

Global Sales Program Generates 16X Revenue Boost by Unifying Education

Lenovo and Motivforce Best Sales Training Program for Extended Enterprise November 2024



Company Background



Company-at-a-Glance			
Headquarters	Beijing, China & North Carolina, USA		
Year Founded	1984		
Revenue	US\$62 billion		
Employees	71,500		
Global Scale (Regions that you operate in or provide services to)	180 markets		
Customers/Output, etc. (Key customers and services offered)	Design, manufacture and marketing of consumer electronics, personal computers, software, business solutions, and related services. Products manufactured by Lenovo include desktop computers, laptops, tablet computers, smartphones, workstations, servers, supercomputers, electronic storage devices, IT management software, and smart televisions, which are sold in all global markets		



Industry	ІТ
Stock Symbol	HKSE:992
Website	www.lenovo.com

Company Background



Company-at-a-Glance		
Headquarters	London	
Year Founded	2012	
Revenue	US\$30M	
Employees	75	
Global Scale (Regions that you operate in or provide services to)	Strategic hubs in Europe, USA, Australia, Hong Kong, China, Brazil & India	
Customers/Output, etc. (Key customers and services offered)	Customers include IBM, Lenovo, Nutanix, Celebrity Cruises, Eaton, Norbrook, Purple Hammer, Viking Cruises and Amber Beverages, for whom we operate B2B loyalty and educational programs with a total of over 100,000 channel partner participants in 132 countries	
Industry	Loyalty Marketing	
Stock Symbol	n/a	
Website	www.motivforce.com	



Budget and Timeframe

Budget and Timeframe	
Overall budget	US\$6M (including rewards)
Number of (HR, Learning, Talent) employees involved with the implementation?	2 from Motivforce; 2 from Lenovo
Number of Operations or Subject Matter Expert employees involved with the implementation?	6 from Motivforce; 2 from Lenovo
Number of contractors involved with implementation	4 (mainly IT)
Timeframe to implement	12 months
Start date of the program	1 st January 2023

Fit to the Needs

Lenovo is a US\$70 billion global technology powerhouse, best known as the world's largest PC manufacturer, which also operates in the server/storage and services markets. Lenovo operates in a highly competitive market where other major vendors (including IBM, Dell, HPE, Oracle, CISCO, Apple, ACER, Fujitsu and Pure Storage) are targeting resellers in the B2B channel. Lenovo is heavily dependent on this channel to win and protect market share as it accounts for 90% of sales.

Up until 2022, Lenovo's approach to its B2B network had been fragmented with separate sales strategies and incentives for its Server and PC business (especially since acquiring IBM's PC division in 2004, and IBM's Intel-based server/storage division in 2014). In 2022 Lenovo unveiled 'Lenovo 360', a new global channel partner framework synthesizing all of Lenovo's separate business offerings into a ONE Lenovo offering. Lenovo 360 followed the company's reorganization of three core business units: Intelligent Devices Group (the core PC and laptop business), Infrastructure Solutions Group (server and storage solutions) and a new Solutions and Services Group.

The new 360 approach was driven by the recognition that the market is shifting from transactional sales to relational sales. The new Lenovo 360 framework came at a time when many small businesses and large enterprises alike are increasingly moving towards the 'Everything-as-a-Service' consumption model. Lenovo 360 aims to raise resellers' awareness of Lenovo's end-to-end solutions and the



benefits of cross-selling service-led and solutions-based opportunities with their customers to drive additional revenue streams.

The global LEAP (Lenovo Expert Achievers Program), created and managed by Motivforce, has operated annually since 2015 to drive channel partners' loyalty in selling Lenovo's Intelligent Devices Group server and storage solutions (following the 2014 acquisition of IBM's server division). LEAP was selected by Lenovo in 2022 to harmonize the new Lenovo 360 global channel partner framework and become the primary mechanism for educating channel partners about the benefits of Lenovo's end to end offering. Due to LEAP's exceptional success in underpinning Lenovo's business objectives that year and delivering extraordinary ROI, the program continued to be a pivotal component in 2023 for educating Lenovo's global channel partners on the relevancy of Lenovo as an E2E solution provider, thus driving sales and revenue.

Overview

Lenovo needs to ensure that its channel partners are as technically proficient as possible, giving them a competitive edge when selling Lenovo's solutions to their end clients. Research amongst program participants has shown a high correlation between education and skills level (measured by successful course completions of sales skills simulator assessments) and sales efficacy.

The need to educate channel partners has taken on an even greater significance since the decision by Lenovo to introduce the 360 channel partner framework. Lenovo needs to ensure channel partners are trained and incentivized to sell the entire Lenovo portfolio across devices, infrastructure and services effectively.

However, this is an aggressive market and Lenovo's competitors are also pushing educational and product loyalty content to the same audience. In addition, Business Partners only have limited bandwidth to undertake training during their working week due to workplace demands and time constraints.

LEAP has to provide easy access for participants to training courses and learning materials across the entire Lenovo portfolio of products and solutions. It also has to continue to stand out from competitors' offerings, provide compelling content in a quick and user-friendly online format, and worthwhile rewards in order to drive engagement, convert sales, and generate revenue for Lenovo.

LEAP targets resellers in Lenovo's distribution channel globally at individual and firm level by rewarding them for undertaking voluntary online training courses and learning activities, in order to increase their technical knowledge of Lenovo solutions and products. LEAP also rewards them for sales of eligible products. The program targets individual frontline staff as well as technical personnel at channel partner firms, as well as the overall firm, who sell to end users.



LEAP operates in 100+ countries (in nine languages), split into four regions: EMEA, North America, Latin America, APAC. In 2023, the LEAP program had 23,164 enrolled participants at 10,245 firms.

The overall goals for the LEAP program in 2023 were:

- To ensure the program continued to support Lenovo's 360 business objectives, with seamless integration of Lenovo's end to end solutions across three business groups, whilst also dovetailing LEAP's messaging and design with the overall Lenovo 360 brand strategy to ensure a quality user experience for participants
- To educate and incentivize channel partners to sell the Lenovo 360 portfolio of integrated products and outcome-based solutions, thus driving their excitement and engagement in the Lenovo 360 concept
- To integrate an additional business unit, Lenovo PC Accessories, within LEAP
- To ensure the program remains globally consistent, but also locally relevant in each region/market;
- To introduce LEAP and the 360 framework to additional markets (namely Brazil in LATAM; Malaysia and Philippines in APAC)
- To generate revenue for Lenovo of at least 5 X more than similar-profiled non-participants

There is no doubt that LEAP more than met these objectives in 2023. LEAP's flexibility and scope enabled the program to meet the business objectives of Lenovo not just globally, but regionally driving specific channel partner behavior. LEAP was a core component underpinning the Lenovo 360 channel partner framework, and in training and educating channel partners to sell the entire portfolio of Lenovo's solutions. LEAP saw a surge in course completion, particularly in the EMEA region, with participants completing an average of 2000 courses per week. The educational incentives and sales promotion campaigns deployed in the 2023 program led to phenomenal sales efficacy results. LEAP participants generated over \$6 billion in revenue for Lenovo which was 16 X more revenue than like-for-like non participants (same geography, similar turnover and size). In terms of specific business units, LEAP participants who engaged in learning generated 5.5 X more revenue for Infrastructure Solutions Group (servers/storage) than like-for-like non participants; and for the Intelligent Devices



Group (PCs/laptops) LEAP participants who engaged in learning generated 16.2 X more revenue than like-for-like non-participants.

(See Measurable Benefits for further results)

Design of the Program

The program theme is designed to convey action and forward progression (the desired result of developing skills and applying them to achieve greater sales efficacy). LEAP is an acronym for Lenovo Expert Achiever Program – it creates momentum and progression as the term is easily converted into call-to-action communications (e.g. LEAP ahead of the competition, LEAP into a whole new world of benefits, LEAP into new training etc). LEAP also infers larger strides, a sense of urgency and lends itself to be more energetic in tone and style. The progressive concept of LEAP has also enabled the program to bring on board alliance partners, such as Intel, AMD, Microsoft (thus allowing for double dipping of points) enabling participants to take an even bigger LEAP with Lenovo.

LEARN & EARN - LEAP participants are awarded points for completing a range of key learning and core capability modules no matter what their skill level. The LEAP learn and earn component is fully integrated via single sign-on with seamless click thru to the Lenovo Partner Training Platform enabling participants to easily access relevant training courses for which they will be awarded points on successful completion. This enables Lenovo resellers/Business Partners to complete eligible course via the Lenovo e-learn platform and immediately view course completions and points earned in their LEAP account

 Quick-learn modules – each module provides a high-level overview of specific Lenovo products and solutions. Each module consists of three elearning lessons. Resellers have limited time available for training in the working environment, so each lesson is designed to take 10-15 minutes to complete online



novo O	Home My LEAP Claim a sale	Take a course Promotions Reward catalogue	Q Z 8				
	Home > Take a course		Course name	Course Code:	Points	Duration (mins)	Take course
	Take a course		Mandatory				
	Improve your sales and technical sl	ills with Lenovo training via LENOVO PARTNER LEARNIN	Lenovo Data Center Product Portfolio	SXXW1110r4	50	30	Take the Course
	Take a course and if you are Lenovo LEAP members earn points on the	Certified add your Certification to your LEAP account. courses listed below.	Why Services in the Channel- IDG	SSSW026EEN	25	10	Take the Course
		Add a certificate	Optional				
	Courses	Add a certificate	Family Introduction: Rack and Tower	SXXW1100r3	25	п	Take the Course
	Filter by course group	 ✓ Search 	Family Portfolio: ThinkSystem Intel Rack and Tower	SXXW1204r10	25	10	Take the Course
			Family Introduction: Edge Servers	SXXW1105	25	18	Take the Course
			Family Portfolio: Edge Solutions	SXXW1108r4	50	30	Take the Course
			Family Introduction: Storage	SXSW1100r4	25	15	Take the Course
			Family Portfolio: Storage	SXSW1201r14	25	15	Take the Course
			Family Portfolio: Storage Controller Options	SXXW1111	50	25	Take the Course
			Lenovo ThinkSystem DM and DE Series Overview	DDMO101r5	50	25	Take the Course
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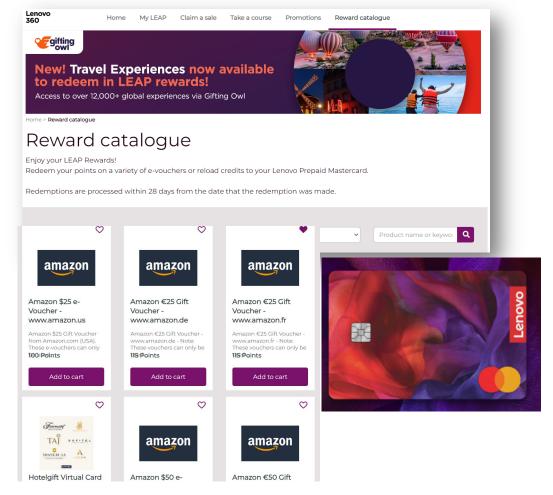
- Skills Enhancement Courses training takes 1-2 hours and equips participants with skills that can give them a competitive edge when selling to customers
- Custom Guided Education Roadmaps participants complete an assessment test. Based on their answers, a customized road map is presented outlining education requirements to prepare for certification
- Certifications intended for a seasoned sales or technical person, Lenovo certification is the highest accreditation a Reseller can achieve, placing sellers and their company at a distinct advantage to grow potential revenue and gain market share. LEAP provides participants with support to help them successfully complete certifications.

New ways to Learn, Ear and Profit with LEAP. Get Lenovo Certified: 200 Points on selected certifications Term and conducts racky.	n 200 LEAP points	Smarter technology for all	Lenovo 360 Smarter technology
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Certification name	Certification code	LEAP Points	puntos LEAP
Lenovo Certified Storage Sales Professional	LENU-120C	200	
Lenovo Data Center Cloud Sales Certification	LENU-118C	200	Aplican T&Cs



SELL & EARN - LEAP participants are also awarded points for sales of eligible Lenovo products and E2E solutions. To understand the impact of completing the learning modules on sales efficacy, longitudinal reporting captured time and date when online modules were completed and were compared with the individual's sales activity. In-depth analysis indicated whether actual sales behavior had increased, particularly for products featured in the educational modules.

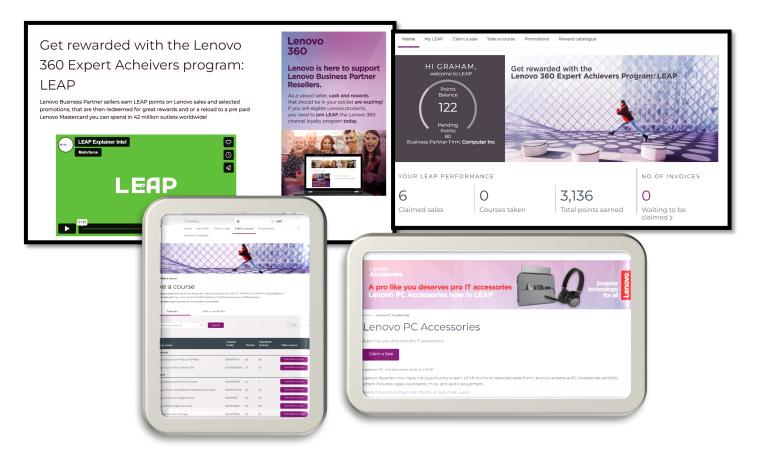
Reaping the Rewards – participants redeem their points earned from learning activities (and sales of eligible solutions) for MasterCard gift cards, Mastercard reloadable cards, or a range of retail vouchers (relevant to local regional retailers) The importance placed on ensuring LEAP participants feel appropriately rewarded for their commitment to learning (positive Effort Advantage Ratio) is demonstrated by the fact that 90% of the program budget is allocated to the cost of rewards





Delivery of the Program

The program is delivered via single sign-on to the Lenovo Partner Hub to a bespoke user-friendly regionalized LEAP portal which gives Business Partners 24/7 access to a wealth of tools to help them boost their technical knowledge and selling skills, pursue their educational development, check their qualifying sales, view their points balance, and redeem their points for rewards. In 2023, the portal was redesigned with new look and color palette to align with Lenovo 360's style guidelines. This style also applied to all promotional assets and comms materials.

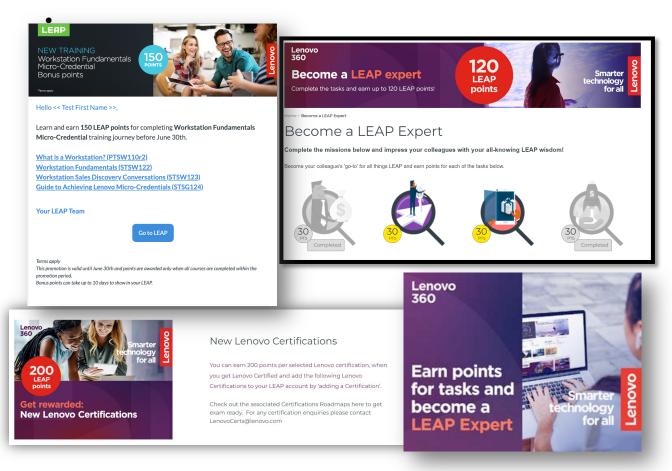


To ensure LEAP delivered on 2023 objectives and continued to remain highly engaging for participants, the following was introduced:

• Major focus on Learn & Earn element of the program in all regions with specific incentive promotions to drive course completions in order to upskill and educate Resellers to sell the full portfolio of Lenovo 360 products/solutions. The 'Take a Course' section of the LEAP portal



featured over 50 courses, covering a multitude of sales and technical skills across the Lenovo product portfolio, which participants could earn points for completing. By clicking on the relevant course, LEAP participants were immediately taken to the Lenovo Partner Learning platform to complete the training. Participants were also awarded 200 LEAP points for completing selected Lenovo certifications, which they added to their LEAP account.



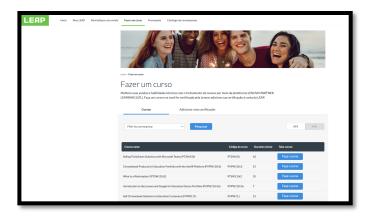
• Launch of LEAP in Brazil with a Learn program to specifically upskill channel partners in selling Intelligent Devices Group (PC and laptop division) from June to October. (Sell & Earn was subsequently added in October)



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- Launch of LEAP in Malaysia & Philippines both countries launched • with Learn credentials and certifications offering 200 LEAP points for each completion. This was a targeted soft launch to Gold and Platinum resellers with quarterly learn budgets in place for both markets.
- **Regionalized tactical incentives** were introduced throughout the year to drive learning and sales of specific solutions. For example:
 - Latin America ISG Certification promotion participants 0 earned 150 points for attaining Certifications on certain storage solutions between Q2 & Q4

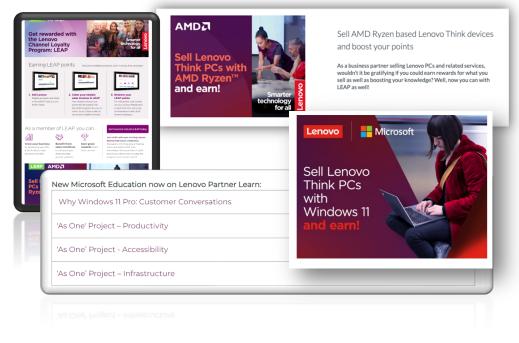


álida para certificaciones obtenidas del 1ero de Julio al 31 de Diciembre 2023

IEA. LEAP

participants earned points for completing AMD knowledge training courses and selling any AMD Ryzen based Lenovo ThinkBook, ThinkPad, ThinkCentre and ThinkStation. In a separate promotion, LEAP participants earned points for per sold device for selected Microsoft Windows based Lenovo ThinkBook and ThinkPad, and also boosting their knowledge by completing three training courses (e.g. Why Windows 11 Pro: Customer Conversations)





 Lenovo 360 Spin to Win in North America – gamification-based incentive rewarding participants for sales of eligible products and solutions which had been featured in the Learn & Earn component of the program, with the opportunity to 'Spin the Wheel' to earn bonus LEAP points



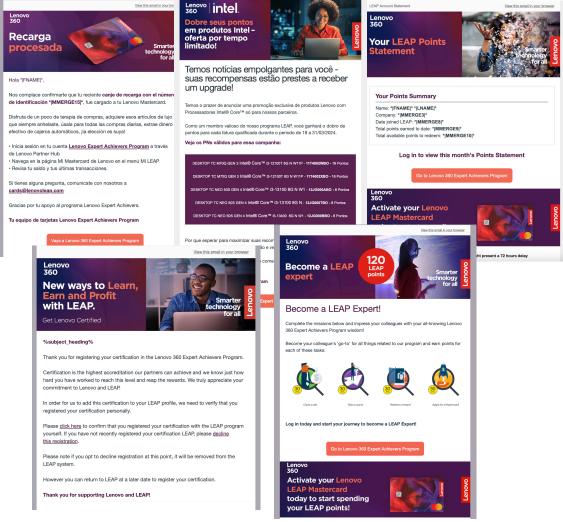
Participant Engagement in LEAP was also driven by the following:

• **Bespoke Analytics** and detailed reporting for each individual participant were applied showing educational progression and sales efficacy. Analytical models and propensity matching (where profiles were compared against similar high



performing participants) resulted in individual incentives and bespoke communications to further drive each participant to their maximum potential.

• **eDM Communications** - participants in each market receive targeted communications announcing new course modules, account statements, and eligible product promotions (translated in 9 languages) prompting them to engage with the LEAP portal



Measurable Benefits

The effectiveness of the 2023 LEAP program is determined by the sales efficacy of participants compared to similar profiled non-participants – similar profile refers to same geography, similar turnover and size (like-for-like analysis).

Sales Efficacy & Revenue – LEAP participants generated over US\$6 Billion in revenue for Lenovo globally on products/solutions featured in the program across all Lenovo 360 business divisions. This amount was a phenomenal 16X more



revenue than like-for-like non participants (same geography, similar turnover and size).

The overall budget for LEAP in 2023 was US\$ 6 Million, which means the program delivered a phenomenal ROI for Lenovo. Each \$1 invested in the program delivered revenue of \$1,000 for Lenovo

In terms of each Lenovo business units, the results were highly impressive and exceeded all of Lenovo's expectations and objectives

Infrastructure Solutions Group & Solutions & Services Group

- More Revenue an average LEAP channel partner generated 5.5X more sales revenue than a channel partner not in LEAP and 8.3X more when the participant engaged learning.
- Higher Volume Average number of products sold by a LEAP firm was 4.2X more than a non-LEAP firm, and 7.8 X more if the LEAP firm had engaged in learning
- Channel partners in LEAP represent 23% of Lenovo's distribution channel for sales of ISG products (servers/storage solutions) yet they contributed 64% of total revenue for products featured in the program.

Intelligent Devices Group

- More Revenue an average LEAP channel partner generated 13X more sales revenue than like-for-like channel partner not in LEAP and 16.2X more when the LEAP participant engaged learning.
- Higher Volume Average number of products sold by a non-LEAP firm was 188 compared to a LEAP firm who sold 2,966 (15.8X more) and a LEAP firm who engaged in learning was 5,373 (28.5X more).
- Channel partners in LEAP represent 13.7% of Lenovo's total channel partner population for ISG and IDG products, yet they contributed 66.5% of total revenue for products featured in the program.

Learning – LEAP experienced a surge in course completion, particularly in EMEA where participants completed an average of 2000 courses per week; from January to December, a total 68,467 courses were completed (+287%). In ANZ course completions were up YoY by 318%. In Brazil, where LEAP launched for the first time with a Learn only program in June 2023, there was a rapid uptake in course modules, with 5 times more participants per quarter completing modules (from 28 participants in Q1, to 143 in Q2 and 178 in Q3 – who completed a total of 2,500 courses/training modules for IDG (Intelligent Devices Group – PCs & Laptops)

Enrolment – all regions saw major increase in participants at individual and firm level and extremely high active participation. In North America, number of



enrolled participants grew more than 45% to total 1103. In Latin America, 1041 participants enrolled in 2023, compared with 568 firms in 2022 (+83%). In EMEA, enrolled firms more than 45% YOY. In Brazil, where LEAP was launched for the first time in June 2023, enrollment increased 4 times quarterly.

Overall

LEAP continued to be a critical component in supporting Lenovo with the transformation of its business to the Lenovo 360 strategy, and position Lenovo as an E2E solutions provider among its global B2B distribution channel. The flexibility and scope of LEAP enabled the program to meet Lenovo's ambitious business objectives not just globally, but regionally, driving specific channel partner behavior and sales of the entire Lenovo portfolio of products. Of all the campaigns and incentives operated by Lenovo in its local markets, LEAP is recognized as the most effective global channel loyalty and enablement program to underpin Lenovo 360.

The correlation between learning and sales efficacy was proved without doubt as LEAP participants generated even greater revenue for Lenovo when they had engaged in learning, compared with like-for-like non-participants.

Whilst this is a global program, another key to its success is to drive local and regional engagement by tailoring educational incentives and content for individual markets. This was evidenced by the significant regional uptake in course completions.

The continued demand from alliance partners to join the program further supports the effectiveness of LEAP in this industry. This was evidenced by major brands such as Microsoft, Intel, and AMD seeking to be part of the LEAP offering in 2023. This approach offers many organizations the opportunity to heighten the value proposition and drive loyalty behaviors especially if the purchase process is lengthy.

The success of the program and 2023's exceptional results were also due to ensuring LEAP continued to be an appealing and engaging offering to Business Partners.

Going forwards, in a highly-competitive market, it is essential that LEAP continues to set the gold standard for channel incentive programs, blending best-in-class educational resources, innovative and agile promotional incentives, a competitive offering in terms of points, a generous effort to reward ratio, effective communications and robust digital delivery.

Behavioral analytics will continue to be an important part of the program. Discovering more ways of tracking and measuring selling and learning behavior, and developing an increasingly detailed view of how best to target and motivate participants to undertake learning at the right time to convert optimal sales opportunities, will be main areas of focus over the next year.



Continuing to adapt the program to meet the cultural differences of each market where LEAP operates, whilst also remaining consistent with Lenovo 360 brand positioning will also be a major focus over the next 12 months.



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