Using the 10 Performance Improvement Standards to Guide Strategy Development and Implementation:
A Marketing Performance Improvement Case

Frank Q. Fu
University of Missouri-St. Louis, USA

Lidan Li
China Telecom College, China

Hong Yi
Sinotrac Consulting, China

Xiangjiang Wang
China Telecom Corporation, Zhongshan, China

Yuan Zheng
China Telecom College, China

Xiumei Zhang
China Telecom Corporation, Guangdong, China

EXECUTIVE SUMMARY

This case demonstrates an award-winning performance improvement project conducted by a large state-owned enterprise in China that satisfies the 10 standards of performance improvement and adds value to the organization. Multiple tools developed by performance improvement professionals in China are used to develop and implement marketing strategies and achieve market share improvement goals. These tools are based on the performance improvement literature, specifically designed for and empirically tested in the Chinese market. The case also shows benefits and challenges associated with integrating performance improvement and marketing management.

ORGANIZATION BACKGROUND

China Telecommunications Corporation, also known as China Telecom, is a Chinese state-owned tele-communication company. It is the largest landline service and the third largest mobile telecommunication provider in China (China Telecom, 2019). The corporate mission of China Telecom is to let the customers fully enjoy a new information life and its strategic goal is to become a leading integrated intelligent information services operator. China Telecom puts the customer first and pursues a mutual growth of corporate value and customer value as its philosophy. One of the key strategies of China Telecom is to expand the scale of business through increasing efficiency and reducing costs in order to achieve high-quality development.

With subsidiaries in all Chinese provinces and major cities, China Telecom occupies more than 50% market share of the landline service. In 2018, the total sales revenue of China Telecom was over 350 billion RMB (roughly $55 billion in 2018 US dollars). For several consecutive years, China Telecom has been on the list of the Fortune Global 500 Companies. Facing strong competition from China Mobile and China Unicom, the other two major state-owned telecom providers, China Telecom has been striving to provide voice, data and Internet services to customers in China, Asia, Europe, Americas and Mideast. To operationalize, China Telecom has established nearly 60,000 sub-dividing performance evaluation units as a means to motivate its frontline employees.

The focus of this case is on one subsidiary, China Telecom's Zhongshan Branch (CTZB). Zhongshan is a medium-sized city with a population of three million in Guangdong Province, which is the most populous province of China. After decades of rapid growth, the Gross Domestic Product (GDP) of Guangdong Province has reached almost nine trillion RMB (roughly $1.42 trillion measured in US dollars) in 2017, making its economy close to the size of South Korea. Strategically located in the center of the Pearl River Delta Economic Zone near Hong Kong and Macau, Zhongshan represents one of the high-potential markets of China Telecom. However, in each of the three years from 2015 to 2017, the Zhongshan Branch failed to reach the annual market share goal of the mobile phone service market. In 2017 and 2018, a project led by members from the CTZB, China Telecom College (CTC) and Sinotrac Consulting Company successfully improved the marketing performance of the mobile phone service market in Zhongshan City and demonstrated the significant value created by the performance improvement methodologies.

SETTING THE STAGE

Performance improvement is a systematic approach used by professionals and consultants to improve individual, departmental and organizational performance in various industries (Gilbert, 1978; Rummler, & Brache, 1995; Van Tiem, Moseley, & Dessinger, 2012). This definition reflects both the process and outcome of making performance better. The performance improvement approach involves using methods, tools and techniques developed by scholars and professionals from different disciplines to accomplish this goal. The field of Performance Improvement emerged from the fields of educational technology and instructional technology somewhere between the 1920s and 1930s. Over the decades, this approach has been applied in a variety of fields including human resource development, training and learning, organizational development, manufacturing, research and development, as well as quality management. In recent years, performance improvement has been increasingly gaining popularity in China, as many

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