

APPENDIX A.
KEY FACTS AND SOURCES: LENOVO

Date	Event	Details	Sources*
1984	<ul style="list-style-type: none"> – Founded as <i>New Technology Development (NTD) Company</i> also called <i>Beijing Legend</i> with the backing of the Computing Institute (an affiliate of the Chinese Academy of Science) 	<ul style="list-style-type: none"> – NTD acquired products from large domestic distributors or importers and sold to government agencies. 	– [1], [2]
1985	<ul style="list-style-type: none"> – NTD leveraged its ties to the Computing Institute in developing the “Legend Chinese Insertion Card” 	<ul style="list-style-type: none"> – The card translated the English OS into Chinese and was a huge success – Strong ties with the Computing Institute allowed Legend access to research and also put it in a unique bridging position between foreign organizations entering the Chinese PC market and the Computing Institute 	– [1]
1987	<ul style="list-style-type: none"> – NTD signed a distribution agreement for <i>AST</i> and <i>Hewlett Packard</i> products 	<ul style="list-style-type: none"> – Started with distribution of CAD systems followed by <i>HP</i> printers and other peripheral products 	– [1]
1988	<ul style="list-style-type: none"> – Joint Venture with <i>Dao Yuan</i> (Hong Kong trading company) and China Technology Transfer Company – Acquires <i>Quantum Design International</i> 	<ul style="list-style-type: none"> – Begins PC distribution in Hong Kong – Begins manufacturing PCs in Hong Kong 	– [1]
1989	<ul style="list-style-type: none"> – Name changed to Legend 		– [1]
1990	<ul style="list-style-type: none"> – Legend is granted a license to manufacture PCs in Mainland China 	<ul style="list-style-type: none"> – Launches its first PC Legend 1+1 at RMB 3000 	– [2]
1993	<ul style="list-style-type: none"> - <i>Apple Computers</i> forms a marketing agreement with Legend 	<ul style="list-style-type: none"> – <i>Apple</i> depends on Legend to distribute its products 	– [3]
1994	<ul style="list-style-type: none"> – Eliminates direct sales of PCs and switches entirely to distributor sales – Exclusive distributor for <i>Toshiba, Sun, IBM, Marubeni Corporation, and Canon</i> – Begins distribution of <i>HP</i> servers 	<ul style="list-style-type: none"> – First domestic distributor to make this switch enabling it to hone its channel management skills – Legend develops the largest and most efficient dealer network in China – Foreign players increasingly depend on Legend to resell their products 	– [1], [2], [4]
1997	<ul style="list-style-type: none"> – Signs an agreement with <i>IBM</i> to preinstall IBM-related software into Legend brand computers 	<ul style="list-style-type: none"> – Ties with <i>Hitachi</i> and <i>Syquest Technology Inc</i>, primarily upstream MNE partners, do not play a major role in Lenovo’s business 	– [2], [3]

	for sale in PRC	development	
	<ul style="list-style-type: none"> - Legend forms a manufacturing strategic alliance with <i>Hitachi</i> and a joint venture with <i>Syquest Technology Inc</i> to manufacture cartridge drives 		
1999	<ul style="list-style-type: none"> - Legend launches Tian Xi desktop 	<ul style="list-style-type: none"> - Begins differentiating its products based on deeper understanding of local customers needs 	- [1]
2000	<ul style="list-style-type: none"> - Legend enters into a internet service provision collaboration with <i>Texas Instruments</i> 	<ul style="list-style-type: none"> - Legend PCs hold 27% of the PRC market share and ranked the first in the Asia-Pacific region outperforming both <i>IBM</i> and <i>Compaq</i> 	- [2]
2001	<ul style="list-style-type: none"> - Announces R&D strategic alliance with <i>Siemens AG</i> 	<ul style="list-style-type: none"> - Legend focuses on arm's length relationships with partners 	- [3]
2002	<ul style="list-style-type: none"> - Legend enters into a 70% ownership joint venture with <i>AI Software Inc</i> and forms strategic alliances with <i>NetTasking Inc</i> and <i>CSG Systems</i> for software development. Announces an R&D collaboration with <i>Kodak</i> 	<ul style="list-style-type: none"> - Notably, the majority of these business relationships are value-added dealerships, marketing service agreements, R&D service agreements and software development agreements. There are very few equity-based ties 	- [3]
2003	<ul style="list-style-type: none"> - The Group adopts the Lenovo name 	<ul style="list-style-type: none"> - Recognized by Business Week as the eighth-best IT company among the world's top 100 IT companies 	- [2]

* Sources:

- [1] Rukstad, M.G., Chen, H., Qin, H., Ye, G., & Yin, Z. 2001. A technology Lenovo in China. *Harvard Business School Case*.
- [2] Pan, Y. 2005. Lenovo: Counteracting the Dell challenge. Asia Case Research Centre, The University of Hong Kong.
- [3] Securities Data Corporation, 1990-2003.
- [4] Liu, C. Z. & Liang, N. 2002. The making of a Lenovo: The role of networks. Presentation at the Academy of Management Annual Meeting in Denver.

APPENDIX B.
**KEY FACTS AND SOURCES: SHANGHAI AUTOMOBILE INDUSTRY CORPORATION
(SAIC)**

Date	Event	Details	Sources*
1950	– <i>Shanghai Tractor & Automobile Corporation</i> (prior entity of SAIC) one of only two passenger car manufacturers in China prior to 1980	– A state-owned auto group in China with close links to policy makers, the central government and banks producing the sedan model called Shanghai	– [5], [6]
1984	– Shanghai Volkswagen 50-50 joint venture established between a consortium of Chinese partners led by <i>Shanghai Tractor & Automobile Corporation</i> and Volkswagen	– First foreign investment in the passenger car industry – Volkswagen was far superior to its partner in areas of technology and business management	– [6], [7], [8]
1985	– First Santana rolls off the trial assembly line	– <i>Shanghai Volkswagen</i> took a simple-product, simple technology strategy – Volkswagen was one of the few foreigners willing to take on the ‘China risk’ that led to its greater bargaining power in the joint venture and tight control on critical technology	– [5], [8]
1990	– Incorporated as Shanghai Automotive Industry Corporation (SAIC)	– Through restructuring of <i>Shanghai Tractor & Automobile Corporation</i>	– [6]
1991	– Volkswagen enters into a joint venture with First Auto Works	– Volkswagen’s linkage with SAIC’s major Chinese competitor lowers the value of SAIC’s external social capital for its foreign partner	– [5]
1991	– SAIC stops producing its own line of cars to strengthen the Volkswagen joint venture	– This action led to SAIC’s overdependence on social capital developed with Volkswagen that limited its own development	– [6], [8]
1993	– SAIC invests its early profits from SVW to develop a local supply base	– Critical car components, however, continue to be shipped from Germany	– [5], [8]
1995	– The <i>Shanghai Volkswagen</i> joint venture introduces the Santana 2000. The modified version of the original Santana used almost the same components.	– The exclusive relationship with Volkswagen prevents SAIC from acquiring updated parts and technology from other Western parts manufacturers – The Chinese market becomes more developed and affluent consumers view Santana as an	– [5], [6], [8], [9]

		old-fashioned model.	
1997	– SAIC signs a joint venture agreement with <i>General Motors</i> to manufacture cars in China	– <i>General Motors</i> promises to bring its best technologies and transfer skills to SAIC – SAIC hopes to pressurize its other partner, <i>Volkswagen</i> to bring new products and technologies to China by entering into the partnership with <i>General Motors</i> as it is displeased with <i>Volkswagen</i> 's continued use of outdated designs in building the Santana car in China.	– [6], [10], [11]
Aug. 1997	– GM and SAIC establish <i>PATAC</i> , a joint technical and design center in China	– This unit provides engineering support to the joint venture and other Chinese auto companies allowing SAIC's engineers to slowly gain experience in Western manufacturing techniques	– [6], [11]
2000	– <i>Tianjin Automobile Industry Group</i> forms joint venture with Toyota	– Chinese auto company begins manufacturing the <i>Vios</i> car with <i>Toyota</i>	– [5]
2002	– <i>First Auto Works</i> acquires <i>Tianjin Automobile Industry Group</i>	– SAIC's Chinese competitors (FAW) relational ties with multinationals (<i>Toyota</i>) continue to proliferate reducing SAIC's ability to establish itself as a critical bridge between the Chinese market and Multinational automakers	– [5]
2004	– SAIC begins taking steps to expand globally by purchasing 49% controlling stake in South Korea's <i>Sangyong Motor Company</i> for \$500 million	– Analysts contend that SAIC's R&D is still not at par with international levels and the company needs to adopt and assimilate the technology gained from foreign partners in order to progress	– [6]

* Sources:

- [5] Farhoomand, A., & Tao, Z. 2005. Shanghai Volkswagen: Time for a radical shift of gears. Asia Case Research Center Case.
- [6] Regani, S. 2005. Shanghai Automotive Industrial Corporation's strategies for global expansion. ICFAI Center for Management Research Case.
- [7] Hoon-Halbauer, S. 1999. Managing relationships within Sino-foreign joint ventures. *Journal of World Business*, 34(4): 344-371.
- [8] Peng, M. W. 2000. Controlling the foreign agent: How governments deal with multinationals in a transition economy. *Management International Review*, 40(2):141-165.
- [9] Long, D. 1996. Shanghai Volkswagen. Harvard Business School Case.
- [10] Huang, Y., & Thun, E. 1999. Shanghai Volkswagen: Facing a new era. Harvard Business School Case.
- [11] Tao, Z. 2005. Shanghai General Motors: The rise of a late-comer. Asia Case Research Center Case.