

# Key to Business Success

## 生意成功之道

Winston H. Chen, Ph.D. 陳文雄

Chairman, Paramitas Foundation

Co-founder and CEO of Solectron Corporation

Former board member of Intel Corp.,

Solectron and Edison International

Former Trustee of Stanford University and Santa Clara University

# Key to Business Success

生意成功之道

This is one the Solectron management  
handbooks for developing general  
managers

# Solectron Corporation

Manufactured Products for



i n v e n t



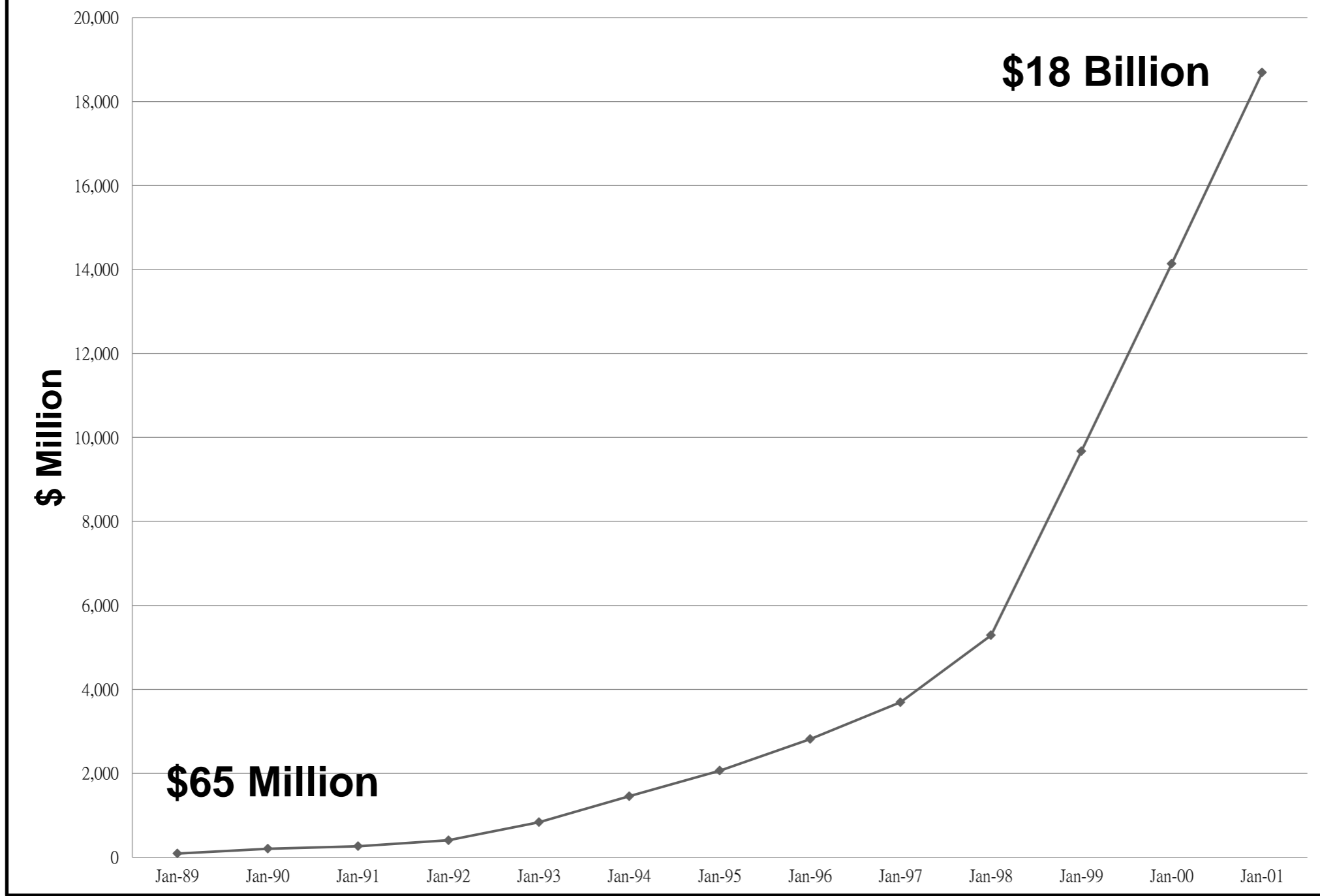
# Solectron Corporation

- Solectron won the U.S. Malcolm Baldrige National Quality Award in the large manufacturer category in 1991 and 1997. Solectron also won the California Governor's Golden State Quality Award in 1994.
- Solectron provided services to all major computer and communication companies such as Apple, IBM, Hewlett Packard, Cisco, Dell, Sun Microsystems, etc.

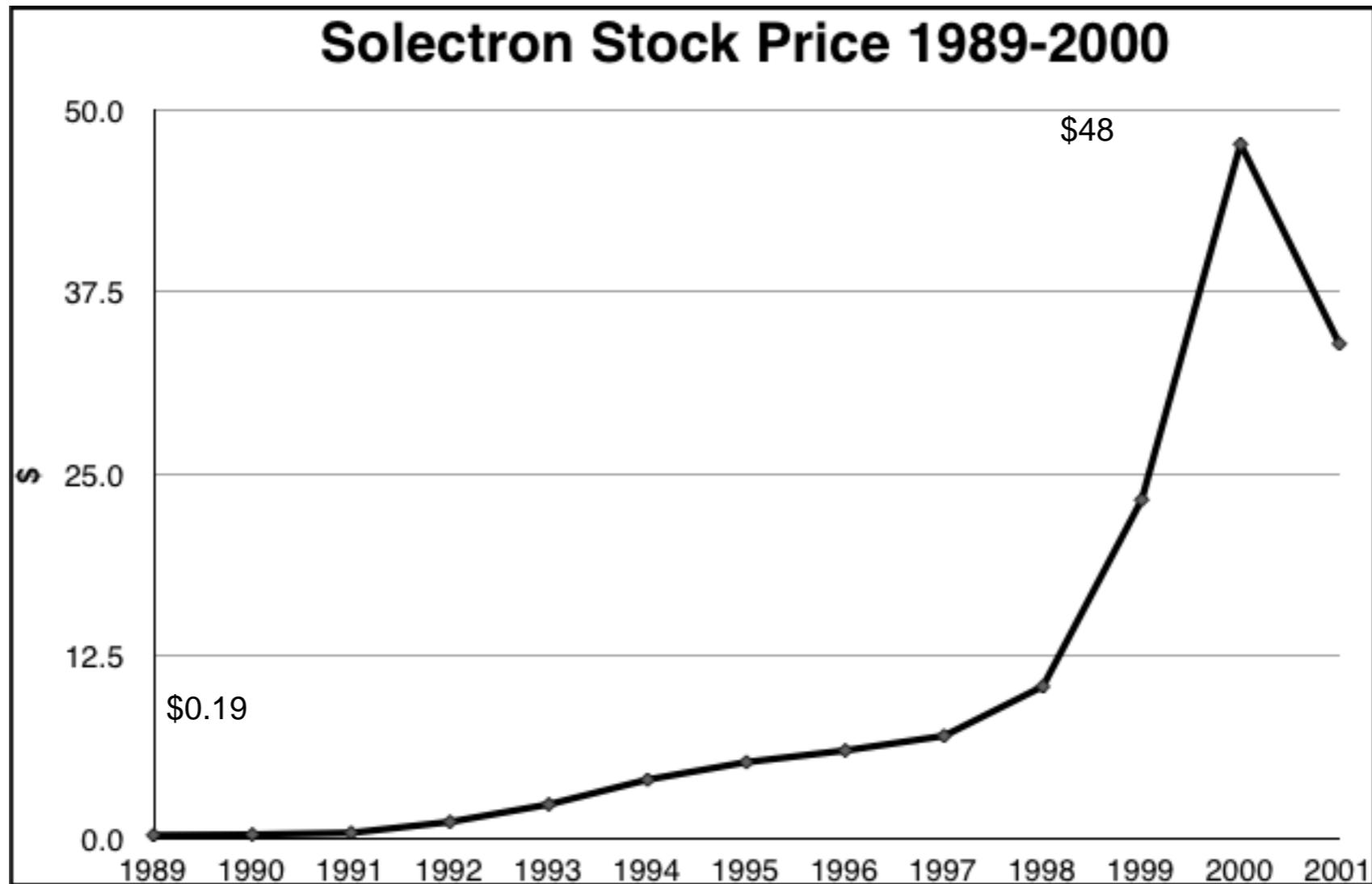


# Solectron Revenue

## Solectron Sales \$ Million 1989-2000



# Solectron Stock



Solectron went public in 11/1989, listed on New York Stock Exchange  
The stock split 5 times from 1989 to 1999

# Solectron Corporation

- Founded in 1978 with 30 employees in Sunnyvale, CA. as an electronic manufacturing contractor.
- In 2000, Solectron grew to 80,000 employees in 50 facilities in the world. Solectron was the largest electronic manufacturing service (EMS) company in the world.
- In 2000, the market value was \$25 billion with annual sales of \$18 billion.
- The stock grew 256 times (25,600%) from 1989 to 2000.

## Solectron 旭電公司 的小故事

旭電公司在1977年成立於加州矽谷，由二位印度裔美國人及一位日裔美國人創業，從事修理Atari電動玩具。

一年內虧損十五萬美金，幾近破產。1978年公司由日裔美人楠木及台裔美人陳文雄接手，負責清償債務。

公司從事電腦電路板裝配，員工三十人。年營業額四十萬美金。後有林瑞松，林典謨，陳秋月等加入。

時正逢個人電腦革命開始，電子業蓬勃發展，旭電公司幸運正逢天時，水漲船高，在五年內，年營業額一飛衝天，成長一百廿五倍。增長至五千萬美金。募集資金三十萬美金，還債十五萬元，以所剩十五萬元，週轉支持發展至年營業額五千萬美金，算是奇蹟之一。

一九八四年創投漢布爾基金，投資六百萬美金，換取旭電百分之廿股權，公司價值以三千萬美金估值。旭電開始投資在表面黏著技術（**Surface Mount Technology, SMT**），此後旭電一路奮進，成為美國**SMT**技術的龍頭。

旭電也建立頂尖品質的信譽，用六標準差（**Six Sigma**）加上日本品質密方，代表美國企業挑戰日本勢不可擋的製造霸業。提高矽谷高科技公司的全球製造競爭力。



一九八九年，世事多變，柏林圍牆倒下。旭電公司也在同年，股票在紐約股市上市，公司市值六千五百萬美金，一股六元。至二千年，十一年間，股票分割五次，原來一股，增為三十二股，分割後，股價四十八元。原來一股六元，實增為**1536**元美金，即增長二百五十六倍。為美國股市數千上市公司中，增長值最高五名內。

在二千年，旭電公司市值二百五十億美金（合新台幣七千五百億）。最早的投資者，投資報酬率，在上千倍以上。

從**1978**年至**2000**年，**22**年間，旭電年營業額從四十萬，增加到一百八十億美金（合新台幣五千四百億）。增加四萬五千倍。年增長率**63%**。員工由三十人增加至八萬人。**22**年間，除了**1985**年，每一年都賺錢和成長。

在**2000**年，旭電公司在全球有五十個廠房，分佈於美國，亞洲，歐洲及南美。旭電在**1990**年代成為全球電子產業製造代工的最大廠商。

旭電公司在**1991**年及**1997**年，獲得美國最佳品質獎，由美國總統頒獎。並於**1994**年榮獲加州最高品質獎。

**1992**年美國總統布希，邀請陳文雄隨同二十位全美最大企業總裁，塔乘空軍一號十二天，到澳大利亞，新加坡，韓國，日本四國推展美國產品出口。陳文雄為唯一亞裔代表。

旭電公司的高度成長，因緣聚會，有天時，有地利，有人和，因素很多。最主要的兩個因素是：  
一。學習IBM早期成功信念。二。運用孫子兵法。

IBM早期成功信念有三：

- 1。超優的顧客服務
- 2。尊重員工
- 3。不斷追求卓越

這些信念，聽起來老生常談，人人都能吹牛的口沫橫飛。問題是知易行難。對IBM來講，超優的顧客服務是CEO Tom Watson, 早上五點到達顧客DuPont公司，隨同技術人員修復IBM的電腦，表示他對顧客的重視。

對旭電而言，顧客服務是一週七天，一天廿四小時，替矽谷最好的高科技公司，加班趕貨，達成不可能的超快交貨期限。同時隨時替顧客的混亂錯誤文件及一日數變的工程設計變更，日夜擦屁股。並且每週嚴格做顧客滿意回報。時常蒙受不白之冤，不計較誰對誰錯，替顧客解決問題為優先。

尊重員工，對旭電而言是，每年提供員工一百小時的訓練，培養他們的昇遷能力。廿年間提供員工數十億美金的Stock option，公司上市，幾萬人都賺錢。

追求卓越，對旭電而言，當同業檢查百分之幾的不良率，旭電是追求PPM，即追求百萬分之幾的不良率。同業講的是幾個月的庫存率，旭電講的是幾天的庫存率。這只是少數例子。

企業主腦口號滿天飛。但能腳踏實地，實踐力行的卻不多。基本道理都很簡單，企業就是要照顧顧客、員工、股東、包商、社會。真正能實踐的人，就是贏者。

企業成功的理論，有成千上萬。IBM的信念，精簡扼要，有效實用。對旭電助益甚大。

除了學習IBM的信念，黃炎松先生所倡導的孫子兵法，對旭電公司也有很大的幫助。

孫子兵法不是講『兵不厭詐』的一部分。而是講『道、天、地、將、法』的部分。

孫子在二千五百年前，帶領數十萬將兵，用『道、天、地、將、法』領導理念，確是有它道理。在今天的企業管理，仍然適用。而且易懂易記。

每日即實行『道、天、地、將、法』五個字。當然以今天的企業，除了這五個字做好，還須要注意現金管理。現金用光了，任何理論都是空談。

以下就是旭電公司建立的孫子兵法經理訓練手冊，供大家參考。

陳文雄

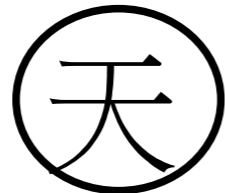
# Key to Business Success

## 生意成功之道

To create a successful business and sustain its growth, you need to have these five elements and cash



Business  
Philosophy



Market Timing



Competitive  
Strategy



Generalship



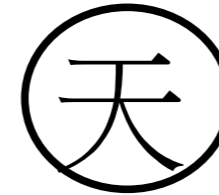
Process &  
System

# Key to Business Success



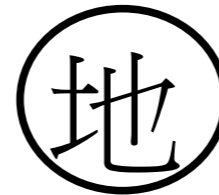
Business Philosophy

Process &  
System  
法制



Market Timing  
天時

Generalship  
聚將



Competitive  
Strategy  
地利

孫子曰：兵者，國之大事，死生之地，存亡之道，不可不察也。故經之以五，校之以計，而索其情：  
一曰道，二曰天，三曰地，四曰將，五曰法

About 2,500 years ago, General Sun Tzu created this method to command an army of several hundred thousand soldiers successfully (The Art of War)

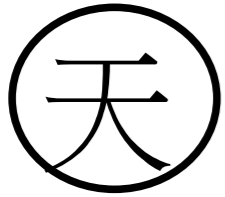


# Business Philosophy



- Priorities
  - Customers
  - Employees
  - Investors
  - Suppliers
  - Community
- Vision
- Basic Beliefs
- Mission – An honorable and uplifting endeavor
- A team committed to achieve a common mission with a shared vision
- Fair distribution of profits

道者，  
令民與上同意，  
可與之死，  
可與之生，  
而不畏危也



# Market Timing

天時

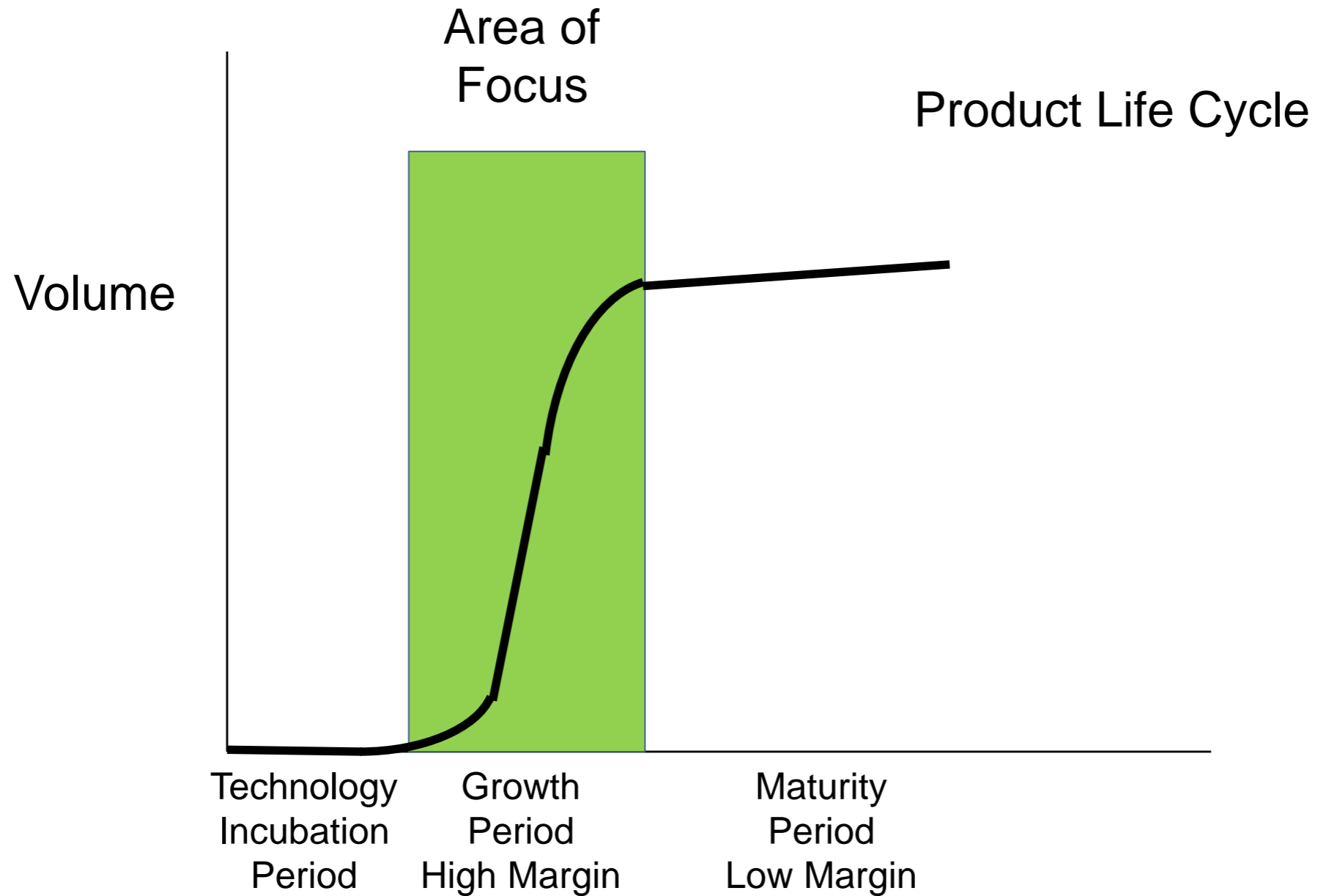


- Strong market demand resulted from historical trends
- Visionary leaders detect the timing and start a major movement
- Outward looking and market-driven companies win
- Market timing is one of most powerful success factors for high tech companies

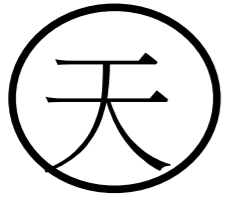


# Market Timing

天時





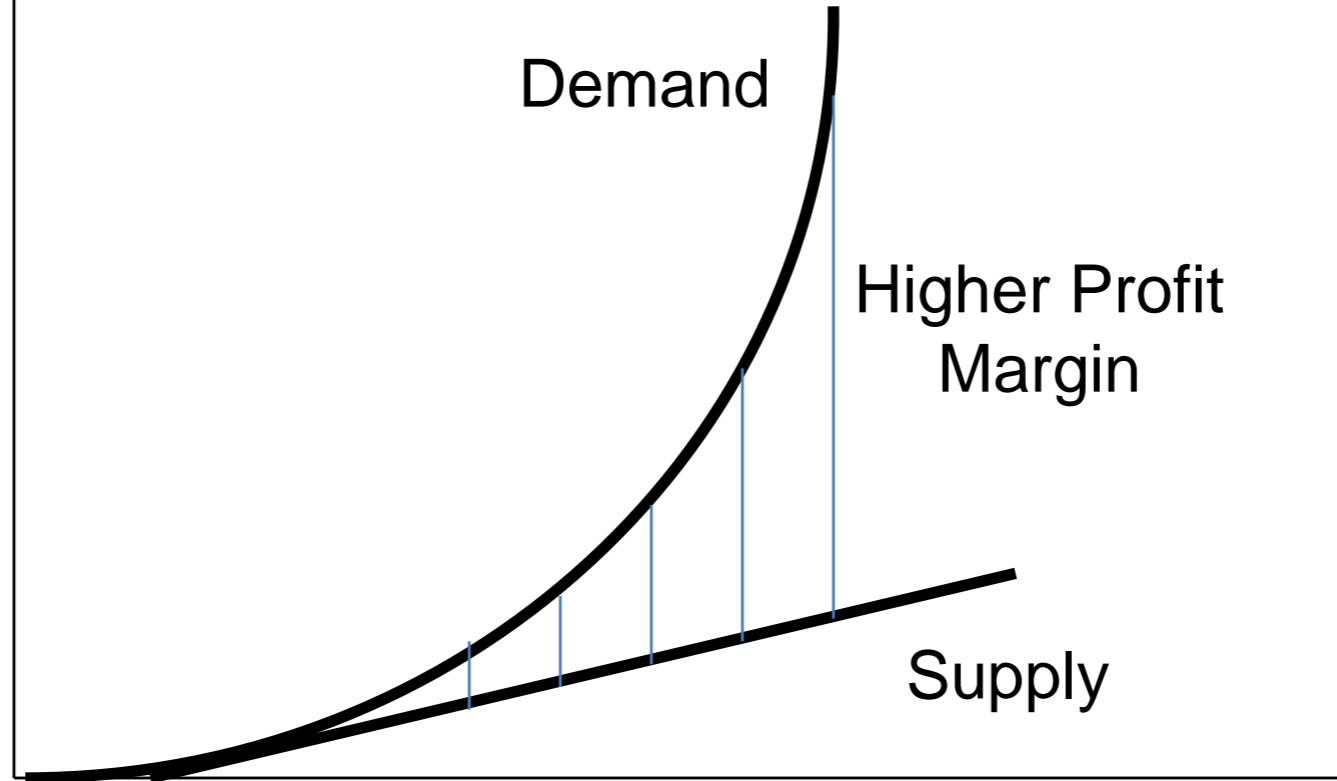


# Market Timing

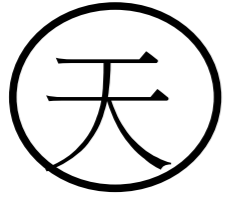
天時



Beginning of a  
Major Market  
Trend



天時



# Market Timing

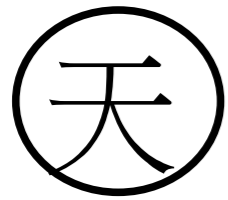


- McDonald 1955

The fast food chain was started in 1955 by Ray Kroc to ride the wave of growing suburban development in the U.S. and the need for consistent quality of fast food.



He was a milk shake machine salesman and bought the store from McDonald brothers. His timing, vision and drive built McDonald into a business of revenue of \$24 billion and a market cap. of \$78 billion.



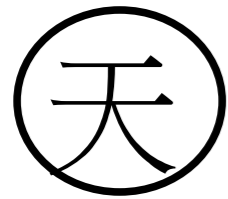
天時

# Market Timing



- Walmart 1962
  - Founded by Sam Walton in 1962. Sam Walton's market timing for the need of inexpensive, superefficient, big stores turned Walmart into a \$422 billion business.





天時

# Market Timing



- Intel 1968

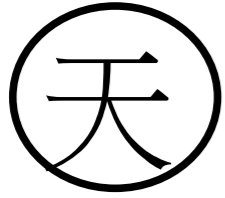
- Founded by Gordon Moore and Robert Noyce. Market timing of microprocessor and PC

- Fedex 1971

- Founded by Fred Smith in 1971. His market timing for over-night premium delivery service was unique in spite of many people's doubt. Today, Fedex's revenue is \$38 billion.



# 天時 Market Timing



天時

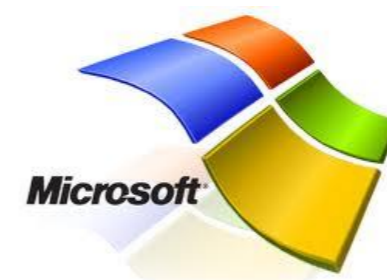


- Starbucks 1971

- Founded in 1971 in Seattle. Market timing of European coffee chain stores.

- Microsoft 1975

- Established in 1975 by Bill Gate. Market timing of PC.





天時

# Market Timing



- **Apple 1976**
  - Founded by Steve Jobs and Steve Wozniak. Market timing of PC later smart phone and tablet.
- **Seagate Technology 1979**
  - Founded by Alan Shugart. Market timing of disk drive and PC.
- **Cisco 1984**
  - Founded by Len Bosack and Sandy Lerner. Market timing of networking.



天時

# Market Timing



**amazon.com**<sup>®</sup>

- Amazon 1994

- Founded by Jeff Bezos. Market timing of internet online shopping.

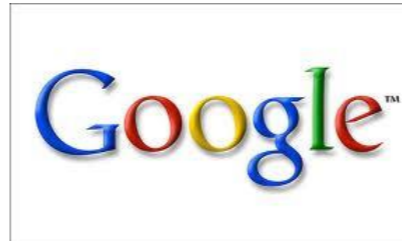
**YAHOO!**<sup>®</sup>

- Yahoo 1995

- Founded by Jerry Yang and David Filo. Market timing of internet search engine and web portal.

天時

# Market Timing



- Google 1998
  - Founded by Larry Page and Sergey Brin. Market timing of super internet search engine.
- Facebook 2004
  - Founded by Mark Zuckerberg. Market timing of social network.





天時

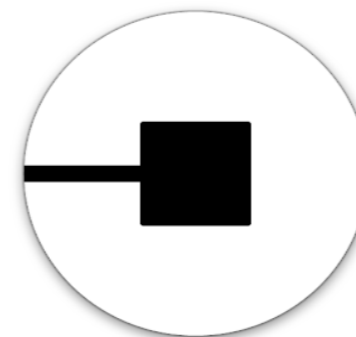
# Market Timing



- Airbnb 2007
  - Founded by Brian Chesky and Joe Bebbia on the concept of online hospitality service.



- Uber 2009
  - Founded by Garrett Camp and Travis Kalanick on the concept of sharing economy.



# Competitive Strategy



地利

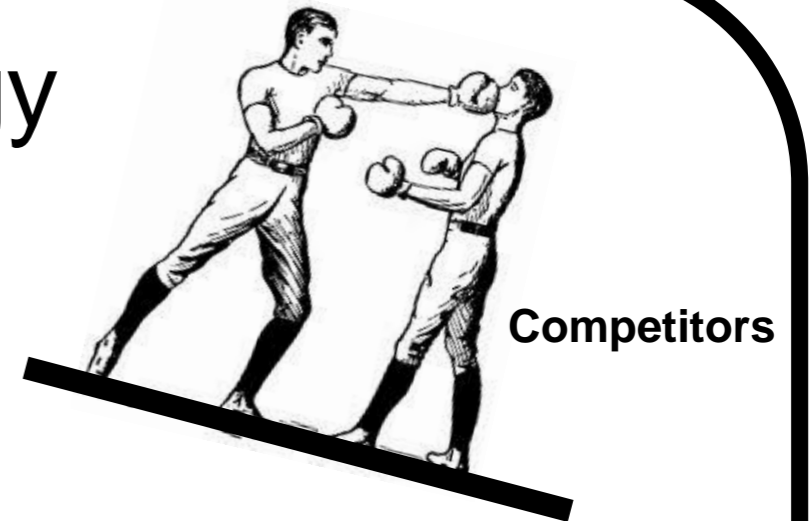
The Basic Purpose of a Business is  
To Create Customers  
and to Keep Them



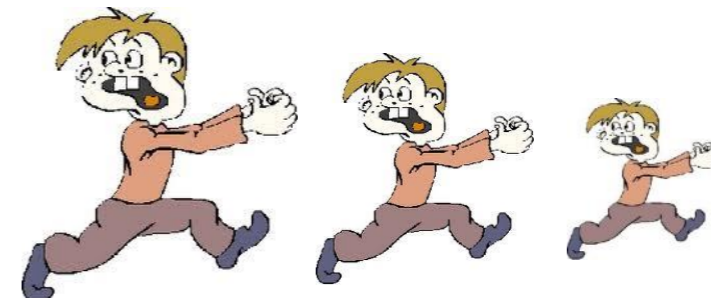
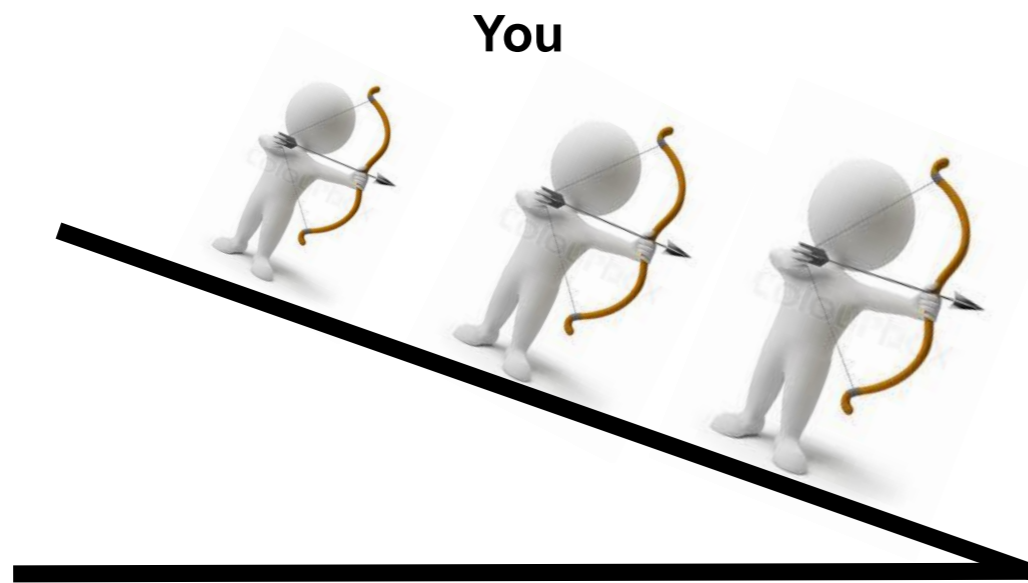
# Competitive Strategy



地利



- Stay on high ground – Market positioning
- Focus on your strengths
- Attack competitors' weaknesses



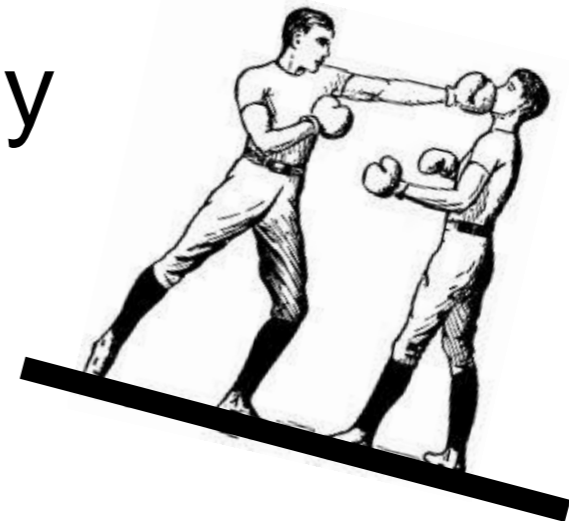
Competitors

地

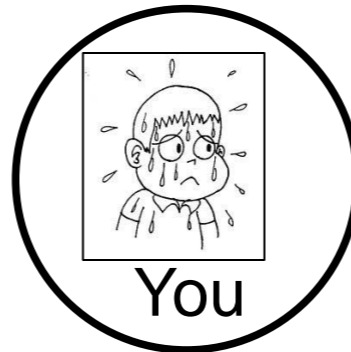
# Competitive Strategy

地利

Industry Structure



Competitors



Suppliers



Customers

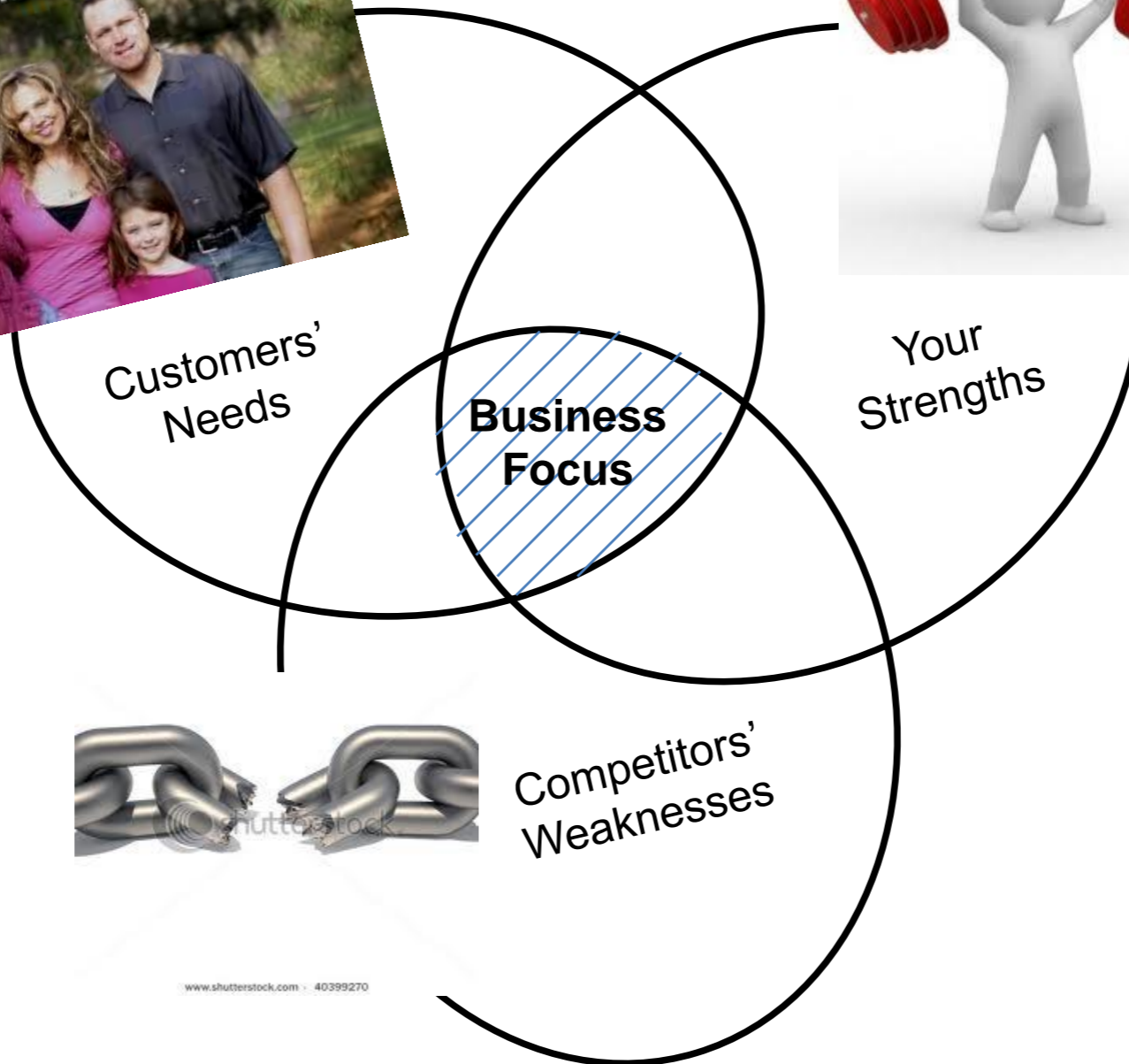
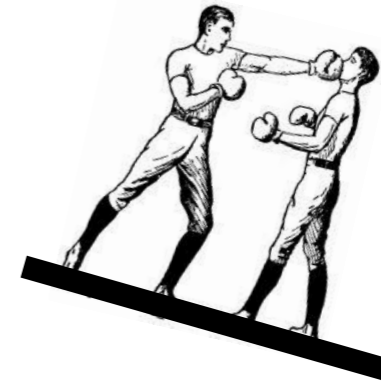


New Entrants & Substitutes





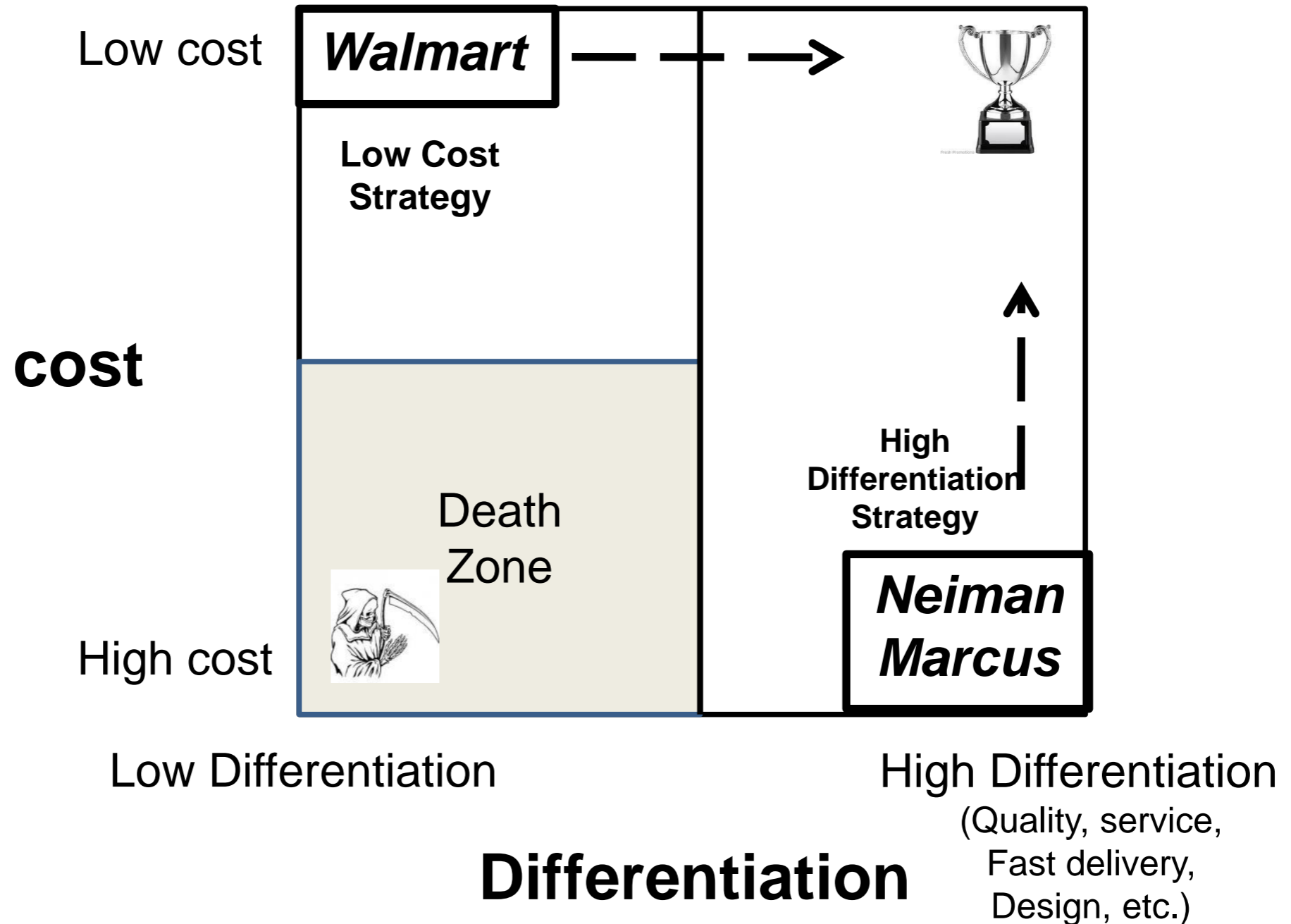
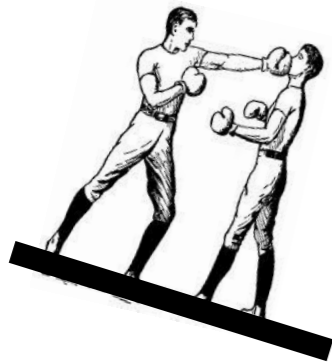
# Competitive Strategy



# Competitive Strategy

Focus on Your Strength

Superior Position



將

Generalship



將

- Management 管理
- Leadership 領導

將

# Generalship



萬眾易得一將難求



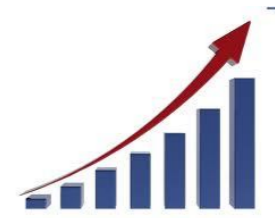


將

# Generalship



- Management 管理  
The “Science” of getting things done through people



- Leadership 領導  
The art of getting people to do things willingly





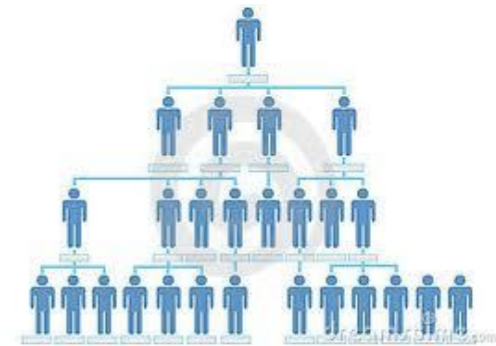
# Generalship



## Basic Responsibilities of a Manager

### Achieve Organizational Objectives

- Satisfy customers' requirements
- Satisfy employees' needs
- Achieve financial results for investors
  - Profits, ROE and growth, etc.
- Invest for the future
- Create values for the community





# Generalship



Management Starts with How to Manage Yourself

Well:

Manage Yourself:

- Time management
- Integrity and ethics
- Accountability and credibility
- Self driven
- Discipline
- Communication skills
- Decision making
- Judgment
- Listening skill





# Generalship



## Manage Yourself: (Cont'd)

- Continuous learning and development
- Objectivity
- Logical and non-emotional
- Negotiation skill
- Stress management



# Generalship



## Manage People:

- Setting goals
- Planning
- Budgeting
- Staffing and recruiting
- Scheduling
- Reviewing results
- Coaching
- Organizing
- Motivating
- Delegating
- Compensation





# Generalship



## Manage People: (Cont'd)

- Setting performance plan
- Managing performance
- Appraising and feedback
- Managing difficult people
- Communication
- Conducting meeting
- Developing and training
- Safety and security
- Equal opportunity
- Resolving people conflicts
- Establishing succession plan
- Interdepartmental coordination





# Generalship



## Management Process

1. Set Goals and Priorities
2. Plan
3. Staff and Organize
4. Establish Control
5. Execute
6. Conduct Appraisal and Feedback

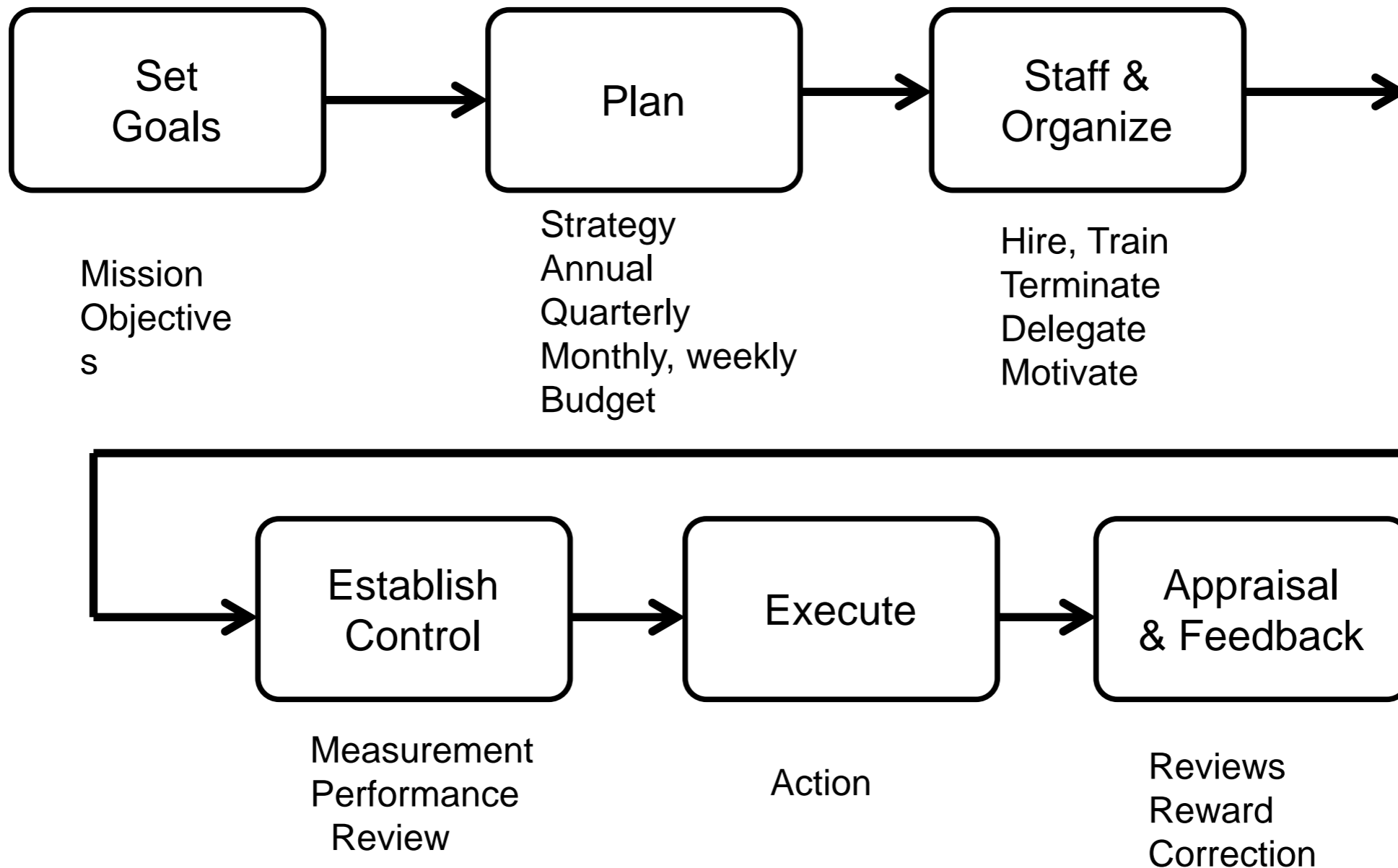




# Generalship



## Management Process



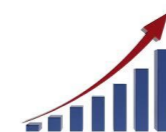
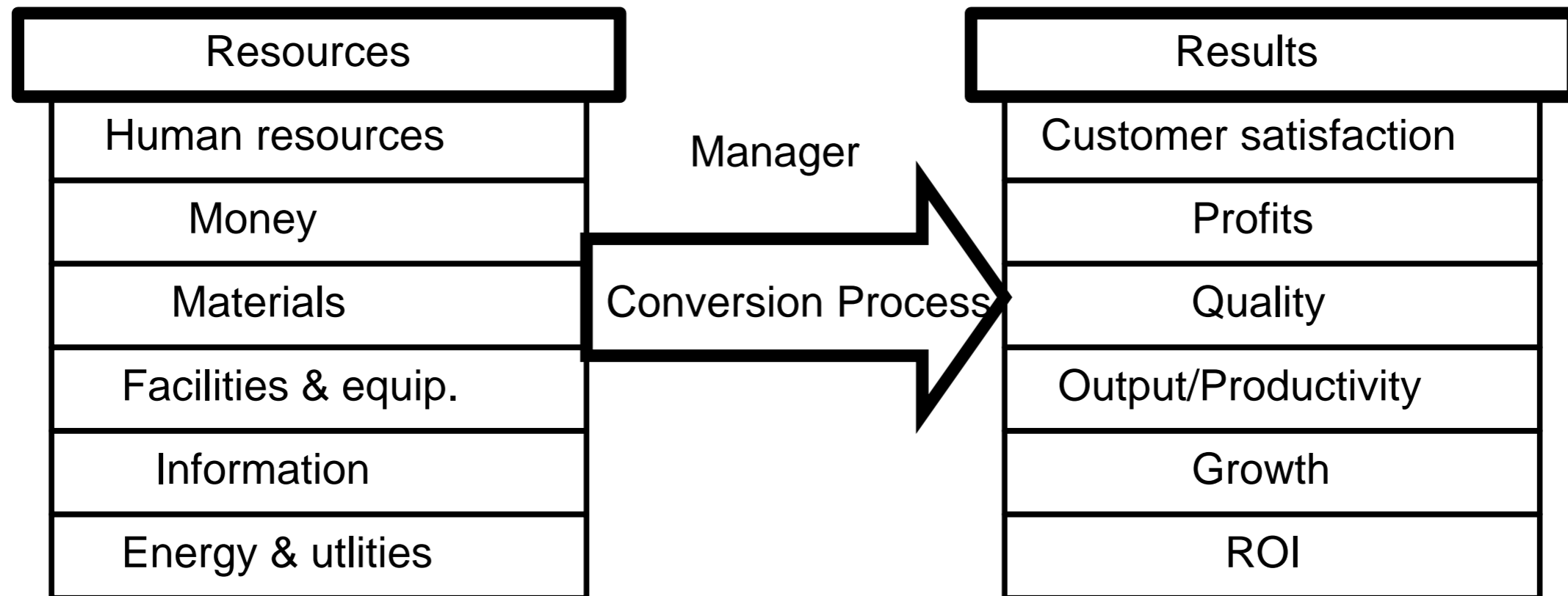




# Generalship



The effectiveness of a manager is judged by the results by using the available resources





# Generalship

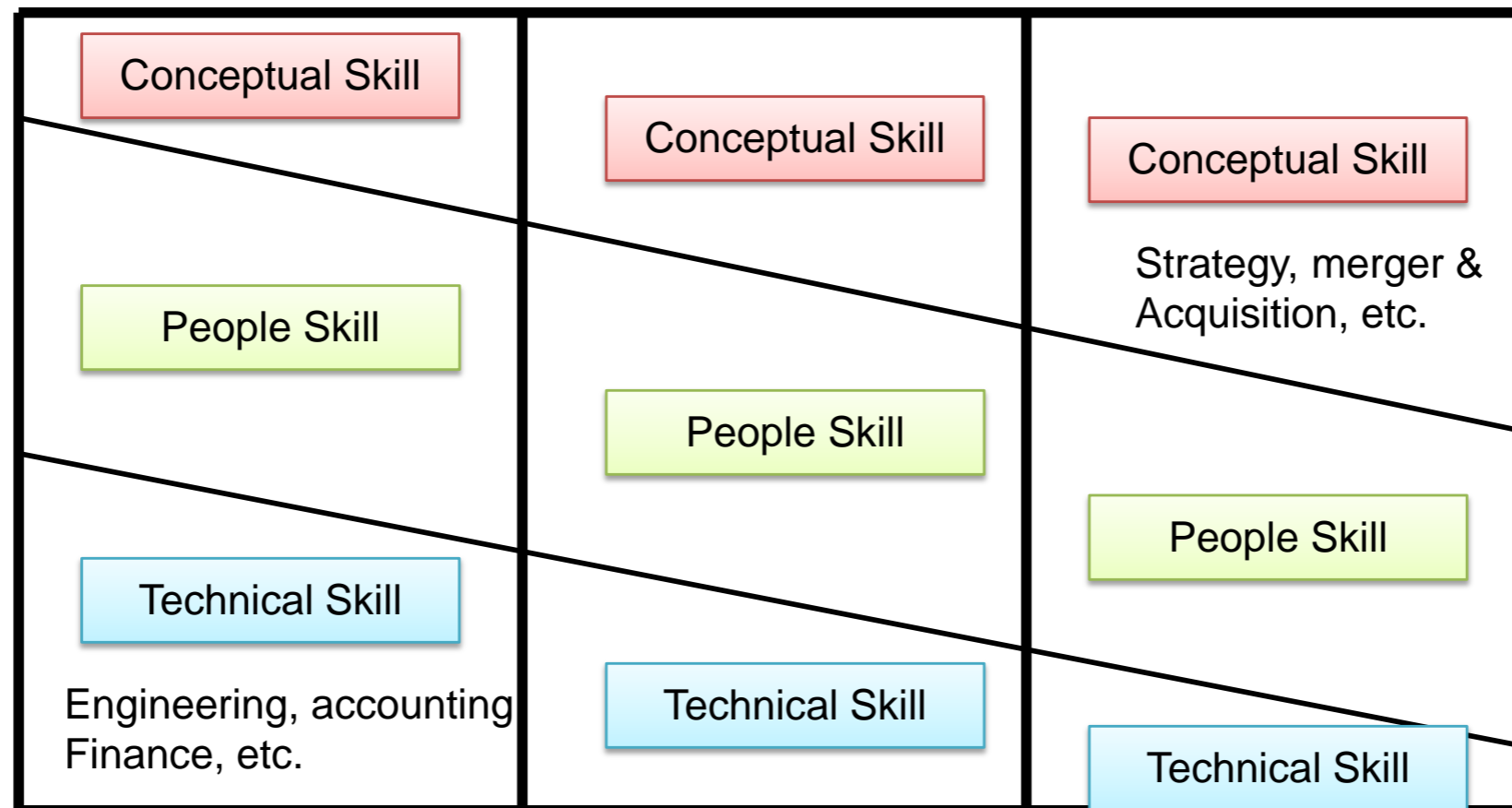
## 3 Skills of a Managers



Lower level  
managers

Middle level  
managers

High level  
executives





# Generalship



A Good Manager is Like a Good Conductor



A Conductor Conducts, but Does Not Play



# Generalship

## Management Process



### Manage Meetings

A manager usually spends about 80% of time in meetings to get things done through people.

How to effectively manage meeting is a critical skill for a manager.





# Generalship

## Management Process



## Manage Meetings

### Two Types of Meetings

A. Process oriented meetings

B. Problem solving meeting





# Generalship

## Management Process



## Manage Meetings

### Two Types of Meetings



#### A. Process oriented meetings

- One-on-one meeting  
Between manager and subordinate  
Weekly- A very critical discipline  
Help subordinate develop own plan  
and tracking
- Staff meeting
- Operational review meeting





# Generalship

## Management Process



## Manage Meetings

### Two Types of Meetings

#### B. Problem solving meetings

- Special mission oriented
- Fire fighting
- A good manager should keep this type of meeting less than 20% - 30%, otherwise the organization is ineffective.



將

# Generalship



## 領導 Leadership

- Integrity and honesty
- Trust
- Motivation
- Vision
- Mission
- Delegation
- Employee development
- Coaching
- Caring
- Hiring and keeping the best
- Team building
- Communication
- Fair-minded
- Broad-minded







# Generalship

## Leadership (Cont'd)



- Initiatives
- Judgment
- Decision making
- Recognition
- Proper critique
- Appraisal and counseling
- Sensitivity
- Courage
- Selfless





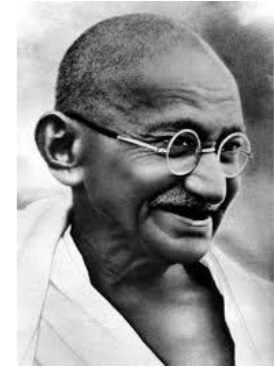
# Generalship



## Examples of Greatest Leadership



- Gandhi
- Dr. Martin Luther King, Jr.
- Jesus
- Nelson Mandela



People followed them, fought for them,  
died for them and even did not get paid.  
WHY?

They were great leaders ,but may  
not be great managers.



# Generalship

## Leadership



How to Motivate?

There are thousands of theories

One example:

Maslow Theory – Hierarchy of Needs

A good leader always is a good motivator.

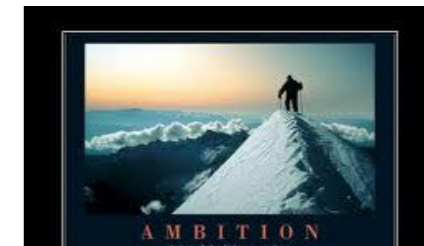
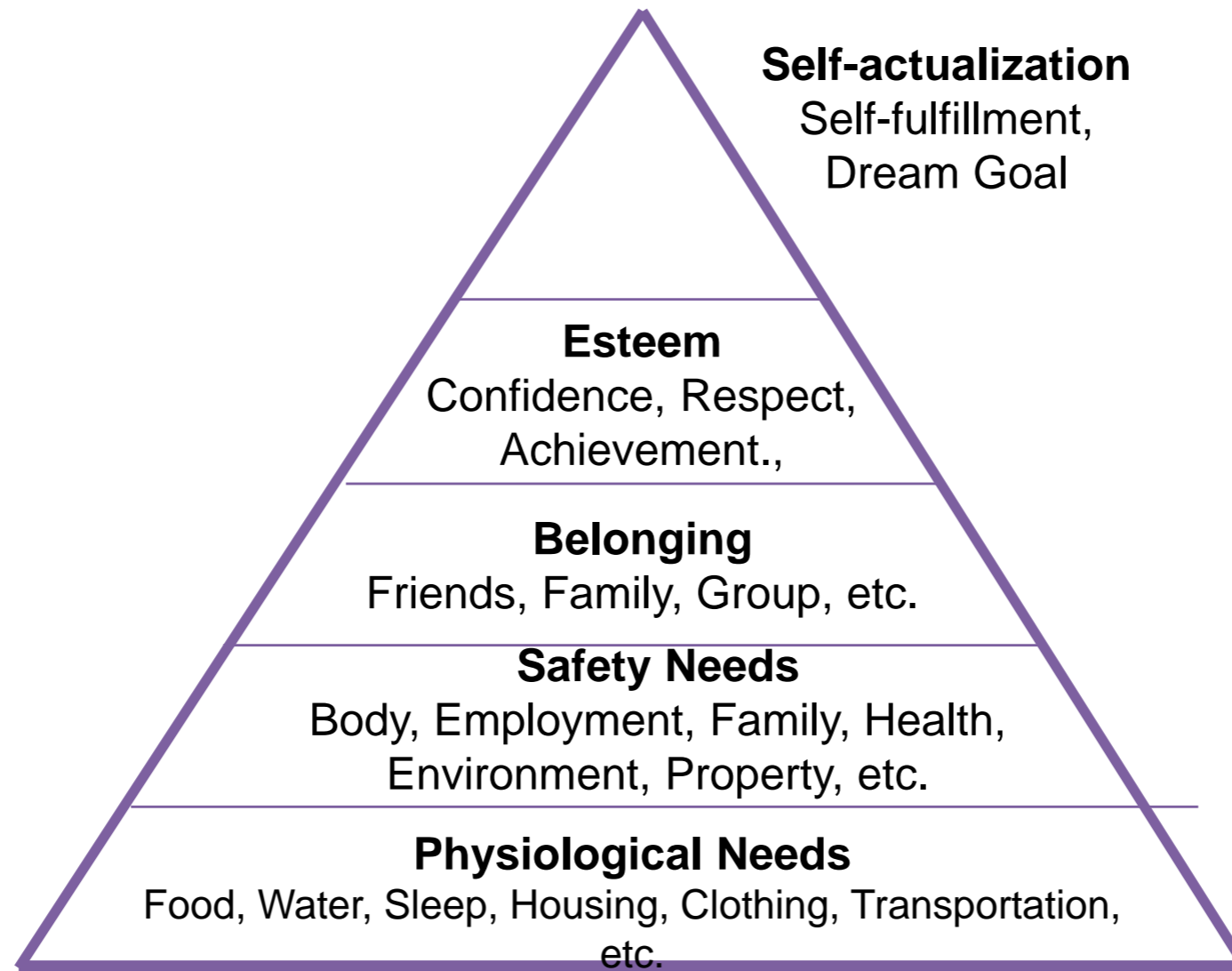




# Generalship

Motivation

Maslow Hierarchy of Needs



Know your employees' needs, and satisfy them.



# Generalship

Another Example of Leadership Theory  
Leadership Process

By James Kouzes and Barry Posner



1. Challenge the process



⇒ 2. Inspiring a shared vision



⇒ 3. Enabling others to act



⇒ 4. Modeling the way



⇒ 5. Encouraging the heart





# Process & System



Establish the Process and Information Systems for:

Strategy management

Planning

Sales and marketing

Finance

Engineering

R&D

Operations

Quality

IT

Human resources

Legal

# Key to Business Success

To create a successful business and sustain its growth, you need to have these five elements and cash



Business  
Philosophy

正道



Market Timing

天時



Competitive  
Strategy

地利



Generalship

聚將



Process &  
System

法制

Without all the elements, a business can not sustain its growth for a long time.