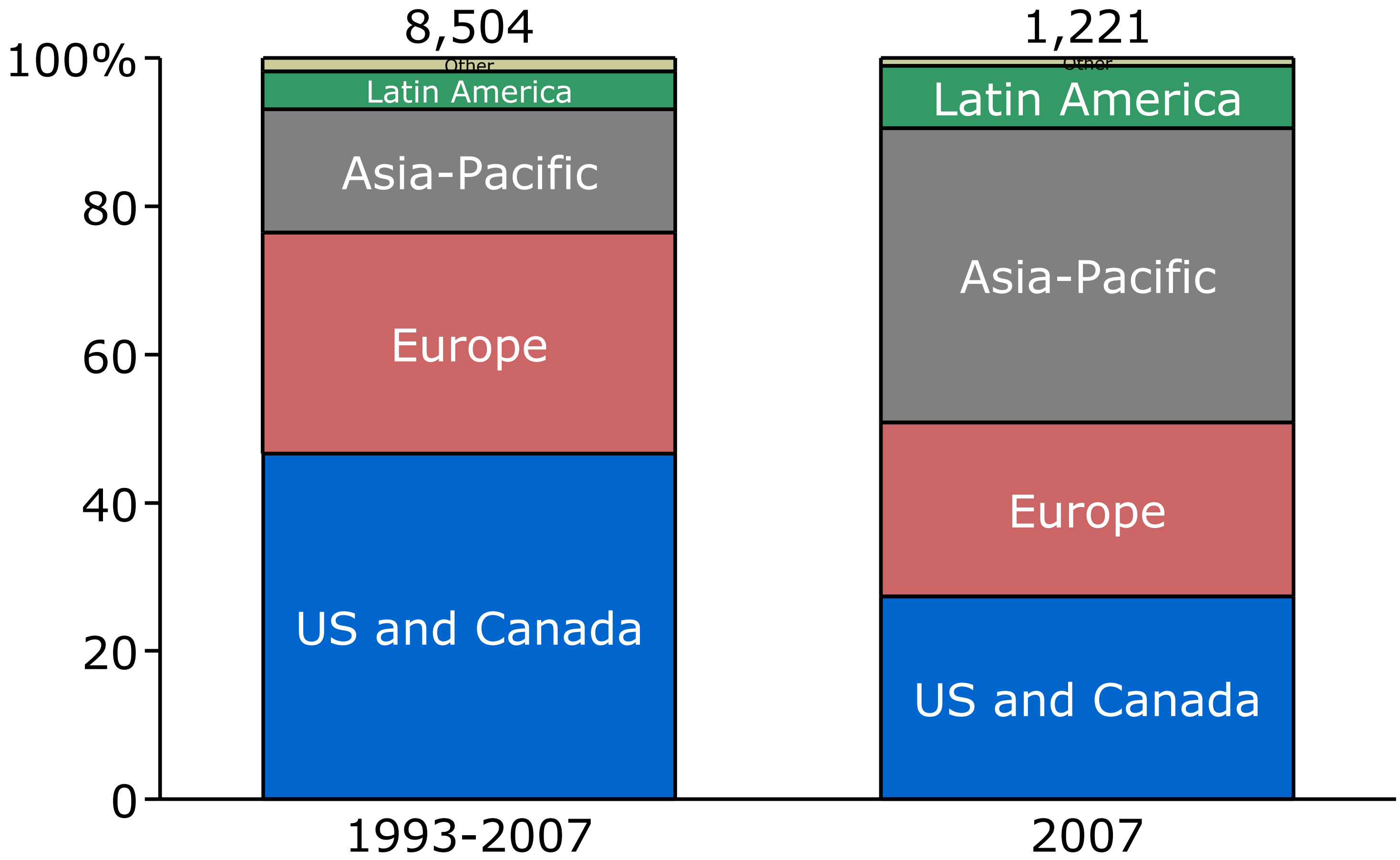
- In 1993, Bain launched a multi-year research project to get the facts about management tools and trends. Our objective is two-fold:
  - -To provide managers with information they need to identify and integrate tools that will improve bottom-line results
  - -To understand how global executives view their strategic challenges and priorities

- Over the past 14 years, we have completed 11 surveys, assembling a database that now includes 8,504 respondents from more than 70 countries in North America, Europe, Asia, Africa, the Middle East and Latin America

- This year, we received 1221 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

11 surveys, 8,504 respondents covering a 14-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 2007, An Executive's Guide*

- Booklets and surveys were mailed to senior executives (a well-balanced mix of line and staff, corporate and divisional managers) around the world. Surveys were also conducted online in partnership with EIU.com. The survey is reprinted in the appendix at the back of this report

We focused on 25 of the most popular tools

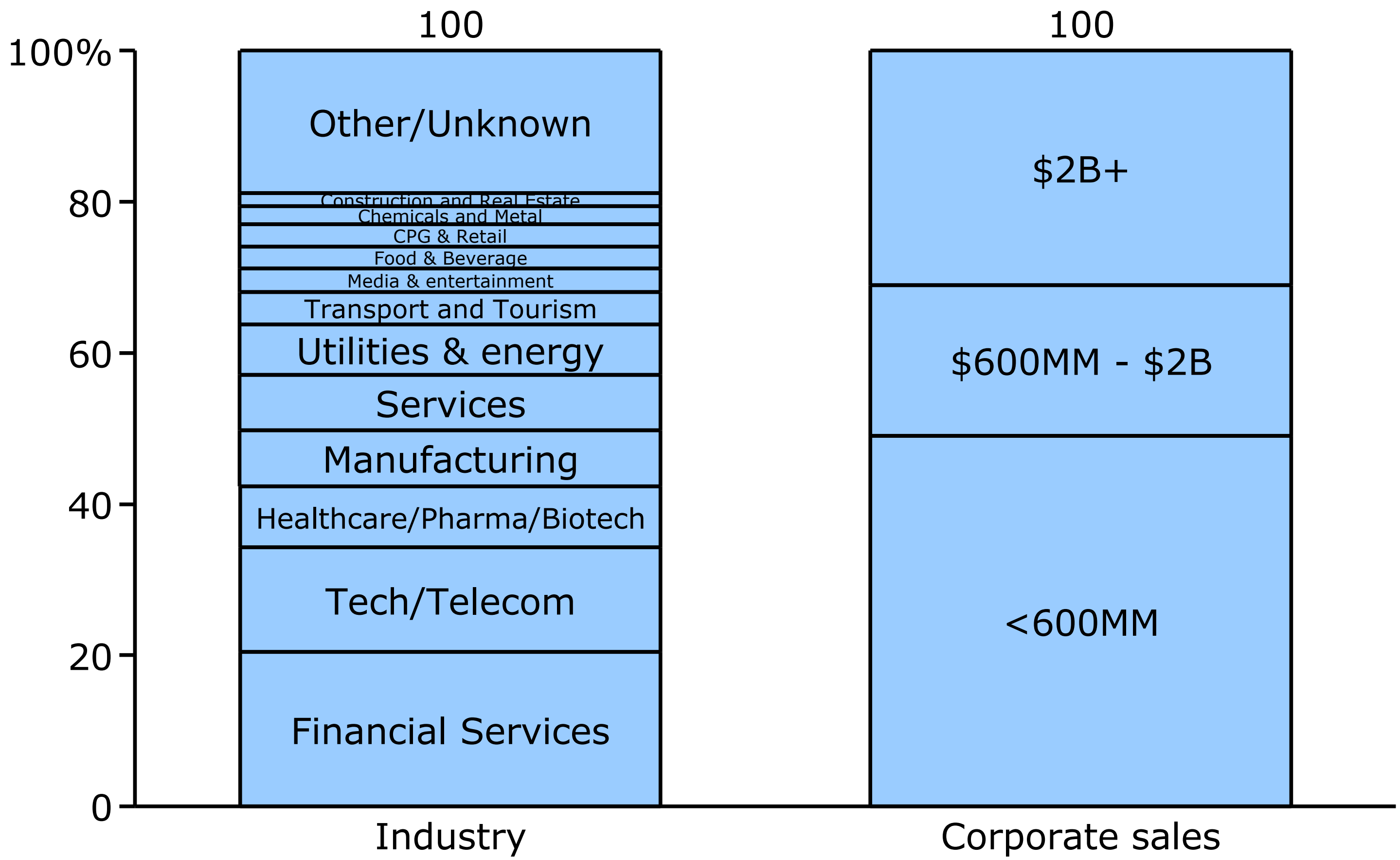
- Balanced Scorecard
- Benchmarking
- Business Process Reengineering
- Collaborative Innovation
- Consumer Ethnography*
- Core Competencies
- Corporate Blogs*
- Customer Relationship Mgmt.
- Customer Segmentation
- Growth Strategy Tools
- Knowledge Management
- Lean Operations*
- Loyalty Management Tools
- Mergers and Acquisitions*
- Mission and Vision Statements
- Offshoring
- Outsourcing
- RFID
- Scenario and Contingency Planning
- Shared Service Centers*
- Six Sigma
- Strategic Alliances
- Strategic Planning
- Supply Chain Management
- Total Quality Management

* Tool included in the survey for the first time in 2007

- Global respondents represent a full range of industries and company sizes
- With results of 8,504 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

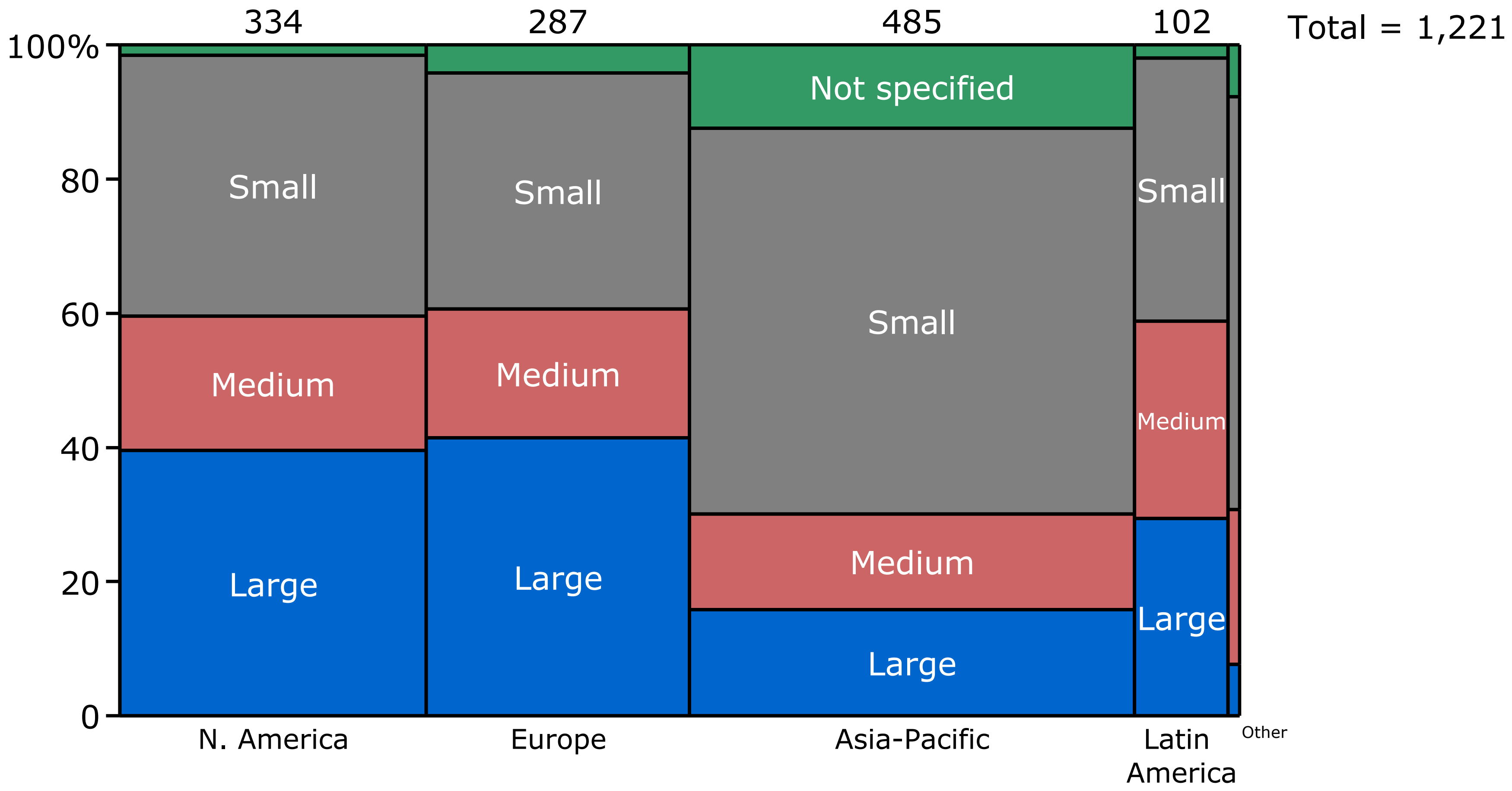
Global respondents represent the full range of industries and company sizes

Demographics of 2007 global respondents



- When interpreting the regional differences, please note that respondents from Asia-Pacific companies tend to be from smaller companies

Company size by region



This year's trends analysis highlights:

- **Executives are recognizing the impact of soft issues**
  - Executives are looking beyond cost cutting to be successful. Nine of ten executives agree "Culture is a important as strategy for business success" and seven of ten feel "Environmentally-friendly products and practices are an important part of our mission". The concern with environmental issues is especially true among executives in China and other emerging market countries with 77% of them agreeing versus 59% of executives in established markets.

- **Companies are looking outside to grow**
  - Companies are acknowledging the impact of globalization as five of ten feel "Working with China and India will be vital to our success over the next 5 years" and four of ten agree "Cross-border acquisitions will be critical to achieving our growth objectives in the next 5 years".

- **While executives overall are bullish on the economy, those in China express the most concern**
  - Companies looking to China and India for growth may be in for a challenge as more executives in China (45%) are planning for an economic slowdown than executives in any other region (27% North America, 18% other Asia-Pacific, 15% Europe, 10% Latin America).

- **Innovation remains a priority**
  - While an issue with fewer firms than in 2004, companies continue to struggle with innovation. Eight of ten respondents believe that "Innovation is more important than cost reduction for long-term success". Yet, as we saw in 2004, the majority of executives confess that "We could dramatically boost innovation by collaborating with outsiders, even competitors".

- **IT continues to be seen as beneficial**
  - Nine of ten executives believe that "Information technology can create significant competitive advantages". The majority of executives feel their company is investing wisely in IT as only 3 of 10 feel "We rarely achieve expected paybacks from our IT investments".

The view on management trends

	Agree	Disagree
Culture is as important as strategy for business success	91%	3%
Information technology can create significant competitive advantages	87%	4%
Innovation is more important than cost reduction for long-term success	79%	10%
Consolidating and sharing back office operations improves both cost and quality	73%	9%
Environmentally-friendly products and practices are an important part of our mission	66%	12%
We could dramatically boost innovation by collaborating with outsiders, even competitors	65%	17%
A growing percentage of our products and services behave like commodities	59%	23%
Unclear decision making authority is hurting our performance	53%	31%
Working with China and India will be vital to our success over the next 5 years	53%	23%
Insufficient consumer insight is hurting our performance	51%	31%
We wait too long before divesting businesses that hinder our performance	50%	23%
Our core business is running out of steam, and needs new capabilities	47%	38%
We know customer loyalty is important, but don't know how to profitably improve it	44%	36%
Our current capabilities are not sufficient to achieve our financial objectives	43%	44%
Our company would deliver better long-term results as a privately-owned firm	43%	25%
Cross-border acquisitions critical to achieving our growth objectives in next 5 years	42%	37%
I would rather work at a privately-owned company than a public company	39%	27%
We rarely achieve expected paybacks from our IT investments	33%	42%
We do not adequately customize our offerings to local markets	33%	46%
We are planning for an economic slowdown over the next 12 months	27%	48%

- Some of these attitudes vary by region
  - North American executives are
    - More likely to feel their products and services are behaving like commodities and yet less concerned with innovation
    - More confident in their management as fewer feel unclear decision making is hurting their performance or that their IT investments are not paying off
  - European executives are
    - Less concerned about an economic slowdown
    - More concerned with their level of consumer insight
    - Planning to make more cross-border acquisitions in the next 5 years
    - More interested in working for a private company, though they are less likely to feel their current firm would deliver better results as a private firm
  - Asian executives are
    - More likely to be planning for an economic slowdown
    - Strongly focused on innovation over cost reduction, which may at least partially explain why they are less likely to feel their products and services are increasingly behaving like commodities
    - More concerned with environmentally friendly products and practices
    - Bigger supporters of consolidating back office operations
    - More likely to feel their company would perform better as a privately owned firm
  - Latin American executives are
    - More concerned with environmentally friendly products and services
    - More concerned than any other region that their products and services are behaving like commodities
    - Least likely to plan to work with China or India in the next 5 years
    - Least concerned about an economic slowdown

Agreement level varies by region

	N.Amer.	Europe	Asia	L. Amer.
• Culture is as important as strategy for business success	89%	91%	91%	93%
• Information Technology can create significant competitive advantages	86%	88%	87%	88%
• Innovation is more important than cost reduction for our long-term success	69%	79%	85%	81%
• Consolidating and sharing back office operations improves both cost and quality	66%	66%	83%	75%
• Environmentally-friendly products/practices are important part of our mission	55%	62%	75%	81%
• We could dramatically boost innovation by collaborating with outsiders	59%	62%	72%	59%
• A growing percentage of our products and services behave like commodities	66%	56%	54%	70%
• Unclear decision making authority is hurting our performance	44%	57%	61%	34%
• Working with China and India will be vital to our success over the next 5 yrs	53%	56%	53%	40%
• Insufficient consumer insight is hurting our performance	49%	56%	53%	38%
• We wait too long before divesting businesses that hinder our performance	42%	53%	54%	52%
• Our core business is running out of steam and needs new capabilities	43%	47%	50%	40%
• Customer loyalty is important, but don't know how to profitably improve it	38%	41%	51%	43%
• Our current capabilities are not sufficient to achieve our financial objectives	47%	43%	42%	39%
• Our company would deliver better long-term results as a privately-owned firm	36%	31%	61%	19%
• Cross-border acquisitions critical to achieving growth objectives in next 5 yrs	41%	50%	39%	36%
• I would rather work at a privately-owned company than a public company	39%	52%	38%	13%
• We rarely achieve expected paybacks from our IT investments	28%	36%	36%	34%
• We do not adequately customize our offerings to local markets	34%	27%	40%	15%
• We are planning for an economic slowdown over the next 12 months	27%	15%	37%	10%

▭ Significantly higher than executives not in that region
◯ Significantly lower than executives not in that region

- Within Asia-Pacific, there are several clear differences between Chinese companies and others in the region
  - Chinese firms are **more** likely to
    - Believe their company would deliver better results as a privately owned firm
    - Be planning for an economic slowdown
    - Feel innovation is more important than cost reduction
    - Believe consolidating and sharing back office operations improves both cost and quality
    - Believe environmentally-friendly products and practices are part of their mission
  - Chinese firms are **less** likely to
    - Feel that their current capabilities are not sufficient to achieve their financial objectives
    - Plan on making cross-border acquisitions

China versus other Asia-Pacific

	China	Other A-P
• Culture is as important as strategy for business success	91%	93%
• Information Technology can create significant competitive advantage	88%	84%
• Innovation is more important than cost reduction for our long-term success	$\boxed{88\%}$	77%
• Consolidating and sharing back office operations improves both cost and quality	$\boxed{86\%}$	75%
• Environmentally-friendly products/practices are important part of our mission	$\boxed{78\%}$	67%
• We could dramatically boost innovation by collaborating with outsiders	74%	66%
• A growing percentage of our products and services behave like commodities	51%	60%
• Unclear decision making authority is hurting our performance	$\boxed{65\%}$	51%
• Working with China and India will be vital to our success over the next 5 yrs	45%	71%
• Insufficient consumer insight is hurting our performance	51%	60%
• We wait too long before divesting businesses that hinder our performance	54%	53%
• Our core business is running out of steam and needs new capabilities	52%	46%
• Customer loyalty is important, but don't know how to profitably improve it	52%	48%
• Our current capabilities are not sufficient to achieve our financial objectives	38%	50%
• Our company would deliver better long-term results as a privately-owned firm	$\boxed{67\%}$	45%
• Cross-border acquisitions critical to achieving growth objectives in next 5 yrs	34%	53%
• I would rather work at a privately-owned company than a public company	36%	41%
• We rarely achieve expected paybacks from our IT investments	34%	39%
• We do not adequately customize our offerings to local markets	42%	35%
• We are planning for an economic slowdown over the next 12 months	$\boxed{45\%}$	18%

China significantly higher than other Asia-Pacific executives
China significantly lower than other Asia-Pacific executives

- 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
    - Feel that environmentally-friendly products and practices are part of their mission
    - Believe their company would fare better as a private firm
    - Feel consolidating back office operations improves cost and quality
    - Believe innovation is more important than cost reduction
    - Be planning for an economic slowdown
    - Feel customer loyalty is important but that they don't know how to profitably improve it
  - Companies from emerging markets are **less** likely to
    - Prefer to work at a privately owned firm
    - Plan on making cross-border acquisitions

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

Emerging versus Established Markets

	Emerging	Established
• Culture is as important as strategy for business success	92%	90%
• Information Technology can create significant competitive advantage	88%	86%
• Innovation is more important than cost reduction for our long-term success	$\boxed{84\%}$	74%
• Consolidating and sharing back office operations improves both cost and quality	$\boxed{83\%}$	66%
• Environmentally-friendly products/practices are important part of our mission	$\boxed{77\%}$	59%
• We could dramatically boost innovation by collaborating with outsiders	$\boxed{69\%}$	62%
• A growing percentage of our products and services behave like commodities	57%	62%
• Unclear decision making authority is hurting our performance	$\boxed{57\%}$	51%
• Working with China and India will be vital to our success over the next 5 yrs	49%	56%
• Insufficient consumer insight is hurting our performance	50%	52%
• We wait too long before divesting businesses that hinder our performance	53%	48%
• Our core business is running out of steam and needs new capabilities	48%	46%
• Customer loyalty is important, but don’t know how to profitably improve it	$\boxed{51\%}$	40%
• Our current capabilities are not sufficient to achieve our financial objectives	41%	46%
• Our company would deliver better long-term results as a privately-owned firm	$\boxed{55\%}$	34%
• Cross-border acquisitions critical to achieving growth objectives in next 5 yrs	37%	46%
• I would rather work at a privately-owned company than a public company	33%	45%
• We rarely achieve expected paybacks from our IT investments	34%	32%
• We do not adequately customize our offerings to local markets	$\boxed{36\%}$	31%
• We are planning for an economic slowdown over the next 12 months	$\boxed{33\%}$	21%

Emerging market companies significantly higher than Established market companies
Emerging market companies significantly lower than Established market companies

- Attitudes also vary by company size. Executives at large companies ($2B+ revenue) are **more** likely to feel
  - Their products and services are behaving like commodities
  - Working with China and India will be vital to their success
  - Environmentally-friendly products and practices are an important part of their mission
  - Cross-border acquisitions will be critical to achieving their growth objectives

- Large company executives are **less** likely to feel
  - Their current capabilities are not sufficient to achieve their financial objectives
  - They would prefer to work at a private company or that their company would perform better as a private company
  - Innovation is more important than cost reduction
  - Unclear decision making is hurting their performance
  - They do not know how to profitably improve customer loyalty
  - They are planning for an economic slowdown

Agreement level varies by company size

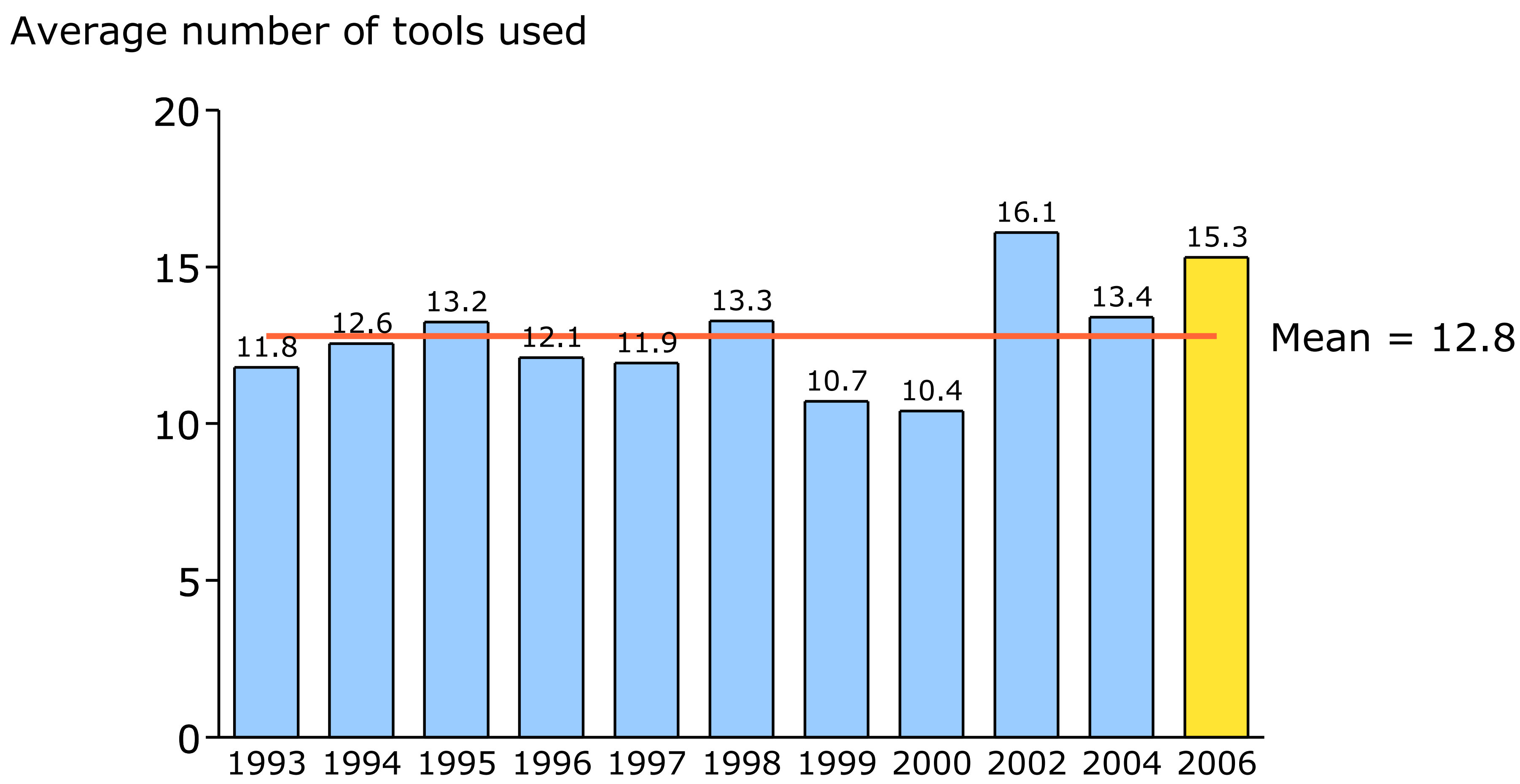
	Large	Medium	Small
• Culture is as important as strategy for business success	92%	88%	91%
• Information Technology can create significant competitive advantage	85%	90%	87%
• Innovation is more important than cost reduction for our long-term success	75%	79%	81%
• Consolidating and sharing back office operations improves both cost and quality	72%	73%	73%
• Environmentally-friendly products/practices are important part of our mission	72%	61%	65%
• We could dramatically boost innovation by collaborating with outsiders	61%	63%	68%
• A growing percentage of our products and services behave like commodities	71%	58%	52%
• Unclear decision making authority is hurting our performance	48%	48%	58%
• Working with China and India will be vital to our success over the next 5 yrs	65%	56%	44%
• Insufficient consumer insight is hurting our performance	51%	42%	55%
• We wait too long before divesting businesses that hinder our performance	53%	50%	49%
• Our core business is running out of steam and needs new capabilities	45%	42%	49%
• Customer loyalty is important, but don't know how to profitably improve it	38%	40%	49%
• Our current capabilities are not sufficient to achieve our financial objectives	38%	44%	47%
• Our company would deliver better long-term results as a privately-owned firm	33%	37%	50%
• Cross-border acquisitions critical to achieving growth objectives in next 5 yrs	55%	47%	33%
• I would rather work at a privately-owned company than a public company	35%	36%	44%
• We rarely achieve expected paybacks from our IT investments	37%	39%	29%
• We do not adequately customize our offerings to local markets	32%	35%	32%
• We are planning for an economic slowdown over the next 12 months	22%	22%	30%

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

- Tool usage increased worldwide
  - An average of 15 tools were used in 2006, up from 13 in 2004
  - This increase was especially prevalent among small and medium-sized companies, both of whom had significantly decreased their tool usage in 2004

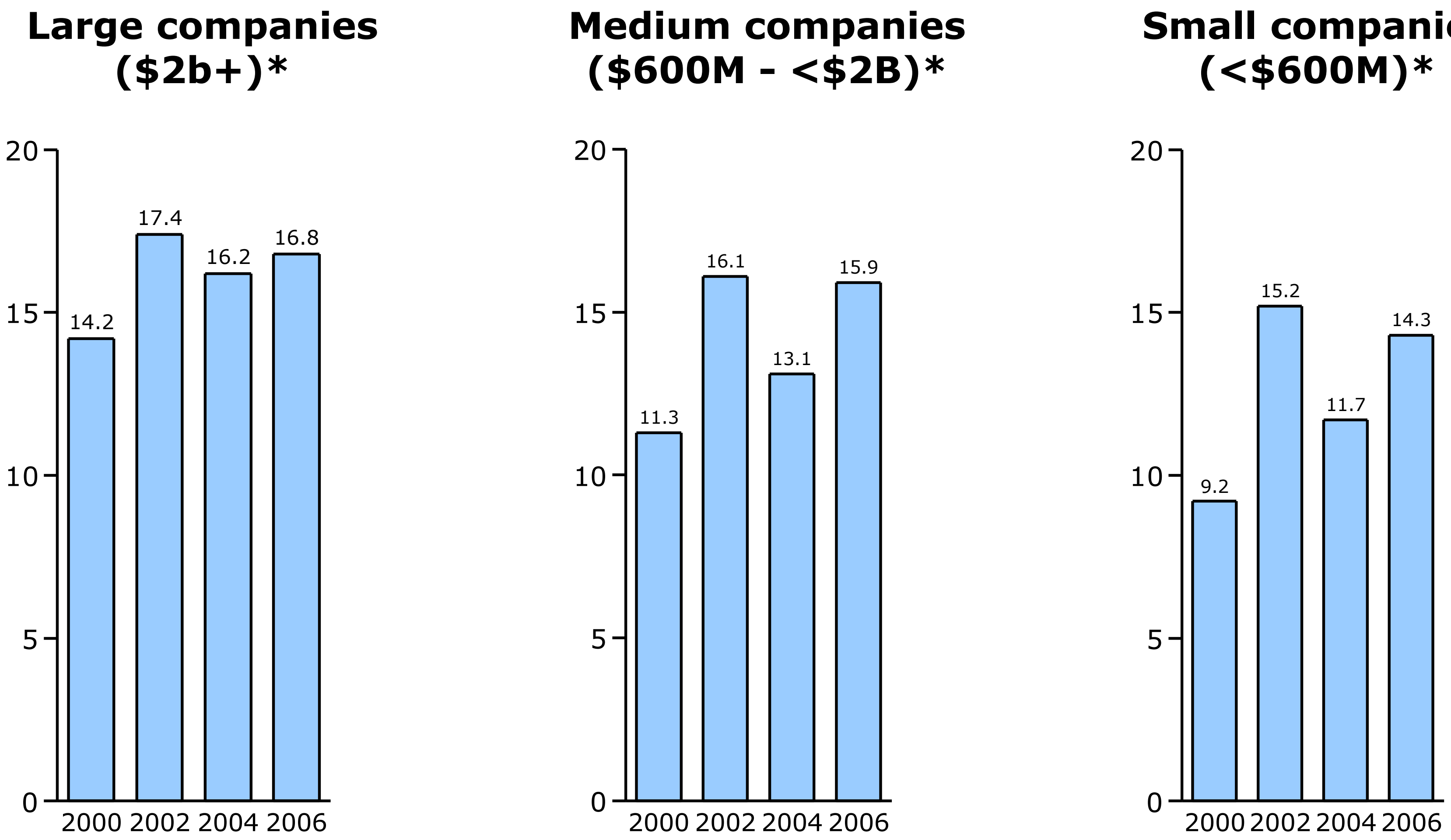
- Of course, some of the change we see in the number of tools used may be because of the changing survey demographics from year to year
  - However, if we had the exact same mix of company sizes as we did in 2004, the mean number of tools used would have been 15.4
  - And if we had the exact same regional mix, the mean would have been 15.1

Tool usage increased in 2006



- As we have found every year, larger companies use more tools
- This year we found that each subset of companies increased their tool usage back to close to their 2002 levels

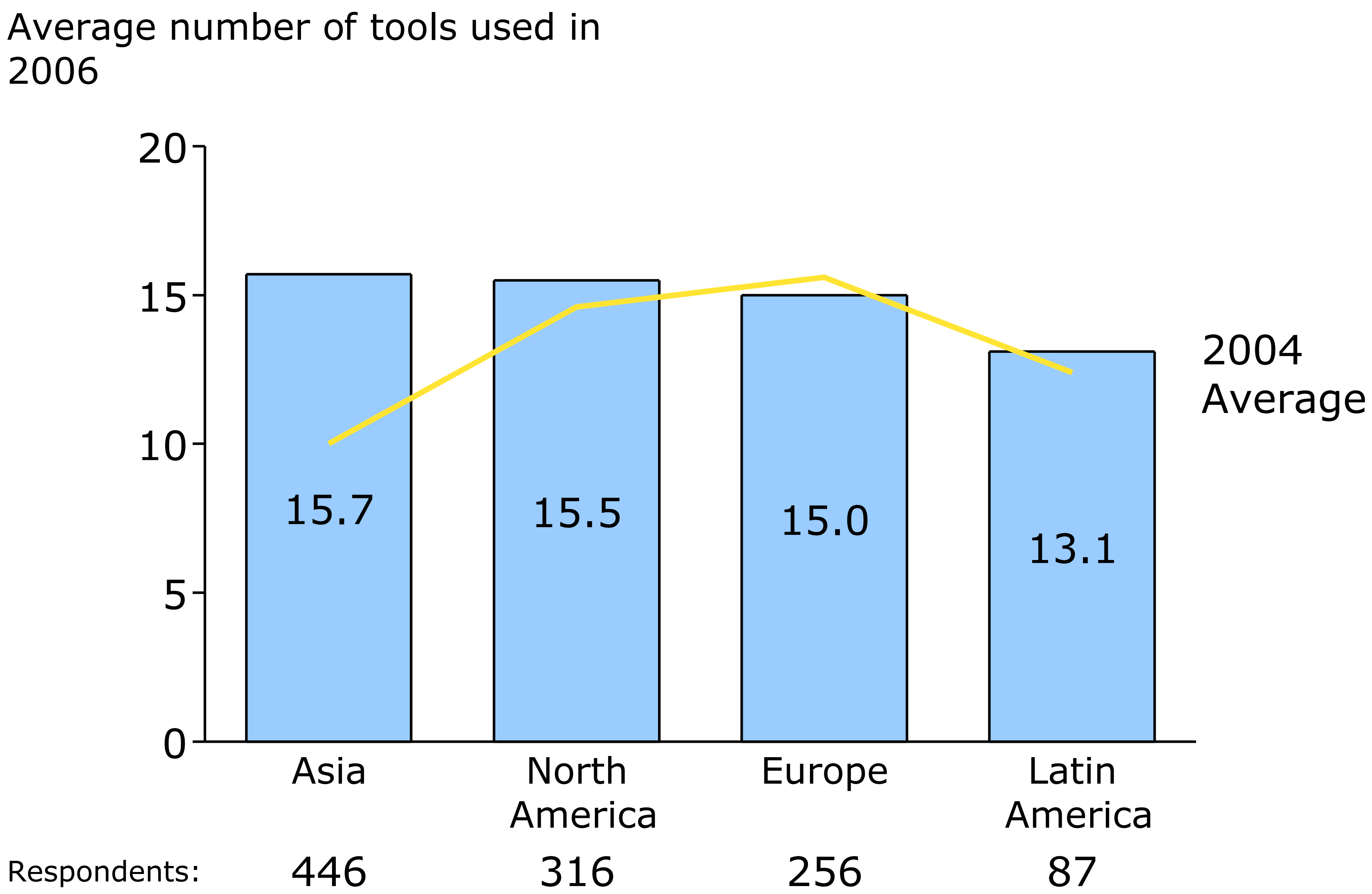
Tool usage varies by company size



*Based on annual revenues

- Latin American firms use the fewest number of tools

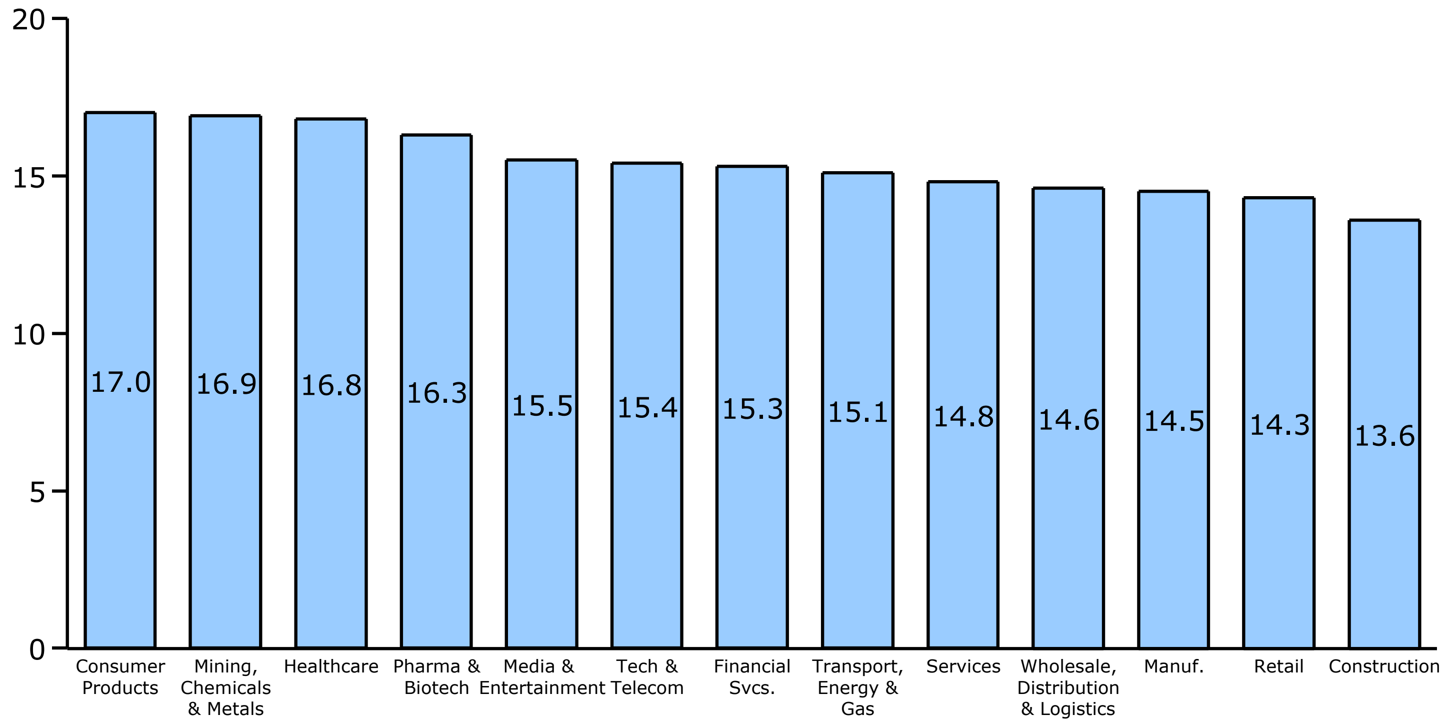
Differences in tool usage around the world



- The number of tools used varies by industry
  - Heaviest users are:
    - Consumer Products
    - Mining, Chemicals & Metals
    - Healthcare
    - Pharma & Biotech
  - Lightest users are:
    - Construction
    - Retail
    - Manufacturing

Tool usage varies by industry

Average number of tools used in 2006



Respondents	41	37	26	40	33	119	184	80	76	25	115	26	30

- Customer tools receive a mixed reception
  - Two customer focused tools, Customer Segmentation and CRM, are both heavily used and receive high satisfaction scores. Three others, Corporate Blogs, Consumer Ethnography and Loyalty Management Tools are near the bottom of both the usage and satisfaction lists

- Knowledge Management increases usage, despite itself
  - Knowledge Management moved into the top 10 most used tools in 2006 despite being ranked in the bottom 5 for satisfaction in every survey for the past ten years

- Some tools stand out as winners and losers
  - While no tool is right for everyone, Strategic Planning, Customer Relationship Management, Core Competencies and Customer Segmentation are all above average in both usage and satisfaction
  - On the flip side, RFID, Corporate Blogs, Consumer Ethnography, Loyalty Management Tools and Shared Service Centers are all below average on both usage and satisfaction
  - While understandably used by a smaller percentage of companies, Mergers and Acquisitions also achieves high satisfaction scores

Usage and satisfaction rates in 2006

	Usage	Satisfaction
Strategic Planning	88%*	3.93*
Customer Relationship Management	84%*	3.87*
Customer Segmentation	82%*	3.93*
Benchmarking	81%*	3.80
Mission and Vision Statements	79%*	3.78
Core Competencies	79%*	3.86*
Outsourcing	77%*	3.68**
Business Process Reengineering	69%*	3.77
Scenario and Contingency Planning	69%*	3.78
Knowledge Management	69%*	3.59**
Strategic Alliances	68%*	3.78
Balanced Scorecard	66%*	3.60**
Supply Chain Management	66%*	3.77
Growth Strategy Tools	65%*	3.75
Total Quality Management	64%*	3.80
Shared Service Centers	55%**	3.63**
Lean Operations	54%**	3.73
Collaborative Innovation	53%**	3.72
Loyalty Management Tools	51%**	3.59**
Mergers and Acquisitions	50%**	3.88*
Six Sigma	40%**	3.66
Offshoring	37%**	3.70
Consumer Ethnography	35%**	3.61**
Corporate Blogs	30%**	3.39**
RFID	23%**	3.55**

*Significantly above the overall mean **Significantly below the overall mean (usage = 61%, satisfaction = 3.75)

- We identified the top 10 tools globally and by region
  - The top 10 tools were similar across the regions
  - Strategic Planning is the most frequently used tool in every region, except Asia-Pacific where it is second
  - Europe is more likely to Outsource, North America less likely
  - Strategic Alliances is more highly ranked in North America and Europe than in Asia-Pacific or Latin America
  - Customer Relationship Management and Core Competencies rank lower in Latin America than elsewhere, while Growth Strategy Tools and TQM rank higher

Top 10 most used tools

	Global	North America	Europe	Asia	Latin America
• Strategic Planning	1	1	1	2	1
• Customer Relationship Mgmt.	2	3	4	1	9
• Customer Segmentation	3	6	2(t)	3	3(t)
• Benchmarking	4	2	2(t)	9(t)	2
• Core Competencies	5(t)	5	5(t)	4	10
• Mission and Vision Statements	5(t)	4	7	5(t)	5
• Outsourcing	7	8	5(t)	7(t)	3(t)
• Business Process Reengineering	8(t)	10(t)	10(t)	5(t)	14(t)
• Knowledge Management	8(t)	12	10(t)	7(t)	14(t)
• Scenario & Contingency Planning	8(t)	9	8	14	7
• Strategic Alliances	11	7	9	-_	-
• Growth Strategy Tools	14	10(t)	10(t)	-	6
• Total Quality Management 15	-	-	9(t)	8	

Note: (t) = tied

- Strategic Planning and Customer Relationship Management remained the two most widely used tools in 2006
- Knowledge Management and Scenario and Contingency Planning moved from a tie for 15^{th} to a tie for 8th
- Outsourcing dropped from the 3^{rd} most used tool to 7^{th}
- Strategic Alliances, Growth Strategy Tools and Total Quality Management dropped out of the top 10 from 2004

Top 10 tool usage has shifted

	1st year surveyed usage	2006 usage	2006 rank	2004 rank
Strategic Planning*	83%	88%	1	1
CRM***	35%	84%	2	2
Customer Segmentation**	60%	82%	3	5(t)
Benchmarking	70%	81%	4	3(t)
Mission & Vision Statements	88%	79%	5	5(t)
Core Competencies	52%	79%	6	7
Outsourcing**	71%	77%	7	3(t)
Business Process Reengineering	67%	69%	8(t)	10(t)
Knowledge Management*	28%	69%	8(t)	15(t)
Scenario & Contingency Planning	38%	69%	8(t)	15(t)

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

- Comparing the top 10 tools over time shows several key points about tool usage
  - Certain tools such as Strategic Planning and Benchmarking are consistently used by a large number of companies
  - While there is some correlation between usage and past satisfaction, some tools such as Knowledge Management, continue to build usage even while receiving consistently low satisfaction scores

Top 10 tools have varied over time

1993	1996	2000	2006
Mission & Vision Statements (88%)	**Strategic Planning* (83%)**	**Strategic Planning* (76%)**	**Strategic Planning* (88%)**
Customer Satisfaction (86%)	Mission & Vision Statements (82%)	Mission & Vision Statements (70%)	CRM*** (84%)
TQM (72%)	**Benchmarking (79%)**	**Benchmarking (69%)**	**Customer Segmentation** (82%)**
Competitor Profiling (71%)	Customer Satisfaction (79%)	***Outsourcing** (63%)***	**Benchmarking (81%)**
Benchmarking (70%)	Core Competencies (69%)	Customer Satisfaction (60%)	Mission & Vision Statements (79%)
Pay-for-Performance (70%)	TQM (66%)	**Growth Strategies* (55%)**	Core Competencies (79%)
Reengineering (67%)	Reengineering (65%)	**Strategic Alliances (53%)**	***Outsourcing** (77%)***
Strategic Alliances (62%)	Pay-for-Performance (63%)	Pay-for-Performance (52%)	Business Process Reengineering (69%)
Cycle Time Reduction (55%)	**Strategic Alliances (61%)**	**Customer Segmentation (51%)**	Knowledge Management* (69%)
Self-Directed Teams (55%)	**Growth Strategies* (55%)**	Core Competencies (48%)	Scenario & Contingency Planning (69%)

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

- There are similar usage levels for the top 5 tools across regions, with some exceptions
  - Customer Relationship Management and Core Competencies are used by fewer Latin American firms
  - Customer Segmentation is used by fewer North American firms
  - Benchmarking and Strategic Planning are used by fewer Asia-Pacific firms

- More Asian firms seem to be early adopters of tools, with much higher usage rates of tools such as Consumer Ethnography and Corporate Blogs

- Other interesting differences
  - Six Sigma has been adopted by fewer firms in Europe and Latin America
  - Knowledge Management is used more heavily in Asia-Pacific
  - Strategic Alliances are used most heavily in North America and least in Latin America
  - Total Quality Management is used heavily in Asia-Pacific and much less in North America
  - Shared Service Centers have been adopted more in Asia-Pacific. We earlier saw that Asia-Pacific executives were much more likely to feel these improved cost and quality
  - Collaborative Innovation is more prevalent in North America than in Europe or Latin America
  - Loyalty Management Tools are used less in Latin and North America and more in Asia-Pacific

Usage rates vary by region

	N. America	Europe	Asia	L. America
Strategic Planning	90%	90%	85%	91%
Customer Relationship Management	84%	85%	86%	67%
Customer Segmentation	77%	88%	82%	82%
Benchmarking	86%	88%	74%	84%
Core Competencies	81%	80%	79%	63%
Mission and Vision Statements	83%	76%	76%	79%
Outsourcing	74%	80%	75%	82%
Business Process Reengineering	67%	65%	76%	54%
Knowledge Management	66%	65%	75%	54%
Scenario and Contingency Planning	72%	74%	64%	72%
Strategic Alliances	75%	66%	66%	56%
Balanced Scorecard	62%	63%	71%	60%
Supply Chain Management	62%	60%	73%	60%
Growth Strategy Tools	67%	65%	61%	73%
Total Quality Management	51%	60%	74%	68%
Shared Service Centers	51%	51%	61%	51%
Lean Operations	59%	52%	56%	33%
Collaborative Innovation	58%	47%	56%	41%
Loyalty Management Tools	44%	52%	59%	30%
Mergers and Acquisitions	56%	60%	41%	43%
Six Sigma	40%	28%	48%	30%
Offshoring	51%	42%	30%	8%
Consumer Ethnography	32%	33%	42%	19%
Corporate Blogs	32%	20%	39%	5%
RFID	24%	19%	26%	13%

Use tool significantly more than those not in region

Use tool significantly less than those not in region

- Chinese firms use the majority of the tools less than their counterparts elsewhere in Asia-Pacific

Chinese firms use most tools less than other Asia-Pacific firms

	China	Other A-P
• Strategic Planning	81%	95%
• Customer Relationship Management	86%	87%
• Customer Segmentation	81%	84%
• Benchmarking	68%	88%
• Core Competencies	76%	87%
• Mission and Vision Statements	71%	90%
• Outsourcing	71%	85%
• Business Process Reengineering	78%	71%
• Knowledge Management	70%	85%
• Scenario and Contingency Planning	55%	86%
• Strategic Alliances	60%	82%
• Balanced Scorecard	70%	74%
• Supply Chain Management	74%	69%
• Growth Strategy Tools	51%	87%
• Total Quality Management	74%	74%
• Shared Service Centers	59%	65%
• Lean Operations	54%	64%
• Collaborative Innovation	50%	70%
• Loyalty Management Tools	56%	66%
• Mergers and Acquisitions	33%	63%
• Six Sigma	49%	48%
• Offshoring	23%	49%
• Consumer Ethnography	42%	40%
• Corporate Blogs	40%	38%
• RFID	24%	33%

Chinese firms use tool significantly less than other Asia-Pacific firms

- Tool usage differs quite a bit among companies in emerging vs. established markets
  - Some of the tools used by more companies in **emerging** markets
    - Total Quality Management
    - Supply Chain Management
    - Six Sigma
    - Corporate Blogs
    - Shared Service Centers
    - Consumer Ethnography
  - Some of the tools used by more companies in **established** markets
    - Mergers and Acquisitions
    - Offshoring
    - Benchmarking
    - Scenario and Contingency Planning
    - Strategic Alliances

Usage rates by emerging market firms vs. established market firms

	Emerging	Established
Strategic Planning	85%	$\boxed{91\%}$
Customer Relationship Management	83%	84%
Customer Segmentation	82%	81%
Benchmarking	74%	$\boxed{87\%}$
Core Competencies	76%	81%
Mission and Vision Statements	75%	$\boxed{82\%}$
Outsourcing	76%	77%
Business Process Reengineering	$\boxed{72\%}$	66%
Knowledge Management	70%	68%
Scenario and Contingency Planning	63%	$\boxed{73\%}$
Strategic Alliances	62%	$\boxed{72\%}$
Balanced Scorecard	$\boxed{69\%}$	63%
Supply Chain Management	$\boxed{71\%}$	61%
Growth Strategy Tools	61%	$\boxed{68\%}$
Total Quality Management	$\boxed{73\%}$	57%
Shared Service Centers	$\boxed{59\%}$	52%
Lean Operations	51%	$\boxed{57\%}$
Collaborative Innovation	53%	54%
Loyalty Management Tools	53%	49%
Mergers and Acquisitions	39%	$\boxed{59\%}$
Six Sigma	$\boxed{45\%}$	36%
Offshoring	25%	$\boxed{46\%}$
Consumer Ethnography	$\boxed{39\%}$	32%
Corporate Blogs	$\boxed{35\%}$	26%
RFID	24%	22%

$\boxed{}$ Use tool significantly more than those not in market type

- A greater percentage of large firms use the majority of the tools
  - Total Quality Management is the only tool used by significantly fewer large firms
- More medium sized firms use RFID and Total Quality Management

Usage rates vary by company size

	Large	Medium	Small
Strategic Planning	$\boxed{93\%}$	92%	85%
Customer Relationship Management	87%	82%	83%
Benchmarking	$\boxed{90\%}$	81%	76%
Customer Segmentation	$\boxed{85\%}$	81%	80%
Mission and Vision Statements	$\boxed{85\%}$	76%	78%
Core Competencies	81%	82%	77%
Outsourcing	$\boxed{84\%}$	75%	74%
Scenario and Contingency Planning	$\boxed{79\%}$	74%	63%
Business Process Reengineering	$\boxed{74\%}$	67%	67%
Knowledge Management	69%	72%	67%
Strategic Alliances	72%	71%	66%
Balanced Scorecard	$\boxed{76\%}$	67%	60%
Growth Strategy Tools	$\boxed{73\%}$	$\boxed{73\%}$	59%
Supply Chain Management	$\boxed{75\%}$	64%	61%
Total Quality Management	58%	$\boxed{72\%}$	64%
Lean Operations	$\boxed{62\%}$	59%	49%
Shared Service Centers	$\boxed{68\%}$	56%	46%
Collaborative Innovation	52%	51%	57%
Mergers and Acquisitions	$\boxed{73\%}$	60%	35%
Loyalty Management Tools	53%	56%	47%
Six Sigma	$\boxed{46\%}$	43%	35%
Offshoring	$\boxed{54\%}$	43%	26%
Consumer Ethnography	36%	38%	34%
Corporate Blogs	29%	28%	29%
RFID	26%	$\boxed{29\%}$	19%

Significantly higher usage rate than other sized companies

Significantly lower usage rate than other sized companies

- The average overall satisfaction rating is 3.75, down from 3.89 in 2004

- Satisfaction leaders are
  - Customer Segmentation
  - Strategic Planning
  - Mergers and Acquisitions
  - Customer Relationship Management
  - Core Competencies

- Tools with below average satisfaction ratings are
  - Corporate Blogs
  - RFID
  - Loyalty Management Tools
  - Knowledge Management
  - Balanced Scorecard
  - Consumer Ethnography
  - Shared Service Centers
  - Outsourcing

- Asia-Pacific firms are less satisfied with all tools compared to the other regions, driven largely by ratings from executives in China

Overall satisfaction scores

	Global	N. Amer.	Europe	Asia	L. Amer.
Customer Segmentation*	3.93	4.04	4.19	3.65	4.18
Strategic Planning*	3.93	4.01	4.05	3.71	4.23
Mergers and Acquisitions*	3.88	3.99	4.06	3.56	4.23
Customer Relationship Management*	3.87	3.91	4.07	3.71	4.04
Core Competencies*	3.86	3.91	4.02	3.68	4.12
Total Quality Management	3.80	3.83	3.87	3.67	4.24
Benchmarking	3.80	3.95	4.03	3.45	4.07
Mission and Vision Statements	3.78	3.78	3.93	3.58	4.31
Scenario and Contingency Planning	3.78	3.87	3.90	3.61	3.91
Strategic Alliances	3.78	3.86	4.00	3.57	3.92
Supply Chain Management	3.77	3.87	3.96	3.60	3.88
Business Process Reengineering	3.77	3.92	3.89	3.59	4.09
Growth Strategy Tools	3.75	3.86	3.90	3.48	4.17
Lean Operations	3.73	3.87	3.85	3.51	4.11
Collaborative Innovation	3.72	3.93	3.91	3.47	3.74
Offshoring	3.70	3.75	3.88	3.47	4.17
Outsourcing*	3.68	3.71	3.78	3.57	3.78
Six Sigma	3.66	3.87	3.75	3.44	4.31
Shared Service Centers*	3.63	3.81	3.72	3.43	3.90
Consumer Ethnography*	3.61	3.93	3.76	3.31	4.25
Balanced Scorecard*	3.60	3.80	3.82	3.32	4.02
Knowledge Management*	3.59	3.65	3.64	3.49	3.83
Loyalty Management Tools*	3.59	3.74	3.74	3.41	3.85
RFID*	3.55	3.76	3.69	3.30	4.09
Corporate Blogs*	3.39	3.56	3.37	3.27	4.20

Global Avg = 3.75

*Significantly above/below the global mean

Significantly higher than other regions

Significantly lower

- The low satisfaction rates among Asia-Pacific firms is largely driven by executives from China

China versus other Asia-Pacific satisfaction

	China	**Other A-P**
Customer Segmentation	3.51	4.01
Strategic Planning	3.48	4.18
Mergers and Acquisitions	3.22	3.98
Core Competencies	3.45	4.17
Customer Relationship Management	3.57	4.07
Benchmarking	3.18	3.98
Total Quality Management	3.55	3.97
Mission and Vision Statements	3.42	3.91
Scenario and Contingency Planning	3.33	4.02
Supply Chain Management	3.43	4.07
Business Process Reengineering	3.43	4.05
Strategic Alliances	3.31	4.01
Growth Strategy Tools	3.17	3.92
Collaborative Innovation	3.28	3.83
Lean Operations	3.30	3.96
Offshoring	3.04	3.98
Outsourcing	3.36	4.02
Six Sigma	3.24	3.94
Shared Service Centers	3.26	3.77
Consumer Ethnography	3.21	3.58
Balanced Scorecard	3.13	3.80
Knowledge Management	3.31	3.87
Loyalty Management Tools	3.31	3.60
RFID	3.04	3.76
Corporate Blogs	3.08	3.81

Other Asia-Pacific companies have significantly higher satisfaction rate than Chinese companies

- Respondents in established markets are more satisfied with tools than their counterparts in emerging markets
  - The one exception is Total Quality Management

Emerging versus established market satisfaction

	Emerging	Established
Customer Segmentation	3.73	4.10
Strategic Planning	3.78	4.04
Mergers and Acquisitions	3.58	4.03
Core Competencies	3.69	3.98
Customer Relationship Management	3.74	3.98
Benchmarking	3.52	3.98
Total Quality Management	3.74	3.85
Mission and Vision Statements	3.70	3.84
Scenario and Contingency Planning	3.62	3.89
Supply Chain Management	3.61	3.93
Business Process Reengineering	3.63	3.90
Strategic Alliances	3.57	3.91
Growth Strategy Tools	3.55	3.89
Collaborative Innovation	3.48	3.91
Lean Operations	3.49	3.89
Offshoring	3.46	3.81
Outsourcing	3.56	3.77
Six Sigma	3.50	3.81
Shared Service Centers	3.48	3.76
Consumer Ethnography	3.39	3.82
Balanced Scorecard	3.39	3.80
Knowledge Management	3.50	3.67
Loyalty Management Tools	3.43	3.73
RFID	3.30	3.76
Corporate Blogs	3.25	3.54

Established markets companies have significantly higher satisfaction rate than Emerging market companies

- Some satisfaction levels vary by company size, though large companies are generally more satisfied with tools
  - The one exception is that large companies are less satisfied with Knowledge Management
  - Medium sized companies are more satisfied with RFID

Satisfaction by company size

	Large	Medium	Small
Customer Segmentation	$\boxed{4.09}$	4.02	3.85
Strategic Planning	4.02	3.95	3.89
Mergers and Acquisitions	$\boxed{4.03}$	3.94	3.72
Core Competencies	3.87	3.92	3.88
Customer Relationship Management	3.91	3.87	3.89
Benchmarking	$\boxed{3.93}$	$\boxed{4.02}$	3.67
Total Quality Management	3.80	3.81	3.83
Mission and Vision Statements	3.82	3.83	3.77
Scenario and Contingency Planning	$\boxed{3.90}$	3.79	3.73
Supply Chain Management	$\boxed{3.94}$	3.81	3.68
Business Process Reengineering	$\boxed{3.93}$	3.79	3.70
Strategic Alliances	3.88	3.78	3.74
Growth Strategy Tools	3.83	3.85	3.70
Collaborative Innovation	3.78	3.84	3.70
Lean Operations	$\boxed{3.88}$	3.73	3.66
Offshoring	3.81	3.71	3.62
Outsourcing	3.75	3.66	3.70
Six Sigma	$\boxed{3.86}$	3.80	3.49
Shared Service Centers	3.75	3.68	3.55
Consumer Ethnography	3.76	3.68	3.55
Balanced Scorecard	$\boxed{3.81}$	$\boxed{3.80}$	3.43
Knowledge Management	3.48	3.74	3.65
Loyalty Management Tools	3.63	3.74	3.55
RFID	3.55	$\boxed{3.80}$	3.46
Corporate Blogs	3.37	3.40	3.46

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

- Several tools saw large decreases in satisfaction from 2004
  - RFID dropped from 11th to 24th
  - Offshoring from 7th to 16th
  - Supply Chain Management from 2nd to 11th

Satisfaction decreases since 2004

	2004 mean	2006 mean	2004 rank	2006 rank
• RFID	3.90	3.55	11(t)	24
• Balanced Scorecard	3.86	3.60	18(t)	21
• Six Sigma	3.89	3.66	14(t)	18
• Offshoring	3.93	3.70	7(t)	16
• Supply Chain Management	3.99	3.77	2	11(t)

- The odds of success vary widely for different tools. For example, 27% of those who use Customer Segmentation report that they are extremely satisfied with the tool, while only 7% say they are dissatisfied, creating a positive “satisfaction spread” of 20 points (27–7)
- At the bottom of the page are tools that dissatisfied almost as many users as they pleased
- Corporate Blogs and Balanced Scorecard have a negative spread—where the number of dissatisfied users outweighs those who are extremely satisfied

Satisfaction spreads

	Spread	% Extremely satisfied	% Dissatisfied
Customer Segmentation	20	27%	-7%
Mergers and Acquisitions	19	28%	-9%
Strategic Planning	19	26%	-7%
Total Quality Management	15	23%	-8%
Core Competencies	15	23%	-8%
Mission and Vision Statements	14	26%	-12%
Customer Relationship Management	14	21%	-7%
Scenario and Contingency Planning	12	20%	-8%
Supply Chain Management	11	20%	-9%
Lean Operations	11	22%	-11%
Business Process Reengineering	10	19%	-9%
Collaborative Innovation	10	19%	-9%
Benchmarking	10	17%	-7%
Offshoring	10	24%	-14%
Strategic Alliances	9	19%	-10%
Growth Strategy Tools	9	18%	-9%
Six Sigma	6	19%	-13%
Shared Service Centers	5	19%	-14%
Consumer Ethnography	5	16%	-11%
Outsourcing	4	16%	-12%
Loyalty Management Tools	4	15%	-11%
RFID	3	14%	-11%
Knowledge Management	1	17%	-16%
Balanced Scorecard	-1	11%	-12%
Corporate Blogs	-5	12%	-17%

- 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. RFID ties for the highest satisfaction score when it is implemented as part of a major organizational effort. However, its satisfaction rate when used as part of a limited effort is 17th

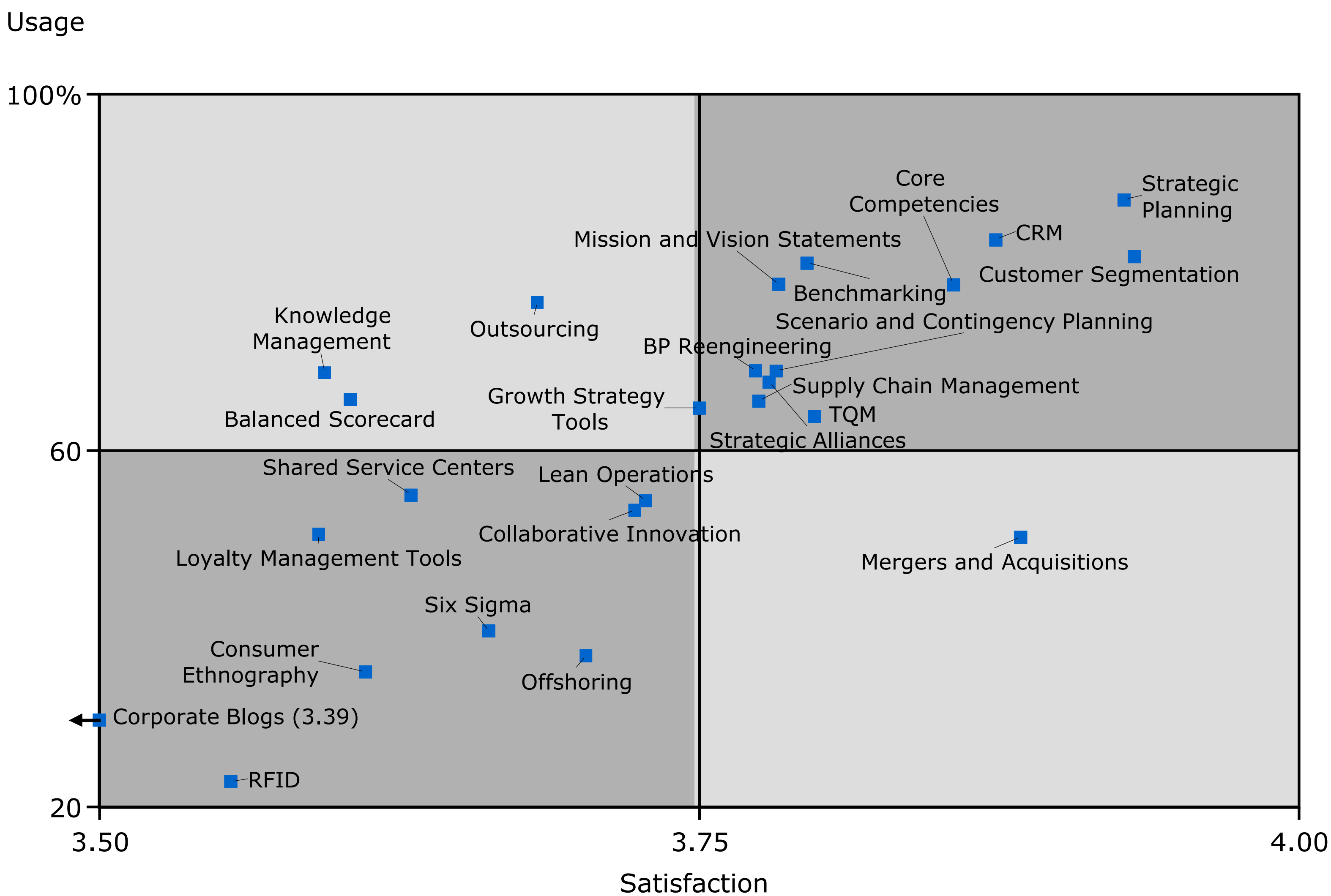
- It is important to understand incremental benefits of pursuing a major versus minor effort with each of these tools before deciding which tools to use and how much effort will be devoted to implementing them

Major efforts achieve higher satisfaction

	Major effort score	Limited effort score
Customer Segmentation	4.34	3.54
RFID	4.34	3.39
Mergers and Acquisitions	4.32	3.59
Strategic Alliances	4.28	3.49
Consumer Ethnography	4.26	3.35
Lean Operations	4.26	3.39
Core Competencies	4.25	3.47
Mission and Vision Statements	4.24	3.35
Scenario and Contingency Planning	4.23	3.54
Six Sigma	4.23	3.36
Benchmarking	4.21	3.53
Collaborative Innovation	4.20	3.51
Strategic Planning	4.19	3.57
Corporate Blogs	4.18	3.24
Growth Strategy Tools	4.18	3.46
Customer Relationship Management	4.17	3.53
Total Quality Management	4.15	3.48
Knowledge Management	4.14	3.33
Loyalty Management	4.12	3.35
Offshoring	4.11	3.49
Supply Chain Management	4.10	3.44
Business Process Reengineering	4.09	3.53
Shared Service Centers	4.02	3.32
Balanced Scorecard	4.00	3.38
Outsourcing	3.99	3.50

- The tools in the upper right quadrant are both heavily used and have satisfaction scores above the mean
- Three tools, Knowledge Management, Balanced Scorecard and Outsourcing, are heavily used but have satisfaction scores below the mean
- Mergers and Acquisitions is the only tool with below average usage and above average satisfaction
- The tools that performed the worst are in the bottom left quadrant. They include Corporate Blogs, RFID, Loyalty Management and Consumer Ethnography.

Usage and satisfaction



- We analyzed respondents' loyalty to each tool by calculating the percentage that stopped using the tool in 2006 after using it at least once in the past five years

- The tools with the highest defection rates are
  - Mergers and Acquisitions
  - Business Process Reengineering
  - Balanced Scorecard, Six Sigma and Mission and Vision Statements

- This year's defection rate dropped from 2004, when the mean defection rate was 5.7%

- 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 2006

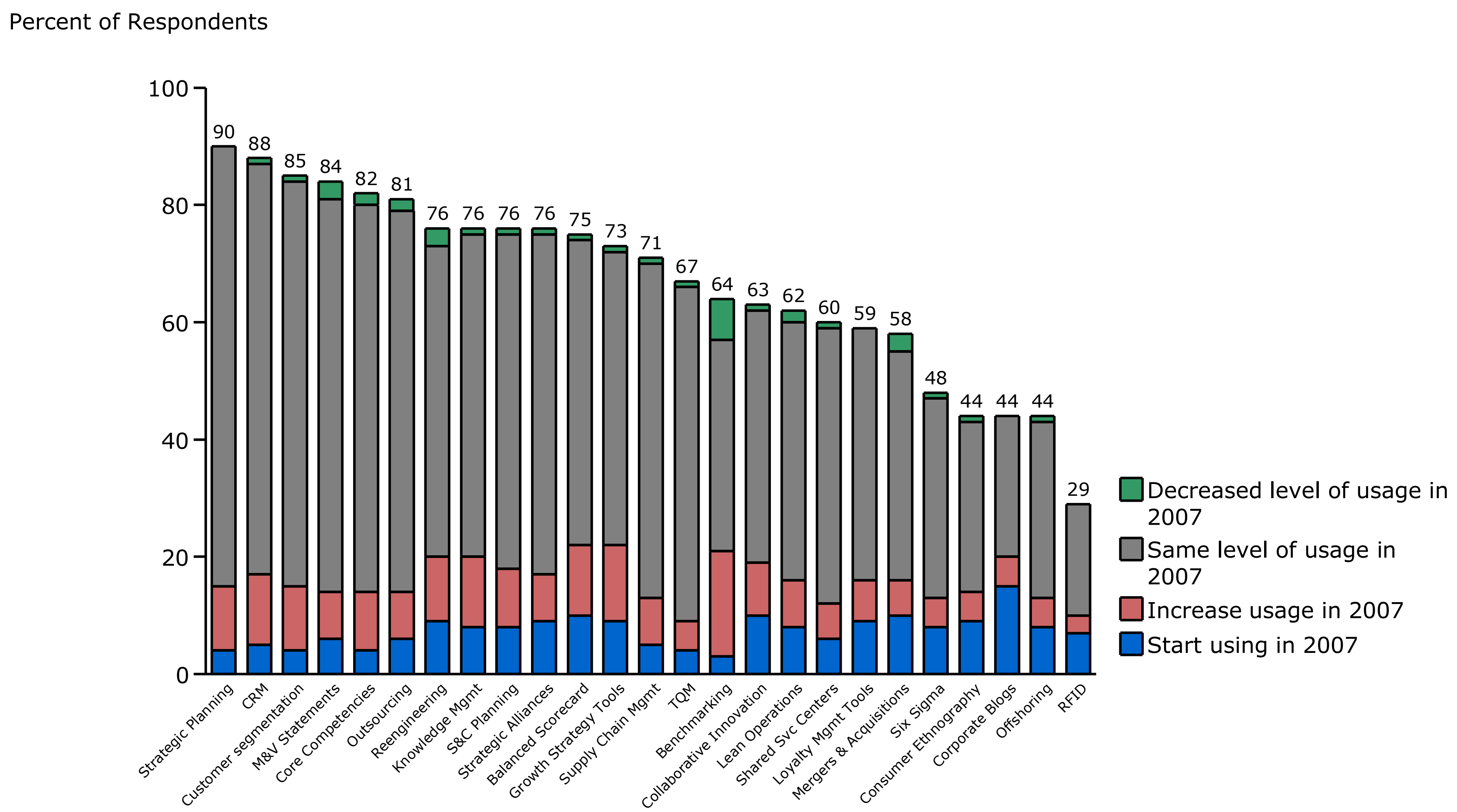
Mergers and Acquisitions*	6%	
Business Process Reengineering*	5%	
Balanced Scorecard*	4%	
Six Sigma*	4%	
Mission and Vision Statements*	4%	
Offshoring	3%	
Total Quality Management	3%	Mean = 2.1%
Collaborative Innovation	2%	
Consumer Ethnography	2%	
Scenario and Contingency Planning	2%	
Knowledge Management	2%	
Outsourcing	2%	
Strategic Alliances	2%	
Shared Service Centers	2%	
Lean Operations	2%	
RFID	1%	
Corporate Blogs	1%	
Core Competencies	1%	
Supply Chain Management*	1%	
Growth Strategy Tools*	1%	
Benchmarking*	1%	
Customer Segmentation*	1%	
Loyalty Management Tools*	1%	
Strategic Planning*	1%	
Customer Relationship Management*	1%	

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

- We asked executives how likely they are to use each tool in 2007 and compared that to their 2006 usage. The chart below shows the expected differences between the two years.
  - -Companies who did not use the tool in 2006 but plan to use it in 2007 are identified as "Start"
  - -Companies who used the tool as part of a limited effort in 2006 and plan to use it as part of a major effort in 2007 are identified as "Increased usage"
  - -Companies who plan to continue using the tool at the same level as in 2006 (limited both years or major effort both years) are identified as "Same usage"
  - - Companies who used the tool as part of a major effort in 2006 and plan to use it on a limited basis in 2007 are identified as "Decreased usage"

- The ranking of the top tools is likely to remain the same in 2007, however there are interesting changes among other tools
  - -The tools that the largest percentage of companies plan to start using in 2007 are Corporate Blogs (15%), Balanced Scorecard (10%) and Collaborative Innovation (10%)
  - -The tools whose level of usage will increase across the most companies are Benchmarking (19%), Balanced Scorecard (13%) and Growth Strategy Tools (13%)
  - -Benchmarking is the only tool that more than 5% of companies plan to decrease their usage level from a major effort to a limited effort

Expected 2007 usage rates



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

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Appendix

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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
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:	-	-

	2006 Usage	2006 Satisfaction	2006 Defection
Global:	66%	3.60	4%
N. America:	62%	$\boxed{3.80}$	8%
Europe:	63%	$\boxed{3.82}$	6%
Asia-Pacific:	$\boxed{71\%}$	3.32	1%
Latin America:	60%	$\boxed{4.02}$	5%
Large companies ($2B+):	$\boxed{76\%}$	$\boxed{3.81}$	6%
Medium companies ($600M-2B):	67%	$\boxed{3.80}$	7%
Small companies (<$600M):	60%	3.43	2%

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

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

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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
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)

	2006 Usage	2006 Satisfaction	2006 Defection
Global:	81%	3.80	1%
N. America:	$\boxed{86\%}$	$\boxed{3.95}$	2%
Europe:	$\boxed{88\%}$	$\boxed{4.03}$	1%
Asia-Pacific:	74%	3.45	1%
Latin America:	84%	$\boxed{4.07}$	0%
Large companies ($2B+):	$\boxed{90\%}$	$\boxed{3.93}$	2%
Medium companies ($600M-2B):	81%	$\boxed{4.02}$	2%
Small companies (<$600M):	76%	3.67	1%

- Industries with highest percentage of usage: CPG; Pharma & Biotech; Media & Entertainment
- Industries with highest satisfaction: CPG; Mining, Chemicals & Metals

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

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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
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)

	2006 Usage	2006 Satisfaction	2006 Defection
Global:	69%	3.77	5%
N. America:	67%	$\boxed{3.92}$	7%
Europe:	65%	3.89	7%
Asia-Pacific:	$\boxed{76\%}$	3.59	2%
Latin America:	54%	$\boxed{4.09}$	7%
Large companies ($2B+):	$\boxed{74\%}$	$\boxed{3.93}$	6%
Medium companies ($600M-2B):	67%	3.79	6%
Small companies (<$600M):	67%	3.70	4%

- Industries with highest percentage of usage: Retail; Healthcare; CPG
- Industries with highest satisfaction: Construction; CPG

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

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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
2006:	53% (18th)	3.72 (15th)
2004*:	26% (23rd)	3.70 (23rd)
2002:	-	-
2000:	-	-
1999:	-	-
1998:	-	-
1997:	-	-
1996:	-	-
1995:	-	-
1994:	-	-
1993:	-	-

	2006 Usage	2006 Satisfaction	2006 Defection
Global:	53%	3.72	2%
N. America:	58%	3.93	4%
Europe:	47%	3.91	4%
Asia-Pacific:	56%	3.47	0%
Latin America:	41%	3.74	5%
Large companies ($2B+):	52%	3.78	5%
Medium companies ($600M-2B):	51%	3.84	4%
Small companies (<$600M):	57%	3.70	1%

- Industries with highest percentage of usage: Healthcare; CPG
- Industries with highest satisfaction: Healthcare; Media & Entertainment

*Called "Open-Market Innovation"

Significantly higher rate than other regions/company size

Significantly lower rate

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Consumer Ethnography

"Consumer Ethnography: Trained researchers observe people and interview them where they live, work, play and shop. A detailed analysis of observations reveals consumer motivations and interactions with brands, and enable companies to discover new segments and design more satisfying offerings and more effective marketing campaigns. Related Topics: Corporate Anthropology, Observational research."

	Usage	Satisfaction
2006:	35% (23rd)	3.61 (20th)
2004:	-	-
2002:	-	-
2000:	-	-
1999:	-	-
1998:	-	-
1997:	-	-
1996:	-	-
1995:	-	-
1994:	-	-
1993:	-	-

	2006 Usage	2006 Satisfaction	2006 Defection
Global:	35%	3.61	2%
N. America:	32%	$\boxed{3.93}$	4%
Europe:	33%	3.76	2%
Asia-Pacific:	$\boxed{42\%}$	3.31	1%
Latin America:	19%	$\boxed{4.25}$	6%
Large companies ($2B+):	36%	3.76	2%
Medium companies ($600M-2B):	38%	3.68	2%
Small companies (<$600M):	34%	3.55	2%

- Industries with highest percentage of usage: Media and Entertainment; Healthcare
- Industries with highest satisfaction: Healthcare; CPG

$\boxed{}$ Significantly higher rate than other regions/company size

Significantly lower rate

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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
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)

	2006 Usage	2006 Satisfaction	2006 Defection
Global:	79%	3.86	1%
N. America:	81%	3.91	3%
Europe:	80%	$\boxed{4.02}$	0%
Asia-Pacific:	79%	3.68	1%
Latin America:	63%	$\boxed{4.12}$	2%
Large companies ($2B+):	81%	3.87	2%
Medium companies ($600M-2B):	82%	3.92	2%
Small companies (<$600M):	77%	3.88	1%

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

Significantly higher rate than other regions/company size

Significantly lower rate

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Corporate Blogs

"Corporate Blogs: A blog (short for weblog) is a website where communities of users create the content by sharing information with each other. A corporate blog is managed by company employees to post information about the company and its products for public consumption. Related Topics: Online communities, Viral marketing."

	Usage	Satisfaction
2006:	30% (24th)	3.39 (25th)
2004:	-	-
2002:	-	-
2000:	-	-
1999:	-	-
1998:	-	-
1997:	-	-
1996:	-	-
1995:	-	-
1994:	-	-
1993:	-	-

	2006 Usage	2006 Satisfaction	2006 Defection
Global:	30%	3.39	1%
N. America:	32%	3.56	2%
Europe:	20%	3.37	2%
Asia-Pacific:	39%	3.27	1%
Latin America:	5%	4.20	0%
Large companies ($2B+):	29%	3.37	2%
Medium companies ($600M-2B):	28%	3.40	2%
Small companies (<$600M):	29%	3.46	1%

- Industries with highest percentage of usage: Tech and Telcom; Services
- Industries with highest satisfaction: Transportation, Energy & Gas; Financial Services

Significantly higher rate than other regions/company size

Significantly lower rate

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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
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:	-	-
1994:	-	-
1993:	-	-

	2006 Usage	2006 Satisfaction	2006 Defection
Global:	84%	3.87	1%
N. America:	84%	3.91	1%
Europe:	85%	4.07	0%
Asia-Pacific:	86%	3.71	0%
Latin America:	67%	4.04	2%
Large companies ($2B+):	87%	3.91	1%
Medium companies ($600M-2B):	82%	3.87	1%
Small companies (<$600M):	83%	3.89	0%

- Industries with highest percentage of usage: Pharma & Biotech; Tech & Telecom; Healthcare
- Industries with highest satisfaction: Wholesale, Distribution & Logistics; Transportation, Energy & Gas

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

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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, Factor/Cluster Analysis, Market Segmentation, One-to-One Marketing."

	Usage	Satisfaction
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:	-	-

	2006 Usage	2006 Satisfaction	2006 Defection
Global:	82%	3.93	1%
N. America:	77%	$\boxed{4.04}$	1%
Europe:	$\boxed{88\%}$	$\boxed{4.19}$	1%
Asia-Pacific:	82%	3.65	4%
Latin America:	82%	$\boxed{4.18}$	__
Large companies ($2B+):	$\boxed{85\%}$	$\boxed{4.09}$	1%
Medium companies ($600M-2B):	81%	4.02	3%
Small companies (<$600M):	80%	3.85	1%

- Industries with highest percentage of usage: Media & Entertainment; Mining, Chem. & Metals
- Industries with highest satisfaction: Construction; Financial Services; CPG

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

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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
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:	-	-

	2006 Usage	2006 Satisfaction	2006 Defection
Global:	65%	3.75	1%
N. America:	67%	$\boxed{3.86}$	1%
Europe:	65%	$\boxed{3.90}$	2%
Asia-Pacific:	61%	3.48	1%
Latin America:	73%	$\boxed{4.17}$	2%
Large companies ($2B+):	$\boxed{73\%}$	3.83	1%
Medium companies ($600M-2B):	$\boxed{73\%}$	3.85	1%
Small companies (<$600M):	59%	3.70	1%

- Industries with highest percentage of usage: Mining, Chemical & Metals; Pharma & Biotech
- Industries with highest satisfaction: Retail; Construction; Wholesale, Distribution & Logistics

☐ Significantly higher rate than other regions/company size

◯ Significantly lower rate

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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
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:	-	-

	2006 Usage	2006 Satisfaction	2006 Defection
Global:	69%	3.59	2%
N. America:	66%	3.65	5%
Europe:	65%	3.64	2%
Asia-Pacific:	$\boxed{75\%}$	3.49	0%
Latin America:	54%	3.83	0%
Large companies ($2B+):	69%	3.48	3%
Medium companies ($600M-2B):	72%	3.74	2%
Small companies (<$600M):	67%	3.65	1%

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

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

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Lean Operations

"Lean Operations: Both a methodology and a philosophy that focus on eliminating waste and reducing the time between a customer's order and deliver. Related Topics: Lean Consumption, Lean Manufacturing, Lean Six Sigma."

	Usage	Satisfaction
2006:	54% (17th)	3.73 (14th)
2004:	-	-
2002:	-	-
2000:	-	-
1999:	-	-
1998:	-	-
1997:	-	-
1996:	-	-
1995:	-	-
1994:	-	-
1993:	-	-

	2006 Usage	2006 Satisfaction	2006 Defection
Global:	54%	3.73	2%
N. America:	59%	3.87	3%
Europe:	52%	3.85	2%
Asia-Pacific:	56%	3.51	0%
Latin America:	33%	4.11	3%
Large companies ($2B+):	62%	3.88	3%
Medium companies ($600M-2B):	59%	3.73	2%
Small companies (<$600M):	49%	3.66	1%

- Industries with highest percentage of usage: Mining, Chemical & Metals; CPG
- Industries with highest satisfaction: Construction; CPG; Retail

Significantly higher rate than other regions/company size

Significantly lower rate

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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
2006:	51% (19th)	3.59 (22nd)
2004:	40% (19th)	3.67 (25th)
2002:	-	-
2000:	-	-
1999:	-	-
1998:	-	-
1997:	-	-
1996:	-	-
1995:	-	-
1994:	-	-
1993:	-	-

	2006 Usage	2006 Satisfaction	2006 Defection
Global:	51%	3.59	1%
N. America:	44%	$\boxed{3.74}$	3%
Europe:	52%	$\boxed{3.74}$	1%
Asia-Pacific:	$\boxed{59\%}$	3.41	0%
Latin America:	30%	3.85	0%
Large companies ($2B+):	53%	3.63	1%
Medium companies ($600M-2B):	56%	3.74	0%
Small companies (<$600M):	47%	3.55	2%

- 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

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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
2006:	50% (20th)	3.88 (3rd)
2004:	-	-
2002:	-	-
2000:	-	-
1999:	-	-
1998:	-	-
1997:	-	-
1996:	-	-
1995:	-	-
1994:	-	-
1993:	-	-

	2006 Usage	2006 Satisfaction	2006 Defection
Global:	50%	3.88	6%
N. America:	56%	3.99	8%
Europe:	60%	4.06	7%
Asia-Pacific:	41%	3.56	4%
Latin America:	43%	4.23	5%
Large companies ($2B+):	73%	4.03	5%
Medium companies ($600M-2B):	60%	3.94	9%
Small companies (<$600M):	35%	3.72	7%

- Industries with highest percentage of usage: Mining, Chemicals and Metals; Media & Ent.; CPG
- Industries with highest satisfaction: Wholesale, Distribution & Logistics; Pharma & Biotech

Significantly higher rate than other regions/company size

Significantly lower rate

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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
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)

	2006 Usage	2006 Satisfaction	2006 Defection
Global:	79%	3.78	4%
N. America:	$\boxed{83\%}$	3.78	6%
Europe:	76%	$\boxed{3.93}$	4%
Asia-Pacific:	76%	3.58	1%
Latin America:	79%	$\boxed{4.31}$	9%
Large companies ($2B+):	$\boxed{85\%}$	3.82	3%
Medium companies ($600M-2B):	76%	3.83	6%
Small companies (<$600M):	78%	3.77	4%

- Industries with highest percentage of usage: Healthcare; Mining, Chemicals & Metal
- Industries with highest satisfaction: Wholesale, Distribution & Logistics; Construction

▭ Significantly higher rate than other regions/company size

◯ Significantly lower rate

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Offshoring

"Offshoring: Relocates some of a company's operations to another country. Related Topics: Core Competencies, Cost Migration, Outsourcing."

	Usage	Satisfaction
2006:	37% (22nd)	3.70 (16th)
2004:	33% (22nd)	3.93 (7th)
2002:	-	-
2000:	-	-
1999:	-	-
1998:	-	-
1997:	-	-
1996:	-	-
1995:	-	-
1994:	-	-
1993:	-	-

	2006 Usage	2006 Satisfaction	2006 Defection
Global:	37%	3.70	3%
N. America:	$\boxed{51\%}$	3.75	5%
Europe:	42%	$\boxed{3.88}$	1%
Asia-Pacific:	30%	3.47	3%
Latin America:	8%	$\boxed{4.17}$	0%
Large companies ($2B+):	$\boxed{54\%}$	3.81	2%
Medium companies ($600M-2B):	43%	3.71	3%
Small companies (<$600M):	26%	3.62	5%

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

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

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Outsourcing

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

	Usage	Satisfaction
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:	-	-

	2006 Usage	2006 Satisfaction	2006 Defection
Global:	77%	3.68	2%
N. America:	74%	3.71	3%
Europe:	80%	3.78	1%
Asia-Pacific:	75%	3.57	1%
Latin America:	82%	3.78	4%
Large companies ($2B+):	$\boxed{84\%}$	3.75	0%
Medium companies ($600M-2B):	75%	3.66	3%
Small companies (<$600M):	74%	3.70	2%

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

Significantly higher rate than other regions/company size

Significantly lower rate

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Radio Frequency Identification (RFID)

"Radio Frequency Identification (RFID): Uses radio waves to identify objects and read data. Related Topics: Automatic Identification, Electronic Article Surveillance , Electronic Product Codes, Supply Chain Management."

	Usage	Satisfaction
2006:	23% (25th)	3.55 (24th)
2004:	13% (25th)	3.90 (11th)
2002:	-	-
2000:	-	-
1999:	-	-
1998:	-	-
1997:	-	-
1996:	-	-
1995:	-	-
1994:	-	-
1993:	-	-

	2006 Usage	2006 Satisfaction	2006 Defection
Global:	23%	3.55	1%
N. America:	24%	$\boxed{3.76}$	1%
Europe:	19%	3.69	2%
Asia-Pacific:	$\boxed{26\%}$	3.30	1%
Latin America:	13%	$\boxed{4.09}$	8%
Large companies ($2B+):	26%	3.55	0%
Medium companies ($600M-2B):	$\boxed{29\%}$	$\boxed{3.80}$	3%
Small companies (<$600M):	19%	3.46	2%

- Industries with highest percentage of usage: CPG; Healthcare; Retail
- Industries with highest satisfaction: Tech & Telecom; Healtchare

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

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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
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)

	2006 Usage	2006 Satisfaction	2006 Defection
Global:	69%	3.78	2%
N. America:	72%	$\boxed{3.87}$	4%
Europe:	$\boxed{74\%}$	$\boxed{3.90}$	1%
Asia-Pacific:	64%	3.61	1%
Latin America:	72%	3.91	0%
Large companies ($2B+):	$\boxed{79\%}$	$\boxed{3.90}$	1%
Medium companies ($600M-2B):	74%	3.79	2%
Small companies (<$600M):	63%	3.73	2%

- Industries with highest percentage of usage: Healthcare; Transportation, Energy & Gas
- Industries with highest satisfaction: Transportation, Energy & Gas; Wholesale, Distribution & Logistics

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

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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."

	Usage	Satisfaction
2006:	55% (16th)	3.63 (19th)
2004:	-	-
2002:	-	-
2000:	-	-
1999:	-	-
1998:	-	-
1997:	-	-
1996:	-	-
1995:	-	-
1994:	-	-
1993:	-	-

	2006 Usage	2006 Satisfaction	2006 Defection
Global:	55%	3.63	2%
N. America:	51%	$\boxed{3.81}$	3%
Europe:	51%	3.72	2%
Asia-Pacific:	$\boxed{61\%}$	3.43	0%
Latin America:	51%	3.90	2%
Large companies ($2B+):	$\boxed{68\%}$	3.75	2%
Medium companies ($600M-2B):	56%	3.68	1%
Small companies (<$600M):	46%	3.55	2%

- Industries with highest percentage of usage: Healthcare; Mining, Chemicals & Metals
- Industries with highest satisfaction: Transportation, Energy & Gas; Tech & Telecom; Services

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

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Six Sigma

"Six Sigma: Constantly measures and analyzes data on the variables in any process, then use statistical techniques to understand what improvements will drive down defects. Requires the delivery of defect-free products or services 99.9997% of the time. Related Topics: Lean Manufacturing, Statistical Process Control, TQM."

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

	2006 Usage	2006 Satisfaction	2006 Defection
Global:	40%	3.66	4%
N. America:	40%	3.87	8%
Europe:	28%	3.75	7%
Asia-Pacific:	48%	3.44	0%
Latin America:	30%	4.31	4%
Large companies ($2B+):	46%	3.86	4%
Medium companies ($600M-2B):	43%	3.80	7%
Small companies (<$600M):	35%	3.49	3%

- Industries with highest percentage of usage: Mining, Chemicals & Metals; Healthcare
- Industries with highest satisfaction: Construction; Mining, Chemicals & Metals

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

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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
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)

	2006 Usage	2006 Satisfaction	2006 Defection
Global:	68%	3.78	2%
N. America:	$\boxed{75\%}$	3.86	2%
Europe:	66%	$\boxed{4.00}$	2%
Asia-Pacific:	66%	3.57	1%
Latin America:	56%	3.92	2%
Large companies ($2B+):	72%	3.88	2%
Medium companies ($600M-2B):	71%	3.78	3%
Small companies (<$600M):	66%	3.74	1%

- Industries with highest percentage of usage: Pharma & Biotech; Media & Entertainment
- Industries with highest satisfaction: Construction; Tech & Telecom

Significantly higher rate than other regions/company size

Significantly lower rate

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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
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:	N/A	N/A
1994:	N/A	N/A
1993:	N/A	N/A

	2006 Usage	2006 Satisfaction	2006 Defection
Global:	88%	3.93	1%
N. America:	90%	4.01	1%
Europe:	90%	$\boxed{4.05}$	1%
Asia-Pacific:	85%	3.71	0%
Latin America:	91%	$\boxed{4.23}$	2%
Large companies ($2B+):	$\boxed{93\%}$	4.02	1%
Medium companies ($600M-2B):	92%	3.95	2%
Small companies (<$600M):	85%	3.89	1%

- Industries with highest percentage of usage: Pharma & Biotech; Mining, Chemicals & Metals
- Industries with highest satisfaction: Retail; Construction; Services

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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, Calue Chain Analysis."

	Usage	Satisfaction
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:	-	-

	2006 Usage	2006 Satisfaction	2006 Defection
Global:	66%	3.77	1%
N. America:	62%	3.87	1%
Europe:	60%	$\boxed{3.96}$	1%
Asia-Pacific:	$\boxed{73\%}$	3.60	1%
Latin America:	60%	3.88	6%
Large companies ($2B+):	$\boxed{75\%}$	$\boxed{3.94}$	1%
Medium companies ($600M-2B):	64%	3.81	1%
Small companies (<$600M):	61%	3.68	2%

- Industries with highest percentage of usage: CPG; Mining, Chemicals & Metals
- Industries with highest satisfaction: Retail; Wholesale, Distribution & Logistics

▭ Significantly higher rate than other regions/company size

◯ Significantly lower rate

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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
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)

	2006 Usage	2006 Satisfaction	2006 Defection
Global:	64%	3.80	3%
N. America:	51%	3.83	6%
Europe:	60%	3.87	3%
Asia-Pacific:	$\boxed{74\%}$	3.67	1%
Latin America:	68%	$\boxed{4.24}$	3%
Large companies ($2B+):	58%	3.80	3%
Medium companies ($600M-2B):	$\boxed{72\%}$	3.81	3%
Small companies (<$600M):	64%	3.83	3%

- Industries with highest percentage of usage: CPG; Mining, Chemicals & Metals
- Industries with highest satisfaction: Construction; Mining, Chemicals & Metals

Significantly higher rate than other regions/company size

Significantly lower rate

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2007 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.

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I. Use of tools

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 (2002-2006), which of the following techniques have been used by your current employer?

1b. In the past year (2006), 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 2007? 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 *(current employer only)*	Q. 1b Tool usage 2006			Q. 1c Expected 2007 tool usage			Q. 2 Satisfaction with tools *(Answer only for those tools used in the past 5 years.)*				
	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	☐	☐	☐	☐	☐	☐	☐	☐	☐	☐	☐	☐
Consumer Ethnography	☐	☐	☐	☐	☐	☐	☐	☐	☐	☐	☐	☐
Core Competencies	☐	☐	☐	☐	☐	☐	☐	☐	☐	☐	☐	☐
Corporate Blogs	☐	☐	☐	☐	☐	☐	☐	☐	☐	☐	☐	☐
Customer Relationship Management	☐	☐	☐	☐	☐	☐	☐	☐	☐	☐	☐	☐
Customer Segmentation	☐	☐	☐	☐	☐	☐	☐	☐	☐	☐	☐	☐
Growth Strategy Tools	☐	☐	☐	☐	☐	☐	☐	☐	☐	☐	☐	☐
Knowledge Management	☐	☐	☐	☐	☐	☐	☐	☐	☐	☐	☐	☐
Lean Operations	☐	☐	☐	☐	☐	☐	☐	☐	☐	☐	☐	☐
Loyalty Management Tools	☐	☐	☐	☐	☐	☐	☐	☐	☐	☐	☐	☐
Mergers and Acquisitions	☐	☐	☐	☐	☐	☐	☐	☐	☐	☐	☐	☐
Mission and Vision Statements	☐	☐	☐	☐	☐	☐	☐	☐	☐	☐	☐	☐
Offshoring	☐	☐	☐	☐	☐	☐	☐	☐	☐	☐	☐	☐
Outsourcing	☐	☐	☐	☐	☐	☐	☐	☐	☐	☐	☐	☐
RFID	☐	☐	☐	☐	☐	☐	☐	☐	☐	☐	☐	☐
Scenario and Contingency Planning	☐	☐	☐	☐	☐	☐	☐	☐	☐	☐	☐	☐
Shared Service Centers	☐	☐	☐	☐	☐	☐	☐	☐	☐	☐	☐	☐
Six Sigma	☐	☐	☐	☐	☐	☐	☐	☐	☐	☐	☐	☐
Strategic Alliances	☐	☐	☐	☐	☐	☐	☐	☐	☐	☐	☐	☐
Strategic Planning	☐	☐	☐	☐	☐	☐	☐	☐	☐	☐	☐	☐
Supply Chain Management	☐	☐	☐	☐	☐	☐	☐	☐	☐	☐	☐	☐
Total Quality Management	☐	☐	☐	☐	☐	☐	☐	☐	☐	☐	☐	☐
Other ____________________	☐	☐	☐	☐	☐	☐	☐	☐	☐	☐	☐	☐

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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
Our current capabilities are not sufficient to achieve our financial objectives	☐	☐	☐	☐	☐
Cross-border acquisitions will be critical to achieving our growth objectives in the next 5 yrs	☐	☐	☐	☐	☐
We rarely achieve expected paybacks from our IT investments	☐	☐	☐	☐	☐
Insufficient customer insight is hurting our performance	☐	☐	☐	☐	☐
We know customer loyalty is important, but don't know how to profitably improve it	☐	☐	☐	☐	☐
We could dramatically boost innovation by collaborating with outsiders, even competitors	☐	☐	☐	☐	☐
Innovation is more important than cost reduction for our long-term success	☐	☐	☐	☐	☐
A growing percentage of our products and services behave like commodities	☐	☐	☐	☐	☐
Our company would deliver better long-term results as a privately-owned firm	☐	☐	☐	☐	☐
Unclear decision making authority is hurting our performance	☐	☐	☐	☐	☐
Working with China and India will be vital to our success over the next 5 years	☐	☐	☐	☐	☐
We do not adequately customize our offerings to local markets	☐	☐	☐	☐	☐
We are planning for an economic slowdown over the next 12 months	☐	☐	☐	☐	☐
I would rather work at a privately-owned company than a public company	☐	☐	☐	☐	☐
Culture is as important as strategy for business success	☐	☐	☐	☐	☐
Our core business is running out of steam, and needs new capabilities	☐	☐	☐	☐	☐
Consolidating and sharing back office operations improves both costs and quality	☐	☐	☐	☐	☐
Environmentally-friendly products and practices are an important part of our mission	☐	☐	☐	☐	☐
We wait too long before divesting businesses that hinder our performance	☐	☐	☐	☐	☐
Information technology can create significant competitive advantages	☐	☐	☐	☐	☐

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.

4a. 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
• 2006 sales:		
Less than $600MM	☐	☐
$600MM to less than $2B	☐	☐
$2B or more	☐	☐
• 2006 assets:		
Less than $1B	☐	☐
$1B to less than $20B	☐	☐
$20B or more	☐	☐

4b. Describe the industry your organization is in, both at the corporate level and at the division level, if appropriate.

Corporate: ______________________________

Division: ______________________________

4c. What is your title? ______________________________

4d. Would you be willing to participate in a follow-up discussion on this topic?

Yes ☐ No ☐

Please staple a business card or 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.

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