

GLOBAL  
EDITION



# Concepts in Strategic Management and Business Policy

*Globalization, Innovation and Sustainability*

FIFTEENTH EDITION

Thomas L. Wheelen • J. David Hunger  
Alan N. Hoffman • Charles E. Bamford



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AND SUSTAINABILITY

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# Dedicated to

TOM WHEELLEN AND DAVID HUNGER

*Tom originated this book in the late 1970s and with his friend David Hunger brought the first edition to fruition in 1982. What a ride it was! We lost both of these extraordinary men in rapid succession. After battling bone cancer, Tom died in Saint Petersburg, Florida, on December 24, 2011. David died in St. Joseph, Minnesota on April 10, 2014 after fighting cancer himself. It was Tom's idea from the very beginning to include the latest research and useful material written in such a way that the typical student could read and understand the book without outside assistance. That has been a key reason for the success of the book through its many editions. Tom and David worked in adjoining offices at the McIntire School of Commerce at the University of Virginia where their lifelong collaboration blossomed. Tom's last months were spent working with the two new co-authors to map out the direction for the 14th edition and we were fortunate to work with David through the early part of the 14th edition update until his fight against his cancer took priority. We thank you both and bid you a fond farewell! This 15th edition is for you!*

*Alan N. Hoffman  
Charles E. Bamford*

## SPECIAL DEDICATION TO DAVID HUNGER

*A special dedication in honor of David Hunger to his colleagues, friends, and students—*

*It is our hope and prayer that you found, and continue to find, some joy in your study of Strategic Management and Business Policy and, perhaps, experience a sense of the passion behind the subject matter presented in this textbook. It was originated by two men who were the best of friends and colleagues, Dr. Tom Wheelen (May 30, 1935 – December 24, 2011) and our Dad, Dr. J. David Hunger (May 17, 1941 – April 10, 2014). This will be the first edition we will see without a handwritten note in the front and a dedication to us all. Dad came alive discussing strategy, case management, theory, entrepreneurship, and the daily happenings in the field of management. Even relaxing at the end of the day, he could be found thumbing through a Business Week or journal. Colleagues always knew when he was in their presentations because he was fully engaged, offering questions and happy to share in an animated dialogue. Students speak fondly of being in his class. His dedication to the field never ended. Even up to a month before he died (still undergoing chemotherapy) he insisted on travelling by train from Minnesota to Chicago for a Case Research Conference to run a panel. We are so proud and thankful that Drs. Alan Hoffman and Chuck Bamford knew Tom and Dad and are carrying the torch forward. As his 4 daughters*

*and 6 grandchildren, we miss him daily. We lost him far too soon. Finally, our mom, Betty Hunger, who lived with the authorship of this textbook for three quarters of their 45 years together and joked that it was their 5th child, wishes to express just how much she misses Dad and looks forward to seeing him again.*

*Betty, Kari and Jeff, Madison and Megan, Suzi and Nick, Summer and Kacey,  
Lori and Derek, Merry and Dylan, and Edan and Greyson.*

*We love you David/Dad/GrandDad.*

*To Will Hoffman, the greatest son in the world.... and to our saint Wendy Appel.  
.... and to Jodi L. Silton, thank you for your kindness and understanding.*

*Alan Hoffman*

*To Yvonne, for your support, advice, encouragement, love, and confidence. To my children Ada,  
Rob, and Sean and my grandchildren Silas, Isaac, and Clara.*

*Chuck Bamford*

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# Preface

Welcome to the 15th edition of *Concepts in Strategic Management and Business Policy*! All of the chapters have been updated and we have added one new chapter on Global Strategy.

The theme that runs throughout all 13 chapters of this edition continues our view from the 14th edition that there are three strategic issues that comprise the cornerstone all organizations must build upon to push their businesses forward. Those are **globalization, innovation, and sustainability**. Each chapter incorporates specific vignettes about these three themes. We strive to be the most comprehensive and practical strategy book on the market, with chapters ranging from corporate governance and social responsibility to competitive strategy, functional strategy, and strategic alliances.

## FEATURES NEW TO THIS 15TH EDITION

This edition of the text has:

- A completely new Chapter (9) on Global Strategy. While we discuss globalization in every chapter of the book, including a Global Issues section in each chapter, we have called out a stand-alone chapter to address the key issues of entry, international coordination, stages of international development, international employment, and measurement of performance.
- New and updated vignettes on sustainability (which is widely defined as business sustainability), globalization (which we view as an expectation of business), and innovation (which is the single most important element in achieving competitive advantage) appear in every chapter of the text.
- Every example, chapter opening, and story has been updated. This includes chapter opening vignettes examining companies such as: Tesla, Pizza Hut, UNIQLO, Kärcher, Purbani Group, and United Airlines among many others.
- Resource-based analysis and more specifically the VRIO framework (Chapter 5) has been added to the toolbox of students' understanding of core competencies and competitive advantage with a significant addition of material and a practical example.
- Extensive additions have been made to the text from both strategy research and practical experience.

- Thirteen new comprehensive cases have been added to the main book, *Strategic Management and Business Policy*, to support the 14 popular full-length cases and 6 mini-cases carried forward from past editions. Of the 33 cases appearing in this book, 19 are exclusive and do not appear in other books.
- One of the new cases deals with privacy (**Google and the Right to Be Forgotten**).
- One of the new cases deals with governance (**American Red Cross**).
- One of the new cases deals with conscious capitalism (**Chipotle**).
- Two of the new cases deal with international issues (**Uber, Harley Davidson**).
- One of the new cases involves Internet companies (**Pandora Internet Radio**).
- One of the new cases deals with Sports and Leisure (**Town Sports Int'l**).
- One of the new cases deals with Apparel (**J.C. Penney**).
- Three of the new cases deal with Food and Beverages (**Pepsi, Sonic Restaurants**).
- Two of the new cases deal with Retailing (**Target, Staples**).
- One of the new cases deals with Manufacturing (**Snap-on Tools**).

## HOW THIS BOOK IS DIFFERENT FROM OTHER STRATEGY TEXTBOOKS

This book contains a **Strategic Management Model** that runs through the first 12 chapters and is made operational through the **Strategic Audit**, a complete case analysis methodology. The Strategic Audit provides a professional framework for case analysis in terms of external and internal factors and takes the student through the generation of strategic alternatives and implementation programs.

To help the student synthesize the many factors in a complex strategy case, we developed three useful techniques:

- **The External Factor Analysis (EFAS) Table in Chapter 4**
  - This reduces the external opportunities and threats to the 8 to 10 most important external factors facing management.
- **The Internal Factor Analysis (IFAS) Table in Chapter 5**
  - This reduces the internal strengths and weaknesses to the 8 to 10 most important internal factors facing management.
- **The Strategic Factor Analysis Summary (SFAS) Matrix in Chapter 6**
  - This condenses the 16 to 20 factors generated in the EFAS and IFAS tables into the 8 to 10 most important (strategic) factors facing the company. These strategic factors become the basis for generating alternatives and act as a recommendation for the company's future direction.

**Suggestions for case analysis** are provided in **Appendix 13.B (end of Chapter 13)** and contain step-by-step procedures on how to use a strategic audit in analyzing a case. This appendix includes an example of a student-written strategic audit. Thousands of students around the world have applied this methodology to case analysis with great success.

## FEATURES

This edition contains many of the same features and content that helped make previous editions successful. Some of the features include the following:

**CHAPTER 1**  
**Basic Concepts of Strategic Management**

**Learning Objectives**  
After reading this chapter, you should be able to:

- 1.1. Discuss the benefits of strategic management.
- 1.2. Explain how globalization, innovation, and environmental sustainability influence strategic management.
- 1.3. Discuss the difference between the theories of organizations.
- 1.4. Discuss the Activities where learning organizations excel.
- 1.5. Describe the basic model of strategic management and its components.
- 1.6. Identify some common triggering events that act as stimuli for strategic change.
- 1.7. Explain strategic decision-making models.
- 1.8. Use the strategic audit as a method of analyzing corporate functions and activities.

**Toyota Motors Co.**  
In 1937, Kiichiro Toyoda founded the Toyota Motor Corporation, headquartered in Aichi Prefecture, Japan. The company, now headed by Akio Toyoda, the President and Representative Director, has a capital of around \$78,399 million. Its primary business activities involve automotive manufacturing. As of March 2016, the company employs around 348,977 people. Sakichi Toyoda, the founder of Toyota Industries, set certain Guiding Principles that reflect Toyota's organizational culture and values, and are the basis for the corporate management philosophy. These were first revised in 1954, and again in 1982, to support its operations in a multicultural environment. They were modified in response to the societal changes and the company's business structure, which support its global vision, strategies, and operations worldwide. An example of its strategy to keep with the changing times is the Toyota Way 2005, which focuses on CSR and customer orientation, innovative management, and the nurturing of its employees' creativity and teamwork, mutual trust, and respect between labor and management. At the heart of the Toyota Way are two pillars—continuous improvement and respect for people. These are supported by five values: Challenge, continuous improvement (kaizen), seeing for yourself (gemba), respect, and teamwork.

In 1993, Thailand, a regional hub of Toyota's auto manufacturing industry in ASEAN, faced an economic crisis resulting from over-investment in real estate and a liberal foreign policy. Toyota Motor Thailand Co., Ltd (TMT) subsequently encountered huge losses. To overcome the crisis various actions were taken—the TMT first requested and received two capital injections, totaling US\$20 million, from Toyota Motor Corporation in Japan. However, since the automotive market was down by about 75%, the TMT had to use a job-sharing approach to retain its skilled, but redundant, workforce. Together with this measure, the company observed its "no lay-off" policy by sending about 2000 associates to Japan for training, while others worked their local dealers. To avoid further losses, TMT focused on 100% localization of parts and took advantage of export opportunities. Undertaking new business reforms, such as online management of vehicle supply and demand and the formation of project teams in finance and marketing, helped boost new vehicle sales. For dealers and suppliers, TMT granted credit lines and short-term loans.

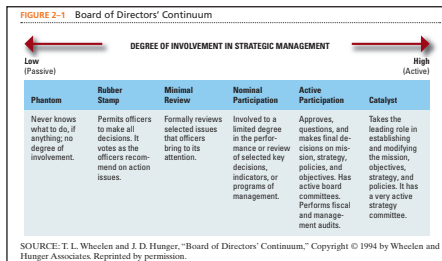
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- A **strategic management model** runs throughout the first 12 chapters as a unifying concept. (Explained in *Chapter 1*)

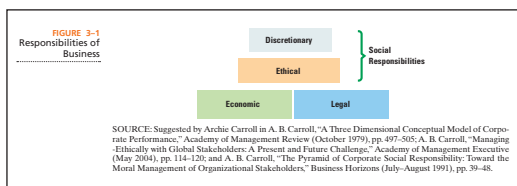
**PART 1**

Introduction to  
**Strategic Management and Business Policy**

- The **strategic audit**, a way to operationalize the strategic decision-making process, serves as a checklist in case analysis. (*Chapter 1*)



- **Corporate governance** is examined in terms of the roles, responsibilities, and interactions of top management and the board of directors. (*Chapter 2*)



- **Social responsibility and managerial ethics** are examined in detail in terms of how they affect strategic decision making. They include the process of stakeholder analysis and the concept of social capital. (*Chapter 3*)

- Equal emphasis is placed on **environmental scanning** of the societal environment as well as on the task environment. Topics include forecasting and Miles and Snow's typology in addition to competitive intelligence techniques and Porter's industry analysis. (*Chapter 4*)
- **Core and distinctive competencies** are examined within the framework of the resource-based view of the firm and utilizing the VRIO framework. (*Chapter 5*)
- **Organizational analysis** includes material on business models, supply chain management, and corporate reputation. (*Chapter 5*)
- Internal and external strategic factors are emphasized through the use of specially designed **EFAS, IFAS, and SFAS tables**. (*Chapters 4, 5, and 6*)
- **Functional strategies** are examined in light of **outsourcing**. (*Chapter 8*)

Pierre Beaudoin stepped down in 2015 as the company continued to spiral downward. The C-Series has yet to make any real penetration in the market with orders of less than 250 planes (and none in the past 1½ years) as of 12/31/15 compared to 3,072 orders for Boeing's 737 and 4,471 for Airbus's 320. As the investment of billions in the program was underway, the company decided to launch two new business jets further stretching resources.

The company has invested over \$5 billion in the C-Series alone and has had a net negative cash burn for the past five years. The stock is now worth one-tenth of what it was in 2011 and the company is asking for a bailout from the Canadian government as they lay off nearly 10% of their workforce.

SOURCES: S. Deveau & F. Tomesco, "Why Bombardier Is Struggling to Build Bigger Planes," *Bloomberg Business*, February 4, 2016; A. Petroff, "Bombardier Cutting 7,000 Jobs," *CNN Money*, February 17, 2016 (<http://money.cnn.com/2016/02/17/news/companies/bombardier-job-cuts-canada-europe/index.html>); <http://www.bombardier.com/en/about-us/history.html>; F. Tomesco, "Quebec eyes fresh Bombardier aid absent federal investment," *The Globe and Mail*, February 10, 2016, <http://www.theglobeandmail.com/report-on-business/quebec-eyes-fresh-bombardier-aid-absent-federal-investment/article28701038/>

### A Resource-Based Approach to Organizational analysis—Vrio

5-1. Apply the resource-based view of the firm and the VRIO framework to determine core and distinctive competencies.

Scanning and analyzing the external environment for opportunities and threats is necessary for the firm to be able to understand its competitive environment and its place in that environment. It is the absolute starting place for strategic analysis. However, in order for the organization to thrive, the senior leadership team must look within the corporation itself to identify *internal strategic factors*—critical strengths and weaknesses that are likely to determine whether a firm will be able to take advantage of opportunities while avoiding threats. This internal scanning, often referred to as **organizational analysis**, is concerned with identifying, developing, and taking advantage of an organization's resources and competencies.

#### CORE AND DISTINCTIVE COMPETENCIES

**Resources** are an organization's assets and are thus the basic building blocks of the organization. They include *tangible assets* (such as its plant, equipment, finances, and location), *human assets* (the number of employees, their skills, and motivation), and *intangible assets* (such as its technology [patents and copyrights], culture, and reputation). **Capabilities** refer to a corporation's ability to exploit its resources. They consist of business processes and routines that manage the interaction among resources to turn inputs into outputs. For example, a company's marketing capability can be based on the interaction among its marketing specialists, distribution channels, and salespeople. A capability is functionally based and is resident in a particular function. Thus, there are marketing capabilities, manufacturing capabilities, and human resource management capabilities. When these capabilities are constantly being changed and reconfigured to make them more adaptive to an uncertain environment, they are called *dynamic capabilities*.<sup>2</sup> A **competency** is a cross-functional integration and coordination

## CHAPTER 9 Strategy Implementation: Global Strategy

**Learning Objectives**  
After reading this chapter, you should be able to:

- 1-1. Describe the means of entry by which an organization can do business in another country.
- 1-2. Explain the elements of international Strategic Alliances that lead to success.
- 1-3. Discuss the stages of international development.
- 1-4. Explain how companies can improve their staffing efforts as they expand beyond their home country.
- 1-5. Discuss the unique issues related to Measuring Organizational performance that are grounded with the administration of a truly international company.

**UNIQLO - From Japan to Asia to the World**  
Founded in 1949, UNIQLO, a Japanese fashion retailer from the Fast Retailing group, opened a unique retail store in Yokohama, near the Hirshina, under the name "Unique Clothing Warehouse," and later converted to its current brand name. As of November 2016, UNIQLO Japan had 841 stores. By 2016, UNIQLO has over 1,700 stores worldwide and around 40,000 global employees.

Fast Retailing executed a set of strategies from the American retailer GAP Inc. (known as "SPA" (specially store-retailer of private-label apparel), under which they produce their own clothing and sell it exclusively by having a SPA business model. UNIQLO could deliver high-quality, affordable, and innovative apparel to consumers. The concept of this brand is "Made for All." It means UNIQLO offers a basic retail outfit that everyone can wear daily.

There has been major growth in Asia, with 457 stores in Greater China (Mainland China, Hong Kong, and Taiwan), 178 in South Korea, and 248 in Southeast Asia and Oceania. However, the Fast Retailing group currently ranks in the fourth place as global fashion retailer, just behind Inditex (Zara, H&M, and GAP). The company's global mission is to grow from a Japanese company to a Japan-born global firm. They strive to be the best apparel manufacturer-retailer from Japan, to Asia, and to the world by 2020. To achieve this goal, UNIQLO needs to employ and nurture managers to develop business throughout the world. However, UNIQLO is known as a company that has a traditionally Japanese working culture. It has a company standards manual book, which is translated into various languages and is distributed globally to ensure that everyone follows the same.

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- Three chapters deal with issues in **strategy implementation**, such as organizational and job design, as well as strategy-manager fit, action planning, and corporate culture. In addition we address Global Strategy as a unique implementation issue. (*Chapters 9, 10 and 11*)
- A separate chapter on **evaluation and control** explains the importance of measurement to organizational performance. (*Chapter 12*)

## CHAPTER 11 Strategy Implementation: Staffing and Directing

**Learning Objectives**  
After reading this chapter, you should be able to:

- 11-1. Explain the link between strategy and staffing decisions.
- 11-2. Discuss how leaders manage corporate culture.
- 11-3. Utilize an action planning framework to implement an organization's MBO and TQM initiatives.

**Workplace Discrimination and Public Image**  
While the legal context of what constitutes workplace discrimination is constantly evolving, public perception can impact companies in virtually any industry. In 2015, the U.S. Equal Employment Opportunity Commission (EEOC) received almost 80,000 charges of workplace discrimination. Three included discrimination complaints related to race, sex, age, religion, pregnancy, disability, genetic information, and national origin.

One of the more contentious issues has developed around the Affordable Care Act (ACA), a movement nationwide to recognize same-sex marriages, and the LGBT community. Companies including Wal-Mart, BP, BPX Railroad, Saks Fifth Avenue, SkyWest Airlines, and Procter and Gamble have cases pending against them in the federal court system. These plaintiffs argue that they are being discriminated against because of their sex.

"Wal-Mart extended equal health coverage to same-sex marriages (before legal) in January 2014, however those denied prior to that point have formed a class action suit against the company for discriminating based upon the sex of the partner. As the country moved toward increasing recognition of same-sex marriage 37 states had statutes on the books before the June 2015 Supreme Court ruling that allowed same-sex couples to marry) more and more companies decided to include same-sex married couples in their employees benefit offerings. Today, it presents not only a business issue, but a public perception issue. Should Wal-Mart fight the restrictive agreement of benefits or should the company walk with giants?"

SOURCES: "If You Are An 'You Aco?'" *Bloomberg Businessweek*, February 22-28, 2016, pp. 23-24 "State Same-Sex Marriage Starts New Year," *Reuters*, <http://www.reuters.com/article/2016/01/01/us-same-sex-marriage-laws-idUSKCN0Z00001>; *Washington Disability Discrimination Claims At Record High*, *Disability Scoop*, February 12, 2016, <http://www.disabilityscoop.com/2016/02/12/washington-disability-discrimination-claims-at-record-high/>

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- **Suggestions for in-depth case analysis** provide a complete listing of financial ratios, recommendations for oral and written analysis, and ideas for further research. (*Chapter 13*)

- The **strategic audit worksheet** is based on the time-tested strategic audit and is designed to help students organize and structure daily case preparation in a brief period of time. The worksheet works exceedingly well for checking the level of daily student case preparation—especially for open class discussions of cases. (**Chapter 13**)

Strategic Audit Heading	Analysis		Comments
	(+) Factors	(-) Factors	
<b>I. Current Situation</b>			
A. Past Corporate Performance Indexes			
B. Strategic Posture:			
Current Mission			
Current Objectives			
Current Strategies			
Current Policies			
<b>SWOT Analysis Begins:</b>			
<b>II. Corporate Governance</b>			
A. Board of Directors			
B. Top Management			
<b>III. External Environment (EFAS): Opportunities and Threats (SWOT)</b>			
A. Natural Environment			
B. Societal Environment			
C. Task Environment (Industry Analysis)			
<b>IV. Internal Environment (IFAS): Strengths and Weaknesses (SWOT)</b>			
A. Corporate Structure			
B. Corporate Culture			
C. Corporate Resources			
1. Marketing			
2. Finance			
3. Research and Development			
4. Operations and Logistics			
5. Human Resources			
6. Information Technology			
<b>V. Analysis of Strategic Factors (SFAS)</b>			
A. Key Internal and External Strategic Factors (SWOT)			
B. Review of Mission and Objectives			
<b>SWOT Analysis Ends. Recommendation Begins:</b>			
<b>VI. Alternatives and Recommendations</b>			
A. Strategic Alternatives—pros and cons			
B. Recommended Strategy			
<b>VII. Implementation</b>			
<b>VIII. Evaluation and Control</b>			

NOTE: See the complete Strategic Audit on pages 32-39. It lists the pages in the book that discuss each of the eight headings.  
SOURCE: T. L. Wheelen and J. D. Hunger, "Strategic Audit Worksheet," Copyright © 1985, 1986, 1987, 1988, 1989, 2005, and 2009 by T. L. Wheelen. Copyright © 1989, 2005, and 2009 by Wheelen and Hunger Associates. Revised 1991, 1994, and 1997. Reprinted by permission. Additional copies available for classroom use in Part D of the Case Instructor's Manual and on the Prentice Hall Web site ([www.prenhall.com/wheelen](http://www.prenhall.com/wheelen)).

### End of Chapter SUMMARY

Every day, about 17 truckloads of used diesel engines and other parts are dumped at a receiving facility at Caterpillar's remanufacturing plant in Corinth, Mississippi. The filthy iron engines are then broken down by two workers, who manually hammer and drill for half a day until they have taken every bolt off the engine and put each component into its own bin. The engines are then cleaned and remade at half of the cost of a new engine and sold for a tidy profit. This system works at Caterpillar because, as a general rule, 70% of the cost to build something new is in the materials and 30% is in the labor. Remanufacturing simply starts the manufacturing process over again with materials that are essentially free and which already contain most of the energy costs needed to make them. The would-be discards become fodder for the next product, eliminating waste, and cutting costs. Caterpillar's management was so impressed by the remanufacturing operation that they made the business a separate division in 2005. The unit earned more than US\$1 billion in sales in 2005 and by 2012 employed more than 8500 workers in 16 countries.

Caterpillar's remanufacturing unit was successful not only because of its ability to wring productivity out of materials and labor, but also because it designed its products for reuse. Before they are built new, remanufactured products must be designed for disassembly. In order to achieve this, Caterpillar asks its designers to check a "Reman" box on Caterpillar's product development checklist. The company also needs to know where its products are being used in order to take them back—known as the art of *reverse logistics*. This is achieved by Caterpillar's excellent relationship with its dealers throughout the world, as well as through financial incentives. For example, when a customer orders a crankshaft, that customer is offered a remanufactured one for half the cost of a new one—assuming the customer turns in the old

- An **experiential exercise** focusing on the material covered in each chapter helps the reader apply strategic concepts to an actual situation.

- A list of **key terms** and the pages on which they are discussed let the reader keep track of important concepts as they are introduced in each chapter.

### End of Chapter SUMMARY

Strategy implementation is where "the rubber hits the road." Environmental scanning and strategy formulation are crucial to strategic management but are only the beginning of the process. The failure to carry a strategic plan into the day-to-day operations of the workplace is a major reason why strategic planning often fails to achieve its objectives. It is discouraging to note that in one study nearly 70% of the strategic plans were never successfully implemented.<sup>29</sup>

For a strategy to be successfully implemented, it must be made action-oriented. This is done through a series of programs that are funded through specific budgets and contain new detailed procedures. This is what Sergio Marchionne did when he implemented a turnaround strategy as the new Fiat Group CEO in 2004. He attacked the lethargic, bureaucratic system by flattening Fiat's structure and giving younger managers a larger amount of authority and responsibility. He and other managers worked to reduce the number of auto platforms from 19 to 6 by 2012. The time from the completion of the design process to new car production was cut from 26 to 18 months. By 2008, the Fiat auto unit was again profitable. Marchionne reintroduced Fiat to the U.S. market in 2012 after a 27-year absence.<sup>30</sup> Unfortunately, Fiat struggled to gain any traction in the U.S. market. Despite a strong marketing campaign and a number of cars designed specifically for the market, by 2016 sales had stalled at 44,000 cars a year. The company has remained strongly profitable and even acquired 100% of Chrysler in 2014.<sup>31</sup>

This chapter explains how jobs and organizational units can be designed to support a change in strategy. We will continue with staffing and directing issues in strategy implementation in the next chapter.

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#### KEY TERMS

<ul style="list-style-type: none"> <li>budget (p. 301)</li> <li>cellular/modular organization (p. 314)</li> <li>first mover (p. 299)</li> <li>geographic-area structure (p. 317)</li> <li>job design (p. 316)</li> <li>late movers (p. 299)</li> <li>market location tactic (p. 299)</li> </ul>	<ul style="list-style-type: none"> <li>matrix structures (p. 310)</li> <li>network structure (p. 312)</li> <li>organizational life cycle (p. 309)</li> <li>procedures (p. 301)</li> <li>product-group structure (p. 317)</li> <li>program (p. 298)</li> <li>reengineering (p. 314)</li> </ul>	<ul style="list-style-type: none"> <li>Six Sigma (p. 315)</li> <li>stages of corporate development (p. 304)</li> <li>strategy implementation (p. 296)</li> <li>structure follows strategy (p. 303)</li> <li>synergy (p. 302)</li> <li>timing tactic (p. 299)</li> <li>virtual organization (p. 312)</li> </ul>
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- **Learning objectives** begin each chapter.
- **Timely, well-researched, and class-tested cases** deal with interesting companies and industries. Many of the cases are about well-known, publicly held corporations—ideal subjects for further research by students wishing to “update” the cases.

Both the text and the cases have been class-tested in strategy courses and revised based on feedback from students and instructors. The first 12 chapters are organized around a strategic management model that begins each chapter and provides a structure for both content and case analysis. We emphasize those concepts that have proven to be most useful in understanding strategic decision making and in conducting case analysis. Our goal was to make the text as comprehensive as possible without getting bogged down in any one area. Extensive endnote references are provided for those who wish to learn more about any particular topic. All cases are about actual organizations. The firms range in size from large, established multinationals to small, entrepreneurial ventures, and cover a broad variety of issues. As an aid to case analysis, we propose the strategic audit as an analytical technique.

## SUPPLEMENTS

At [www.pearsonglobaleditions.com/Wheelen](http://www.pearsonglobaleditions.com/Wheelen) instructors can access teaching resources available with this text in a downloadable, digital format. Registration is simple and gives you immediate access to new titles and editions. Please contact your Pearson sales representative for your access code. As a registered faculty member, you can download resource files and receive immediate access and instructions for installing course management content on your campus server. In case you ever need assistance, our dedicated technical support team is ready to assist instructors with questions about the media supplements that accompany this text. Visit for answers to frequently asked questions. This title has the following electronic resources.

### Instructor's Manual

The comprehensive Instructor's Manual has been carefully constructed to accompany this book.

#### Concepts Instructor's Manual

To aid in discussing the 13 strategy chapters, the *Concepts Instructor's Manual* includes:

- **Suggestions for Teaching Strategic Management:** These include various teaching methods and suggested course syllabi.
- **Chapter Notes:** These include summaries of each chapter, suggested answers to discussion questions, and suggestions for using end-of-chapter cases/exercises and part-ending cases, plus additional discussion questions (with answers) and lecture modules.

## PowerPoint Slides

PowerPoint slides, provided in a comprehensive package of text outlines and figures corresponding to the text, are designed to aid the educator and supplement in-class lectures.

## Test Item File

The Test Item File contains over 1200 questions, including multiple-choice, true/false, and essay questions. Each question is followed by the correct answer, AACSB category, and difficulty rating.

## TestGen

TestGen software is preloaded with all of the *Test Item File* questions. It allows instructors to manually or randomly view test questions, and to add, delete, or modify test-bank questions as needed to create multiple tests.

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Videos illustrating the most important subject topics are available in the following format:

- MyLab—available for instructors and students, provides round the clock instant access to videos and corresponding assessment for Pearson textbooks.  
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A. N. H.

*Needham Heights, Massachusetts*

C. E. B.

*Durham, North Carolina*

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Beeton Professor, at University of Virginia (1981–1985); (9) a Sesquicentennial Associateship research grant from the Center for Advanced Studies at the University of Virginia, 1979–1980; (10) Small Business Administration (Small Business Institute), supervised undergraduate team that won District, Regional III, and Honorable Mention Awards; and (11) awards for two articles. **Associations:** Dr. Wheelen served on the Board of Directors of the Adhia Mutual Fund, the Society for Advancement of Management, and on the Editorial Board and as Associate Editor of *SAM Advanced Management Journal*. He served on the Board of Directors of Lazer Surgical Software Inc. and the Southern Management Association, and on the Editorial Boards of the *Journal of Management* and *Journal of Management Case Studies*, the *Journal of Retail Banking*, the *Case Research Journal*, and the *Business Case Journal*. He was Vice President of Strategic Management for the Society for the Advancement of Management, and President of the North American Case Research Association. Dr. Wheelen was a member of the Academy of Management, Beta Gamma Sigma, the Southern Management Association, the North American Case Research Association, the Society for Advancement of Management, the Society for Case Research, the Strategic Management Association, and the World Association for Case Method Research and Application. He has been listed in *Who's Who in Finance and Industry*, *Who's Who in the South and Southwest*, and *Who's Who in American Education*.

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**CHARLES E. BAMFORD**, Ph.D. (University of Tennessee), MBA (Virginia Tech), and BS (University of Virginia). He is an adjunct professor at the University of Notre Dame, where he has been awarded the EMBA Professor of the Year Award four times. Chuck worked in industry for 12 years prior to pursuing his Ph.D. His last position was as the Manager of Business Analysis (Mergers & Acquisitions, Dispositions, and Business Consulting) for Dominion Bankshares Corporation (now Wells Fargo). Three years ago Chuck founded Bamford Associates, LLC and relocated to Durham, NC. He has worked with thousands of managers in the development of implementable strategic plans and an entrepreneurial orientation to growth.

His research has been published in the *Strategic Management Journal*, *Journal of Business Venturing*, *Entrepreneurship Theory & Practice*, *Journal of Business Research*, *Journal of Business Strategies*, *Journal of Technology Transfer*, and *Journal of Small Business Management*, among others. Chuck has co-authored four other textbooks and is the author of the fiction novel *Some Things Are Never Forgiven* (Penguin Press).

He has taught courses in strategy and entrepreneurship at the undergraduate, graduate, and executive levels. His teaching experience includes courses taught at universities in Scotland, Hungary, and the Czech Republic. He was a Professor and the Dennis Thompson Chair of Entrepreneurship at Queens University of Charlotte. He also held positions as an Associate Professor at Texas Christian University and at

the University of Richmond. He has taught Executive MBA courses at The University of Notre Dame, Texas Christian University, Tulane University, and at Queens University of Charlotte.

Chuck has won 19 individual teaching excellence awards during his career, including 10 Executive MBA Professor of the Year Awards. He is also a Noble Foundation Fellow in Teaching Excellence.

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