

INTRODUCTION:

Lenovo's origins date back to 1984 in Beijing, China, where it was founded as the Beijing Legend, by a group of enterprising researchers including Chuanzhi Liu. During the company's early years, the distribution of imported personal computers (PCs) and HP printers comprised the majority of its operations. In 1989, Legend displayed their first self-developed Intel-based PC at the World's Fair in Hanover, Germany. This marked the beginning of their enterprise to develop PCs independently. Legend began with minuscule sales of 2,000 units in 1990 and continued to fall short of its yearly shipment goals until 1993.

Legend became the undisputed industry leader in three years by increasing its market share to 30% in a field dominated by OEMs. Legend flourished in China's nascent PC market due to a brilliant implementation of the industry standard business model. By 2003, Lenovo (renamed in 2003) PCs had been the best seller in China for seven consecutive years.

Between the years of 2004 and 2005, Legend finished the acquisition of IBM's personal computer business (including *Thinkpad*) for \$1.75 billion. This acquisition doubled Lenovo's size and elevated it to the world's third-largest PC manufacturer by volume. In spite of the fact that the acquisition achieved its stated strategic goals, it posed enormous integration difficulties for both parties involved. This includes the difficulty of blending the cultures of two very different firms, as well as the difficulty of system integration. The newly united corporation began to take shape after years of labor.

The year 2014 was momentous for Lenovo and signified that Lenovo had formally adopted multiple business models. In January 2014, Lenovo announced the acquisition of Motorola Mobility from Google for \$2.91 billion. However, Motorola had been losing money for years and created a significant challenge for Lenovo. Additionally, in January 2014, Lenovo acquired IBM's x86 server division for \$2.3 billion. While the acquisition of IBM's server division gave Lenovo a large strategic flexibility, the company faced its own difficulties. In 2015, Lenovo's share of the global server market increased to 8.2%, but it remained fourth in the sector, behind HP, Dell, and IBM's mainframe server division.

In 2016, after three years of integration and stability, Lenovo finally entered the world of data processing, analytics, and services with IBM's x86 server business. It made a Lenovo that could leverage its global scope and add layers of product competencies to provide fully integrated solutions. Later, YY, the CEO of Lenovo, declared the company's aim to be the leader and enabler of Intelligent Transformation.

Over the years, Lenovo developed from a local PC distributor to the world's largest PC manufacturer and a data processing and cloud computing titan. Lenovo's business models, strategy, and culture have changed dramatically in order to respond to the obstacles during this globalization and diversification process, as a result of the repeated rounds of significant change.

In 2016, after three years of integration and stability, Lenovo finally entered the world of data processing, analytics, and services with IBM's x86 server business. It made a Lenovo that could leverage its global scope and add layers of product competencies to provide fully integrated solutions. Later, YY, the CEO of Lenovo, declared the company's aim to be the leader and enabler of Intelligent Transformation.

Over the years, Lenovo developed from a local PC distributor to the world's largest PC manufacturer and a data processing and cloud computing titan. Lenovo's business models, strategy, and culture have changed dramatically in order to respond to the obstacles during this globalization and diversification process, as a result of the repeated rounds of significant change.

2004 - 2013: Embrace and Expedite Globalization

After the dominant success in the Chinese domestic market, globalization became the next challenging priority. 2005 marked a biggest strategic turning point for Lenovo when it completed the acquisition of IBM's Personal Computing division with the iconic ThinkPad brand and became the third-largest person computing company. The acquisition also posed challenges such as merging massive international corporations and culture conflicts.

The acquisition expedited Lenovo's globalization process. Not only did the established ThinkPad brand help Lenovo become a competitive global brand, Lenovo also greatly leveraged IBM's international resources such as "global sales channels and operation teams", as well as their global customer services for warranty repair (*Lenovo History*, 2022). It quickly opened up their global markets by collaborating with Japanese electronics firms in 2011 and acquiring several European and US electronics and software companies in the following years. As a result, Lenovo became the biggest PC company globally by volume.

Meanwhile, Lenovo's company culture also shifted to embrace globalization and inclusiveness with IBM's western management style. There was a huge difference between Lenovo's "young, flexible and naive" culture and IBM ThinkPad's "established, methodical, and reputable" working style. To solve the conflict, the company kept two headquarters in both Beijing, China and North Carolina, USA to help make "East and West work seamlessly" (Sivadasan, n.d). It also nominated IBM's senior vice president as CEO and board of directors of Lenovo, and took a hands-off approach in the US side's business.

14 - 16 Global Supply Chain

Lenovo achieved success through innovation between 2014 and 2016 by focusing on product innovation and design, building a robust patent portfolio, and leveraging its international connections. In April 2014, Lenovo acquired a series of patents related to mobile technology from NEC and IBM's line of x86-based servers, including System x and BladeCenter, allowing the company to expand its enterprise customer base and improve profit margins. In May 2015, Lenovo unveiled a new logo and slogan, "Innovation never stops," and in the same year, the company sold its 100 millionth ThinkPad.

To ensure compliance with industry regulations and ethical obligations, Lenovo integrated its supply chain functions into a central global organization and is a member of the Electronic Industry Citizenship Coalition (EICC), which requires adherence to an industry code of conduct and compliance with ethical standards for health and safety, labor, management systems, and the environment. Additionally, Lenovo established ambitious sustainable development goals.

Lenovo's processes emphasized intellectual property strategy, product design, and international industrial design protection. The company also worked to optimize its global market dominance, establish an end-to-end global supply chain, and fully integrate all functions under a single management structure to improve operations. Furthermore, in order to achieve success, the company fostered a culture of innovation, encouraged employee's ideas and embracing diversity at multiple levels in the business model, culture, and talent.