



# Leading Through Connections

Case studies from the  
Global Chief Executive  
Officer Study

---

### **IBM Institute for Business Value**

IBM Global Business Services, through the IBM Institute for Business Value, develops fact-based strategic insights for senior executives around critical public and private sector issues. This case study compendium is based on an in-depth study by the Institute's research team. It is part of an ongoing commitment by IBM Global Business Services to provide analysis and viewpoints that help companies realize business value. Additional studies from the IBM Institute for Business Value can be found at [ibm.com/iibv](http://ibm.com/iibv)

---

## Empowering employees through values

CEOs see greater organizational openness ahead. But as rules are refined and collaboration explodes, how will they avoid chaos, protect the business and deliver results?

---

Innovators featured in this section:

Bausch + Lomb

National Aeronautics and Space Administration

Foodstuffs (Auckland) Ltd

# Bausch + Lomb

One team focused on one mission

Established in 1853, Bausch + Lomb is a leading global healthcare brand focused solely on eye health. It offers a wide range of products sold in more than 100 countries. In 2007, the company was taken private in the wake of product supply and quality issues, a weak pipeline and a number of earnings restatements. In early 2010, its new CEO initiated a major turnaround effort to reinvigorate and refocus this historic company.

In addition to providing direction – in the form of a clearly defined vision, mission and strategy – the company set out to effect real cultural change grounded in “High Performance Behaviors,” which include Earning Trust, Growing and Helping Others Grow, and Sharing Accountability. The company also placed increased focus on front-line managers – essentially inverting the classic management pyramid.

To facilitate communication and sharing of best practices among its employees, Bausch + Lomb utilizes a combination of social and mobile technologies that augment its other communication channels.

Just two years into the company’s transformation, Bausch + Lomb has made substantial progress that has resulted in sales growth acceleration, margin expansion and the build-out of its innovation pipeline, which now includes some potential game changers. Central to the company’s success to date are its people who are focused on its all-important mission: helping people see better – to live better.

To reach an IBM industry expert and find out more about how IBM is innovating with these industries, please visit [ibm.com/healthcare](http://ibm.com/healthcare) or [ibm.com/lifesciences](http://ibm.com/lifesciences).



# National Aeronautics and Space Administration

Embracing openness within strong core values

The U.S. National Aeronautics and Space Administration (NASA), created in 1958, has accomplished numerous great scientific and technological feats in air and space. Its scientists, engineers and other professionals explore Earth and space to benefit mankind. Critical to mission success is teamwork, one of the agency's core values – the others are safety, integrity and excellence.

The Open Government Initiative is a movement to adapt to a changing external environment; embrace new technologies; engage with citizens; and encourage collaborations and partnerships. For NASA, openness and values are key elements of an operational framework guiding how it interacts with employees, and the public at large.

NASA has over 18,000 employees plus contractors who work in seven test and research facilities, and ten field centers around the country. Enabling collaboration among these geographically dispersed groups is a top priority.

NASA leverages wikis extensively to support and facilitate internal collaboration. Other internal collaboration tools include ExplorNET, which enables the creation of shared user profiles and launched 61 communities in its first 45 days of use. A Twitter-like tool for employee communication has also been enthusiastically received. A growing number of mobile apps for NASA-only audiences are distributed centrally by the Center for Internal Mobile Applications (CIMA). By providing employees the means to collaborate at scale, NASA has made it easier to share success stories, locate expertise and increase productivity across the agency.

To reach an IBM industry expert and find out more about how IBM is innovating with this industry, please visit [ibm.com/government](http://ibm.com/government).



---

Links to IBM videos featuring this organization's CEO:

**Communicating and embodying your organization's core values**

**The legacy may be WOW!, but the NASA mission is deep innovation**

**Collaboration is vital as diversity of thought creates excellence**

---



# Foodstuffs (Auckland) Ltd

Measuring success through values and vision

Foodstuffs (Auckland) Limited, with its subsidiaries, engages in grocery distribution and retail in New Zealand. It operates a range of brands: approximately 200 owner-operated, full-service supermarkets, retail food warehouses, convenience stores, cash'n carry warehouses and fuel sites. Founded in 1922 and combined with its sister companies Foodstuffs Wellington and Foodstuffs South Island, Foodstuffs is now one of the country's largest businesses.

Building on its early history as a cooperative of independent grocers, Foodstuffs Auckland considers ongoing values-based collaboration to be a core element of future success. The company's "Vision 2022" is an aspirational ten-year vision based on input from a diverse subset of its 1,000 support centre employees and owner/operators. It serves as a roadmap for company direction and provides measurable targets. The vision has achieved great buy-in, largely due to its creation through the collaboration of these stakeholders who have a range of experience across the business.

Four goals comprise Vision 2022: (1) Sell the majority of products consumed in every community in their catchment; (2) Customers love their stores; (3) Have an unrivaled reputation in New Zealand and (4) Create a sustainable future. Employees are expected to deliver the vision following the company values of: honest/respectful, supportive, customer focused, innovative and loyal.

Many methods of communication enable Foodstuffs employees to live the values and work toward the objectives of Vision 2022. Every two months, ten employees are invited to have breakfast with the CEO to discuss industry news, concerns, opportunities and the company's transformation. Company videos, newsletters, intranet, regular communication meetings and interactive events are also used as values and vision communication tools.

The company sees its mission as more than just selling groceries. It commands 50 percent of industry market share, outpacing market growth for the past two years, with year-over-year operating profit up 3.3 percent in 2011 to US\$136.6 million. Beneath the push for sustainable growth and the focus on values and vision: the goal of creating rewarding jobs and meaningful careers for New Zealanders.

To reach an IBM industry expert and find out more about how IBM is innovating with this industry, please visit [ibm.com/retail](http://ibm.com/retail).



---

Links to IBM videos featuring this company's CEO:

[Shared values driving key decisions](#)

[Innovation through omni-channel employee involvement](#)

[Making partnerships work](#)

---



## Engaging customers as individuals

CEOs are searching for customer insight. But even if they discover it, are their organizations equipped to respond with relevance and speed?

---

Innovators featured in this section:

Magazine Luiza

National Geographic

# Magazine Luiza

Maintaining a human touch in an online world

Since starting as a small retail shop in 1957, Magazine Luiza, now the second-largest department store chain in Brazil, has connected with customers on a human level. To engage buyers, the retailer aims to fulfill dreams, not just deliver bargains. For those who often have scrimped and saved to buy their first refrigerator or new furniture, Magazine Luiza wants the experience to be happy and memorable.

While growing its physical store network, Magazine Luiza also became an early e-commerce adopter. But in addition to its online store, the retailer launched an innovative “bricks and clicks” store format, where shoppers sit with associates who guide them on Internet shopping trips. These stores often become social hubs by offering services supporting the local community, like cooking classes or computer training.

As customers grew more accustomed to online shopping, Magazine Luiza humanized its website with a virtual salesperson named Lu. Through videos, podcasts, blogs and tweets, Lu communicates and interacts with customers.

More recently, Magazine Luiza has established a new channel, taking its bent toward individualization and community into the social world. Through Magazine Você – your store – customers can create personalized storefronts with their favorite products and share them via Facebook or Orkut. Store “owners” earn a commission when someone from their social network buys a product; Magazine Luiza collects payment and ships the goods. Already, more than 20,000 social stores have sprung up, with average conversion rates that are higher than the retailer’s online store. Through these stores, Magazine Luiza expects to touch 1 million customers within one year of launch.

To reach an IBM industry expert and find out more about how IBM is innovating with this industry, please visit [ibm.com/retail](http://ibm.com/retail).



---

Links to IBM videos featuring this company’s CEO:

**Innovative care enhances customer relationships**

**Innovation driven by motivated employees**

---





# National Geographic

Engaging with customers in new ways

The National Geographic Society is one of the world's largest nonprofit scientific and educational organizations. Founded in 1888 to "increase and diffuse geographic knowledge," the Society's mission is to inspire people to care about the planet. Through magazines, television, films, books, music, radio, exhibitions and other media, it has connected deeply with customers for decades. The National Geographic Channel, for example, reaches 435 million households in 37 languages across 173 countries.

But with more customers expecting real-time information and subscription revenues shrinking for publishers, the organization is now offering enhanced customer experiences on more platforms. By marshalling digital and social media capabilities, National Geographic lets people share both with them and through them.

Among its many digital customer touch points are National Geographic's robust website, NationalGeographic.com; the magazine's award-winning iPad app, a best-selling atlas app, and other mobile apps that include educational games; the Animal Jam online virtual playground for kids; Networked Organisms, a global platform for citizen scientists; blogs and other social media channels.

By providing creative ways to enhance the magazine experience and engage with individuals of all ages, National Geographic continues to grow its customer connections. The magazine now has more than 170,000 digital subscribers and more than 9 million Facebook fans who learn and interact based on daily updates from the Society.

To reach an IBM industry expert and find out more about how IBM is innovating with this industry, please visit [ibm.com/media](http://ibm.com/media).



---

Links to IBM videos featuring this organization's CEO:

**Knowing your customers and delivering value**

**Creating an environment where innovation is a core value**

**Bringing value and making a difference**

---



## Amplifying innovation with partnerships

With nearly 70 percent of CEOs aiming to partner extensively, what will make this a differentiating strategy?

---

Innovators featured in this section:

Royal Dutch Shell

Karolinska Institutet

# Royal Dutch Shell

Partnering to power the future

Global energy company Royal Dutch Shell has a long history of partnering for innovation. When Shell Transport and Trading merged with the Royal Dutch Petroleum Company in 1907, it transformed the fortunes of both companies. They turned from struggling entities to a successful enterprise in twelve months.

Today Shell continues to collaborate on energy innovations, working with partners to diversify the fuel supply and reduce its environmental impact. This includes the commercial production of sustainable, low-carbon biofuels, the development of next-generation biofuels from waste products, and hydrogen fuel-cell technology. Shell has also partnered extensively on the use of traditional fuels, such as natural gas, which can reduce emissions when used in transportation.

Recently, Shell has taken an innovative approach to addressing the world's future energy and environmental challenges. In the coming decades, population growth and rising prosperity will increase global demand for energy, water and food. This challenge is proving difficult for leaders to address because it crosses traditional boundaries between countries, industries, and the public and private sectors.

Shell is working with experts to explore the interconnections between the energy, water and food systems to gain a deeper understanding of the long-term risks and opportunities. This includes mapping the key linkages and possible solutions, such as sustainable urban design, and research to quantify water use for electricity generation, transport fuels and heating.

To reach an IBM industry expert and find out more about how IBM is innovating with this industry, please visit [ibm.com/chemicalspetroleum](http://ibm.com/chemicalspetroleum).



---

Links to IBM videos featuring this company's CEO:

**The role of the CEO in partnering**

**Partnering to drive innovation**

**Every employee is an innovator**

---



# Karolinska Institutet

Collaborative research to innovate for patients, students and employees

Karolinska Institutet, one of the world's leading medical universities, was founded in 1810 as an "academy for the training of skilled army surgeons." Since 1901, its Nobel Assembly has selected the Nobel laureates in Physiology or Medicine. Today, it conducts more than 40 percent of Sweden's medical research.

Each year, Karolinska grants PhD degrees to over 350 students and in 2010 it had over 4,500 employees. To maintain its leading international position in competitive research and meet the needs of next generation students and employees, the Institute sought to integrate a global perspective into its future development.

Underlying the focus on external outreach is an emphasis on equipping researchers, faculty, administrative staff and students for strategic collaboration. Karolinska now has agreements in research and education with numerous countries, universities, and biomed and biotech companies. Key collaboration partners include: U.S.-based Advaxis, Inc.; The Chinese Academy of Sciences; Nanjing Medical University; and The Mayo Clinic; plus others in India, Japan, Uganda, across Europe and other parts of Asia.

KI Innovations AB is a comprehensive system to facilitate the journey from "early life science research idea" to "commercial product." About 7 percent of research is funded through collaborative projects, commissioned research or donations. Employees, students and alumni are important ambassadors, spreading worldwide awareness of Karolinska's activities and achievements.

In April 2012, a Karolinska research team made strides toward large-scale delivery of drugs via the skin. This followed collaborative genetic study of fibroids in August 2011 and stem cell culturing research in May 2010. Above all, its international perspective supports the mission to improve human health throughout the world via research and education.

To reach an IBM industry expert and find out more about how IBM is innovating with this industry, please visit [ibm.com/education](http://ibm.com/education).



---

Links to IBM videos featuring this organization's CEO:

**Innovation driven by partnership**

**Benefits of diversity as a cultural value**

---



## To continue the conversation...

To reach an IBM industry expert, contact [iibv@us.ibm.com](mailto:iibv@us.ibm.com) and for more information about the IBM CEO Study, please visit [ibm.com/ceostudy](http://ibm.com/ceostudy).



For more information about this study and to get the full version of this report, see [ibm.com/ceostudy2012](http://ibm.com/ceostudy2012)



Access interactive content and listen to CEOs in their own words by downloading the IBM IBV app for **Android** or **iPad**



---

© Copyright IBM Corporation 2012

IBM Global Services  
Route 100  
Somers, NY 10589  
U.S.A.

Produced in the United States of America  
December 2012  
All Rights Reserved

IBM, the IBM logo and ibm.com are trademarks or registered trademarks of International Business Machines Corporation in the United States, other countries, or both. If these and other IBM trademarked terms are marked on their first occurrence in this information with a trademark symbol (® or ™), these symbols indicate U.S. registered or common law trademarks owned by IBM at the time this information was published. Such trademarks may also be registered or common law trademarks in other countries. A current list of IBM trademarks is available on the Web at "Copyright and trademark information" at [ibm.com/legal/copytrade.shtml](http://ibm.com/legal/copytrade.shtml)

Other company, product and service names may be trademarks or service marks of others.

References in this publication to IBM products and services do not imply that IBM intends to make them available in all countries in which IBM operates.



Please Recycle