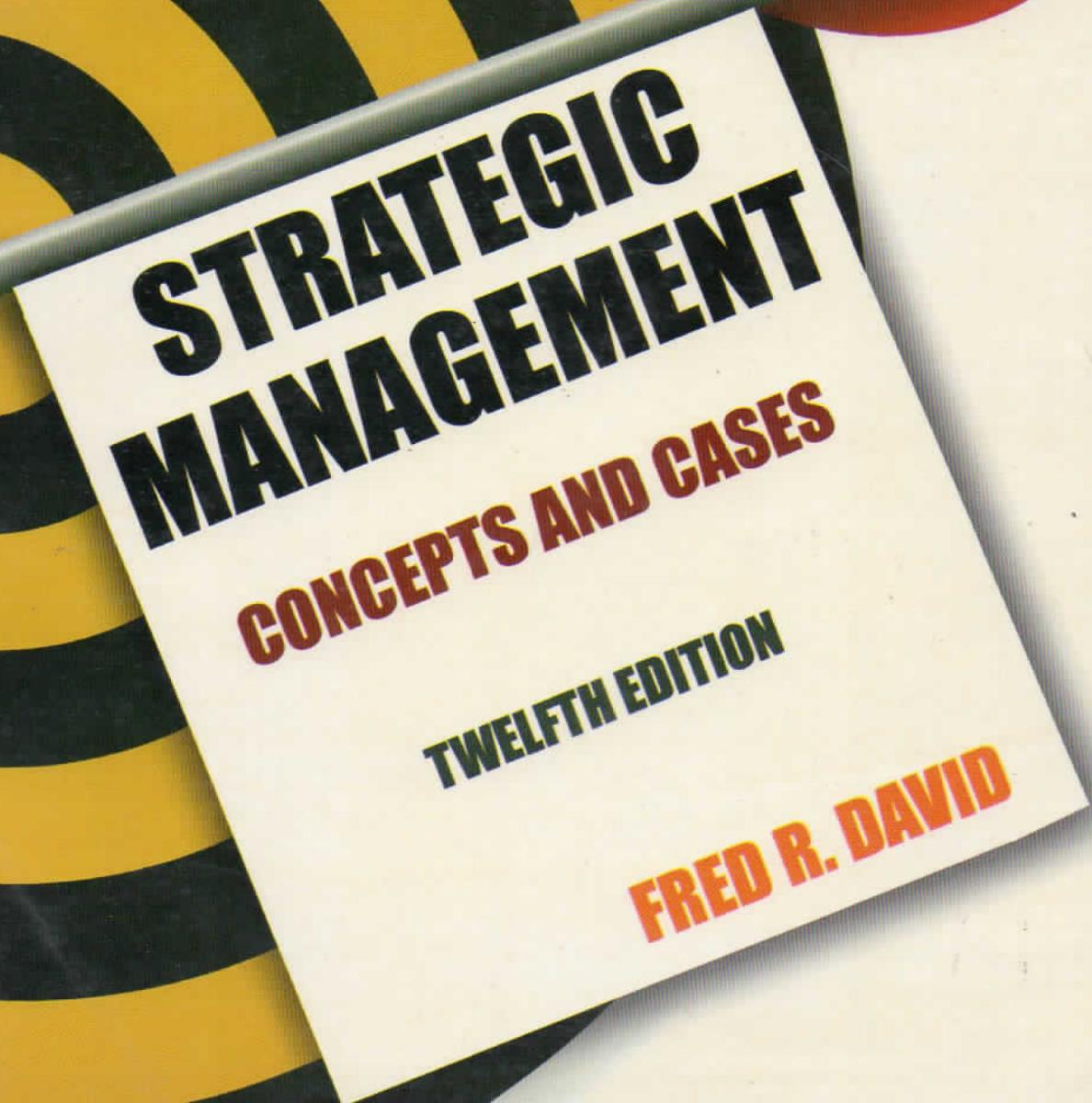


Low Price Edition

PEARSON



Brief Contents

Preface 12

Acknowledgments 22

About the Author 27

Part 1

Overview 34

Chapter 1

The Nature of Strategic Management 34

Cohesion Case 2008: WALT DISNEY COMPANY, INC.—
2007 62

Part 2

Strategy Formulation 80

Chapter 2

Formulating the Business Vision and Mission 80

Chapter 3

Making an External Assessment 102

Chapter 4

Making an Internal Assessment 134

Chapter 5

Placing Strategies into Action 174

Chapter 6

Understanding Strategy Analysis and Choice 218

Part 3

Strategy Implementation 258

Chapter 7

Dealing with Management and
Operations Issues 258

Chapter 8

Dealing with Marketing, Finance/
Accounting, R&D, and MIS Issues 296

Part 4

Strategy Evaluation 328

Chapter 9

Reviewing, Evaluating and Controlling
Strategy 328

Part 5

Strategic Management Case Analysis 352

Preparing and Presenting a Case
Analysis 352

Name Index 364

Subject Index 366

Contents

Preface 12

Acknowledgments 22

About the Author 27

Part 1

Overview 34

Chapter 1

The Nature of Strategic Management 34

What Is Strategic Management? 36

- Defining Strategic Management 36 □ Stages of Strategic Management 37 □ Integrating Intuition and Analysis 38
- Adapting to Change 39

Key Terms in Strategic Management 39

- Competitive Advantage 39 □ Strategists 42 □ Vision and Mission Statements 43 □ External Opportunities and Threats 43
- Internal Strengths and Weaknesses 44 □ Long-Term Objectives 44
- Strategies 44 □ Annual Objectives 45 □ Policies 45

The Strategic-Management Model 45

Benefits of Strategic Management 47

- Financial Benefits 48 □ Nonfinancial Benefits 48

Why Some Firms Do No Strategic Planning 49

Pitfalls in Strategic Planning 49

Guidelines for Effective Strategic Management 50

Business Ethics and Strategic Management 51

Comparing Business and Military Strategy 54

The Nature of Global Competition 55

- Advantages and Disadvantages of International Operations 57

COHESION CASE 2008: WALT DISNEY COMPANY—2007 62

EXPERIENTIAL EXERCISES 76

- Experiential Exercise 1A: Getting Familiar With Strategy Terms 76
- Experiential Exercise 1B: Developing Codes of Business Ethics 76
- Experiential Exercise 1C: The Ethics of Spying on Competitors 77
- Experiential Exercise 1D: Strategic Planning for My University 77
- Experiential Exercise 1E: Strategic Planning at a Local Company 78
- Experiential Exercise 1F: Does My University Recruit in Foreign Countries? 78
- Experiential Exercise 1G: Getting Familiar with SMC 79

Part 2

Strategy Formulation 80

Chapter 2

Formulating the Business Vision and Mission 80

What Do We Want to Become? 82

What Is Our Business? 83

Vision versus Mission 85 □ The Process of Developing Vision and Mission Statements 85

Importance (Benefits) of Vision and Mission Statements 86

A Resolution of Divergent Views 86

Characteristics of a Mission Statement 88

- A Declaration of Attitude 88 □ A Customer Orientation 90
- A Declaration of Social Policy 90

Mission Statement Components 93

Writing and Evaluating Mission Statements 94

EXPERIENTIAL EXERCISES 98

Experiential Exercise 2A: Evaluating Mission Statements 98

Experiential Exercise 2B: Evaluating Walt Disney's Vision and Mission Statement 99

Experiential Exercise 2C: Writing a Vision and Mission Statement for My University 99

Experiential Exercise 2D: Conducting Mission Statement Research 100

Chapter 3

Making an External Assessment 102

The Nature of an External Audit 104

- Key External Forces 104 □ The Process of Performing an External Audit 105

The Industrial Organization (I/O) View 106

Economic Forces 106

Social, Cultural, Demographic, and Environmental Forces 108

Political, Governmental, and Legal Forces 109

Technological Forces 112

Competitive Forces 114

- Competitive Intelligence Programs 115 □ Cooperation Among Competitors 117 □ Market Commonality and Resource Similarity 118

Competitive Analysis: Porter's Five-Forces Model 118

- Rivalry Among Competing Firms 120 □ Potential Entry of New Competitors 120 □ Potential Development of Substitute Products 120 □ Bargaining Power of Suppliers 121 □ Bargaining Power of Consumers 121

Sources of External Information 122

Forecasting Tools and Techniques 122

Making Assumptions 123

The Global Challenge 123

Multinational Corporations 124 □ Globalization 125

Industry Analysis: The External Factor Evaluation (EFE) Matrix 125	Chapter 5
The Competitive Profile Matrix (CPM) 127	Placing Strategies into Action 174
EXPERIENTIAL EXERCISES 131	
Experiential Exercise 3A: Developing an EFE Matrix for Walt Disney Company 131	Long-Term Objectives 176
Experiential Exercise 3B: The External Assessment 131	The Nature of Long-Term Objectives 176 □ Financial versus Strategic Objectives 177 □ Not Managing by Objectives 177
Experiential Exercise 3C: Developing an EFE Matrix for My University 132	The Balanced Scorecard 178
Experiential Exercise 3D: Developing a Competitive Profile Matrix for Walt Disney Company 132	Types of Strategies 178
Experiential Exercise 3E: Developing a Competitive Profile Matrix for My University 132	□ Levels of Strategies 180
Chapter 4	
Making an Internal Assessment 134	
The Nature of an Internal Audit 136	Integration Strategies 180
Key Internal Forces 136 □ The Process of Performing an Internal Audit 137	Forward Integration 181 □ Backward Integration 182 □ Horizontal Integration 182
The Resource-Based View (RBV) 138	Intensive Strategies 183
Integrating Strategy and Culture 139	Market Penetration 183 □ Market Development 183 □ Product Development 184
Domestic versus Foreign Cultures 141	Diversification Strategies 184
Management 143	Related Diversification 185 □ Unrelated Diversification 187
Planning 143 □ Organizing 145 □ Motivating 145 □ Staffing 146 □ Controlling 147 □ Management Audit Checklist of Questions 147	Defensive Strategies 189
Marketing 148	Retrenchment 189 □ Divestiture 190 □ Liquidation 192
Customer Analysis 148 □ Selling Products/Services 148 □ Product and Service Planning 149 □ Pricing 149 □ Distribution 150 □ Marketing Research 150 □ Opportunity Analysis 150 □ Marketing Audit Checklist of Questions 151	Michael Porter's Five Generic Strategies 192
Finance/Accounting 151	Cost Leadership Strategies (Type 1 and Type 2) 193 □ Differentiation Strategies (Type 3) 194 □ Focus Strategies (Type 4 and Type 5) 195 □ Strategies for Competing in Turbulent, High-Velocity Markets 196
Finance/Accounting Functions 151 □ Basic Types of Financial Ratios 152 □ Finance/Accounting Audit Checklist 157	Means for Achieving Strategies 197
Production/Operations 158	Joint Venture/Partnering 197 □ Merger/Acquisition 199 □ Private-Equity Acquisitions 200 □ First Mover Advantages 203 □ Outsourcing 203
Production/Operations Audit Checklist 161	Strategic Management in Nonprofit and Governmental Organizations 206
Research and Development 161	Educational Institutions 206 □ Medical Organizations 206 □ Governmental Agencies and Departments 207
Internal and External R&D 161 □ Research and Development Audit 162	Strategic Management in Small Firms 207
Management Information Systems 162	EXPERIENTIAL EXERCISES 213
Strategic-Planning Software 163 □ Management Information Systems Audit 163	Experiential Exercise 5A: What Strategies Should Walt Disney Pursue in 2008–2009? 213
Value Chain Analysis (VCA) 164	Experiential Exercise 5B: Examining Strategy Articles 214
Benchmarking 166	Experiential Exercise 5C: Classifying Some Year 2007 Strategies 214
The Internal Factor Evaluation (IFE) Matrix 166	Experiential Exercise 5D: How Risky Are Various Alternative Strategies? 215
EXPERIENTIAL EXERCISES 172	
Experiential Exercise 4A: Performing a Financial Ratio Analysis for Walt Disney Company 172	Experiential Exercise 5E: Developing Alternative Strategies for My University 215
Experiential Exercise 4B: Constructing an IFE Matrix for Walt Disney Company 173	Experiential Exercise 5F: Lessons in Doing Business Globally 216
Experiential Exercise 4C: Constructing an IFE Matrix for My University 173	
Chapter 6	
Understanding Strategy Analysis and Choice 218	
The Nature of Strategy Analysis and Choice 220	
The Process of Generating and Selecting Strategies 222	
A Comprehensive Strategy-Formulation Framework 222	
The Input Stage 223	
The Matching Stage 223	
The Strengths-Weaknesses-Opportunities-Threats (SWOT) Matrix 224	
□ The Strategic Position and Action Evaluation (SPACE) Matrix 226	
□ The Boston Consulting Group (BCG) Matrix 229 □ The Internal-External (IE) Matrix 233 □ The Grand Strategy Matrix 236	

The Decision Stage 238

- The Quantitative Strategic Planning Matrix (QSPM) 238
- Positive Features and Limitations of the QSPM 241

Cultural Aspects of Strategy Choice 242**The Politics of Strategy Choice 242****Governance Issues 243****EXPERIENTIAL EXERCISES 251**

- Experiential Exercise 6A: Developing a SWOT Matrix for Walt Disney 251
- Experiential Exercise 6B: Developing a SPACE Matrix for Walt Disney 251
- Experiential Exercise 6C: Developing a BCG Matrix for Walt Disney 251
- Experiential Exercise 6D: Developing a QSPM for Walt Disney 252
- Experiential Exercise 6E: Formulating Individual Strategies 253
- Experiential Exercise 6F: The Mach Test 253
- Experiential Exercise 6G: Developing a BCG Matrix for My University 255
- Experiential Exercise 6H: The Role of Boards of Directors 255
- Experiential Exercise 6I: Locating Companies in a Grand Strategy Matrix 255

**Part 3
Strategy Implementation 258****Chapter 7****Dealing with Management and Operations Issues 258****The Nature of Strategy Implementation 260**

- Management Perspectives 261

Annual Objectives 262**Policies 264****Resource Allocation 265****Managing Conflict 266****Matching Structure with Strategy 266**

- The Functional Structure 267 ■ The Divisional Structure 268
- The Strategic Business Unit (SBU) Structure 270
- The Matrix Structure 271
- Some Do's and Don'ts in Developing Organizational Charts 272

Restructuring, Reengineering, and E-Engineering 274

- Restructuring 275 ■ Reengineering 276

Linking Performance and Pay to Strategies 276**Managing Resistance to Change 278****Managing the Natural Environment 280****Creating a Strategy-Supportive Culture 282**

- The Mexican Culture 282 ■ The Japanese Culture 283

Production/Operations Concerns When Implementing Strategies 285**Human Resource Concerns When Implementing Strategies 286**

- Employee Stock Ownership Plans (ESOPs) 287
- Balancing Work Life and Home Life 288 ■ Benefits of a Diverse Workforce 289

EXPERIENTIAL EXERCISES 294

- Experiential Exercise 7A: Revising Walt Disney's Organizational Chart 294
- Experiential Exercise 7B: Do Organizations Really Establish Objectives? 294
- Experiential Exercise 7C: Understanding My University's Culture 295

Chapter 8**Dealing with Marketing, Finance/Accounting, R&D, and MIS Issues 296****The Nature of Strategy Implementation 298**

- Marketing Issues 298 ■ Market Segmentation 299 ■ Does the Internet Make Market Segmentation Easier? 302 ■ Product Positioning 302

Finance/Accounting Issues 304

- Acquiring Capital to Implement Strategies 305 ■ Projected Financial Statements 310 ■ Projected Financial Statement Analysis for Mattel, Inc. 312 ■ Financial Budgets 315 ■ Evaluating the Worth of a Business 316 ■ Deciding Whether to Go Public 320

Research and Development (R&D) Issues 320**Management Information Systems (MIS) Issues 322****EXPERIENTIAL EXERCISES 325**

- Experiential Exercise 8A: Developing a Product-Positioning Map for Walt Disney 325
- Experiential Exercise 8B: Performing an EPS/EBIT Analysis for Walt Disney 325
- Experiential Exercise 8C: Preparing Projected Financial Statements for Walt Disney 326
- Experiential Exercise 8D: Determining the Cash Value of Walt Disney 326
- Experiential Exercise 8E: Developing a Product-Positioning Map for My University 326
- Experiential Exercise 8F: Do Banks Require Projected Financial Statements? 327

Part 4**Strategy Evaluation 328****Chapter 9****Reviewing, Evaluating and Controlling Strategy 328****The Nature of Strategy Evaluation 330**

- The Process of Evaluating Strategies 333

A Strategy-Evaluation Framework 333

- Reviewing Bases of Strategy 334 ■ Measuring Organizational Performance 336 ■ Taking Corrective Actions 337

The Balanced Scorecard 338**Published Sources of Strategy-Evaluation Information 338****Characteristics of an Effective Evaluation System 339****Contingency Planning 341****Auditing 343**

- The Environmental Audit 344

Twenty-First-Century Challenges in Strategic Management 344

- The Art or Science Issue 344 □ The Visible or Hidden Issue 346
- The Top-Down or Bottom-Up Approach 347

EXPERIENTIAL EXERCISES 350

- Experiential Exercise 9A: Preparing a Strategy-Evaluation Report for Walt Disney 350
- Experiential Exercise 9B: Evaluating My University's Strategies 351
- Experiential Exercise 9C: Who Prepares an Environmental Audit? 351

Part 5

Strategic Management Case Analysis 352

Preparing and Presenting a Case Analysis 352

What Is a Strategic-Management Case? 354

Guidelines for Preparing Case Analyses 354

- The Need for Practicality 354 □ The Need for Justification 354
- The Need for Realism 354 □ The Need for Specificity 355
- The Need for Originality 355 □ The Need to Contribute 355

Preparing a Case for Class Discussion 355

- The Case Method versus Lecture Approach 355
- The Cross-Examination 356

Preparing a Written Case Analysis 356

- The Executive Summary 356 □ The Comprehensive Written Analysis 356
- Steps in Preparing a Comprehensive Written Analysis 357

Making an Oral Presentation 357

- Organizing the Presentation 357 □ Controlling Your Voice 358
- Managing Body Language 358 □ Speaking from Notes 358
- Constructing Visual Aids 358 □ Answering Questions 358
- Tips for Success in Case Analysis 359 □ Content Tips 359
- Process Tips 360 □ Sample Case Analysis Outline 361

STEPS IN PRESENTING AN ORAL CASE ANALYSIS

- Oral Presentation—Step 1: Introduction (2 minutes) 362
- Oral Presentation—Step 2: Mission/Vision (4 minutes) 362
- Oral Presentation—Step 3: Internal Assessment (8 minutes) 362
- Oral Presentation—Step 4: External Assessment (8 minutes) 362
- Oral Presentation—Step 5: Strategy Formulation (14 minutes) 363
- Oral Presentation—Step 6: Strategy Implementation (8 minutes) 363
- Oral Presentation—Step 7: Strategy Evaluation (2 minutes) 363
- Oral Presentation—Step 8: Conclusion (4 minutes) 363

Name Index 364

Subject Index 366

Cases

Manufacturing Firms

COSMETICS

1. Estée Lauder Companies, Inc. — 2008, Sharynn Tomlin 2
2. Revlon, Inc. — 2007, M. Jill Austin 13

FOOD

3. Krispy Kreme Doughnuts — 2008, Forest R. David and Mario Musa 25
4. Pilgrim's Pride Corporation — 2007, James L. Harbin 35

BEVERAGES

5. Coca-Cola Company — 2007, Alen Badal 46
6. Anheuser-Busch Companies, Inc. — 2007, Alen Badal 55

COMPUTERS

7. Hewlett-Packard Corporation — 2007, Mernoush Banton 63
8. International Business Machines — 2007, Vijaya Narapareddy 72

AUTOMOTIVE

9. Ford Motor Company — 2007, Alen Badal 86
10. Winnebago Industries — 2008, Eugene M. Bland and John G. Marcis 96
11. Skoda Auto — 2007, Marlene Reed and Rochelle R. Brunson 106

SMALL BUSINESS

12. S/W Printing Company, Joseph Aniello and Brianna Zhang 116
13. Waterford Wedgwood PLC — 2007, Brandan L. Still, Lisa D. McNary, and Clare Burns 123
14. Toll Brothers, Inc. — 2007, Randy Harris 133
15. Cellox — 2007, A. Gregory Stone and Timothy A. O. Redmer 142

Service Firms

E-COMMERCE

16. E*Trade Financial, Inc. — 2007, Amit J. Shah 150
17. Amazon.com — 2007, M. Jill Austin 158

RETAILING

18. Zale Corporation — 2008, Sharynn Tomlin 170
19. Gap, Inc. — 2007, Sharynn Tomlin 182

FOOD SERVICE

20. Wendy's International — 2007, Vijaya Narapareddy 193
21. McDonald's Corporation — 2007, Vijaya Narapareddy 204
22. Compass Group PLC — 2007, Lester A. Hudson, Jr. and William Garcia 214

TRAVEL—AIR OR SEA

23. Continental Airlines, Inc. — 2007, Charles M. Byles 223
24. Southwest Airlines Co. — 2007, Amit J. Shah 237
25. Carnival Corporation — 2007, Mernoush Banton 249

HOTEL/MOTEL

26. MGM Mirage — 2007, John K. Ross III, and Sherry K. Ross 258
27. Marriott International — 2007, Vijaya Narapareddy 270
28. Starwood Hotels and Resorts Worldwide, Inc. — 2007, Anne M. Walsh 283

NONPROFIT ORGANIZATIONS

29. Miami University — 2007, Joseph W. Leonard 293
30. Wesley United Methodist Church — 2007, William James 304
31. Riverbanks Zoological Park and Botanical Garden — 2007, Carolyn R. Stokes and Eugene M. Bland 316

INDEX

NAME

A

Abe, Shinzo, 112
Abetti, Pier, 324
Acdeo, F.J., 171
Adner, R., 61
Agnew, Neil, 349
Aguilera, Ruth V., 97
Allarie, Y., 170, 250
Allen, Michael, 234
Alsop, R., 281
Alston, Jon, 170
Andriessen, Floris, 211
Ansoff, H. Igor, 170, 279, 292
Armour, Stephanie, 292
Ash, Mary Kay, 258

B

Baetz, Mark C., 86, 96, 97
Baig, Edward, 324
Ball, Deborah, 231
Ball, Jeffrey, 111, 292, 343
Banton, Mernoush, 62
Barnes, Brenda, 289
Barnett, M.L., 97
Barney, Jay B., 97, 170, 211
Baron, Robert A., 130, 171
Barroso, C., 171
Barsade, Sigal, 349
Bart, Christopher K., 86, 96, 97
Bartkus, Barbara, 96, 97
Bartlett, C. A., 269, 292
Bartol, Kathryn M., 293
Batson, Andrew, 210
Batt, Rosemary, 130
Bayles, Carter, 338, 349
Beamish, P.W., 171
Bechuk, Lucian A., 293
Becker, Brian E., 293
Bedelian, Art G., 292
Beinhardt, Forest, 89
Bellman, Eric, 205
Bennett, Julie, 293
Benz, Matthias, 250
Berg, Norman, 237
Bergman, B., 171, 210
Berkowitz, Marvin, 61
Berman, Dennis, 202, 231
Berry, Leonard, 349
Beyer, J. M., 140
Bhide, Amar, 174
Biggadike, Ralph, 324
Bigley, Gregory A., 61
Bloom, M., 97
Boessenkool, Antonie, 221
Boiral, Oliver, 61
Bonaparte, Napoleon, 55
Bono, Edward, 174
Boudet, Neal, 231
Boulton, William, 162, 171
Bower, Joseph L., 61, 293
Brabot, Julianne, 97
Brandt, Steven C., 209
Brauer, Matthias, 211
Breen, Timothy, 293
Brews, Peter, 130
Bridge, John, 60, 211
Brochett, L., 292
Brochett, O.G., 292
Brook, Tom, 187
Brooker, Russell, 61
Brouthers, Keith D., 211
Brown, John, 349
Brown, Richard, 277, 292
Brown, Shona L., 197
Bryan, Cassell, 205

Bucerius, M., 211
Burlingham, Bo, 349
Burns, Robert, 80
Byrne, John, 209

C

Calloway, Wayne, 102
Campbell, Andrew, 85, 96
Campbell, John, 171
Cannella, Albert, 250
Cardinal, L. B., 60
Cardy, Robert L., 61
Carey, Anne, 211
Carey, Susan, 111, 231
Carroll, Archie, 97
Carroll, Lewis, 174
Carroll, Paul, 292
Cartwright, T. J., 249
Cassell, Bryan-Low, 319
Certo, Samuel C., 61
Certo, Trevor S., 61
Chakrabarti, A., 211
Chambers, John, 268
Chandler, Alfred, 267
Chandran, Rajan, 349
Charyk, Joseph, 51
Chen, M. J., 130, 349
Chozick, Amy, 205
Christensen, Roland, 237
Christie, Richard, 254, 255
Cleland, D. I., 86, 96
Clement, Ronald W., 61
Cohen, William, 102, 134
Coella, Addriene, 293
Collins, James, 171
Confucius, 34
Conger, Jay, 42
Conlin, Michelle, 305
Connelly, Brian, 211
Conyon, Martin J., 293
Covin, Jeffery, 241
Cummings, Stephen, 97
Cyert, Richard, 206

D

Dacin, M.T., 211
Daft, Richard, 170
Dahan, Andre, 272
Dalton, Catherine M., 97, 250
Dalton, Dan R., 250
Dane, Erik, 61
Darwin, Charles, 102
David, Fred R., 46, 60, 84, 96, 104, 136,
179, 210, 220, 250, 260, 299, 330
David, P., 97
Davidson, Kenneth, 210
Davies, John, 97
Davies, Stuart, 97
Davis, Robert, 210
Day, George, 97
Deal, T., 282, 292, 293
Dean, Alison, 324
DeCarlo, Scott, 40
Deckop, John R., 293
Delios, A., 171
Delmar, Daniel, 60
Dess, Greg, 249
Deutsch, Yuva, 211
Dew, N., 61
Dickel, K., 227, 228, 250
Dienhart, John W., 65
Dilworth, James, 160
Disney, Roy, 62
Disney, Walt, 62
Dittman, Paul J., 130
Dolan, Peter, 272
Downing, Grahame R., 97
Doz, Yves, 130

Drew, Stephen A., 250
Drucker, Peter F., 38, 52, 60, 80, 83, 95,
96, 97, 146, 171, 174, 218, 258, 328
Dugas, Christine, 221
Dulek, Ronald, 134
Dumaine, Brian, 96, 171
Duncan, Jack, 279, 282, 292
Durant, Will, 38

E

Einstein, Albert, 38, 134
Eisenhardt, Kathleen, 197
Eisenhower, Ike, 258
Eisner, Alan, 249
Eisner, Michael, 47
Erez, M., 349
Erickson, Tamara, 171
Etter, Lauren, 305
Etzioni, Doro, 61
Evans, J., 171
Ewing, J.R., 254

F

Falbe, Cecilia M., 97
Fang, Y., 171
Fann, Gail L., 171
Felps, Will, 61
Fialka, John, 111
Fine, Leslie M., 324
Firsztou, M., 170, 250
Fisher, Anne, 250
Freund, York, 106, 130
Frey, Bruno S., 250
Fried, Charles, 231
Fried, Jesse M., 293
Friedman, Milton, 91
Frynas, J., 211
Fuentelesz, L., 211
Fuhrman, Joel, 305
Fulgoni, Gian, 60
Fulmer, William, 258

G

Galan, J.L., 171
Gamble, John, 166, 210
Ganapathi, 97
Gannon, M. J., 211
Gardner, Beth, 281
Geis, Florence, 255
Gellerman, Saul, 52, 60
George, Claude, Jr., 138, 170, 349
Gerstner, Louis V., Jr., 80
Ghoshal, Sumantra, 269, 292
Gib, Andre, 250
Gibson, Donald, 349
Gietzmann, Miles, 97
Gilbert, Clark G., 293
Gillis, William E., 250
Gimeno, J., 130
Glaister, Keith, 97
Glassman, Myron, 96, 97
Gluck, Frederick, 55, 61
Glueck, William F., 130, 292, 352
Gomez, J., 211
Gotschlag, Oliver, 130
Grant, Robert, 137, 170, 249
Gratton, Lynda, 97
Greco, Joann, 60
Greenley, Gordon, 48, 60
Grimm, C., 211
Grinstein, Gerald, 199, 278
Gruber, William, 134
Gupta, Shruti, 293
Guth, William, 250

H

Hale, James, 61
Haller, Terry, 218

Hamel, Gary, 130
Hammond, Steve, 292
Hansen, F., 52, 210
Harper, Stephen, 60
Harrigan, Kathryn Rudie, 117, 210
Harris, John, 130
Harrison, Ann E., 61
Hax, A., 328
Hayashi, Yuka, 93
Heine, K., 61
Helfat, Constance E., 293
Henderson, Bruce, 38, 60, 221
Henry, J. Warren, 293
Herremans, Irene, 324
Hershley, Milton, 43
Hesburgh, Theodore, 80
Hill, Linda A., 61
Hillman, Linda A.J., 97, 250
Hipkin, Ian, 211
Hitt, Michael A., 61, 171, 211
Hofer, Charles, 162, 171, 349
Hoffman, W.H., 250
Hollender, Jeffery, 97
Homburg, C., 211
Horovitz, Bruce, 111
Hoy, Frank, 97
Hudson, Kris, 221, 292
Hult, G.T., 130
Hurst, David, 34
Huselid, Mark A., 293
Hussey, D., 349
Hutcheson, Nikhil, 210
Hutzchnerreuter, Thomas, 61
Hyland, MaryAnne, 212

I

Ibsen, H., 292
Ichioka, Sachiko, 92
Iger, Robert, 47, 62
Immel, Jeff, 274
Irani, Ray, 278
Irwin, Richard, 250
Iverson, Roderick D., 212
Ivey, Susan, 289
Iwata, Edward, 287

J

Jackson, Ken, 130
Jacoby, Mary, 157
Jansa, Janez, 107
Jayactlandran, S., 130
Jerdling, Grant, 211
Jiabao, Wen, 112
Jiang, Bin, 171
Jianguo, Wie, 124
Jobe, L. A., 211
Jones, Del, 61, 293
Jung, Andrea, 289

K

Kami, Michael, 34
Kanfer, F., 349
Kaplan, Robert, 211
Kargar, Javad, 211
Karim, S., 293
Katsikas, C.S., 325
Keane, John, 80
Keil, Thomas, 211
Kelley, P. X., 218
Kelly, Patricia C., 250
Kendrick, Terry, 250
Kennedy, A., 282, 292, 293
Ketchen, D. J. Jr., 130
Khosla, Lalita, 284
Kilian, C. Max, 34
Kim, Jane, 281
Kindler, Jeffrey, 272

- King, Andrew, 130
 King, William R., 86, 96, 170
 Kipling, Rudyard, 352
 Kirkpatrick, Shelley, 171
 Kleindienst, Ingo, 61
 Klemm, Mary, 97
 Kliesch-Eberl, M., 171
 Klowden, Kevin, 171
 Knotts, Rose, 142, 170
 Kor, Y.Y., 250
 Kotler, Philip, 301
 Kranholm, Katheryn, 292
 Krantz, Matt, 171
 Kretschmer, Martin, 324
 Kriger, Mark, 97
 Krishnan, Rekha, 212
- L**
 Laamanen, Tomi, 211
 Lacziak, Gene, 61
 Langham, M., 349
 Langley, Ann, 60
 Lanzolla, Gianvito, 212
 Larwood, Laurie, 97
 Lavelle, Louis, 130, 250
 Lavie, Dov, 212
 Lee, Seung-Hyun, 211
 Lenz, Robert T., 50, 60, 134, 223, 249, 293, 328
 Lepak, David P., 171
 Levenson, Eugenia, 340, 349
 Lewis, Kenneth, 278
 Lieberman, M. B., 349
 Lincoln, Abraham, 34
 Lissak, Michael, 97
 Locke, Edwin, 171, 293
 Lombardi, Vince, 54, 258
 Lorsch, John, 140, 170
 Lumpkin, G. T., 249
 Luo, Y., 212
 Lustenberger, Lou, 87
 Lyles, Marjorie, 293
 Lynch, David, 130
- M**
 Machiavelli, Niccolo, 254, 255
 Mackey, Alison, 97
 Mackey, Tyson B., 97
 MacLeod, Calum, 345
 MacMillan, Ian, 102, 250
 Maher, Kris, 292
 Mahmood, I., 211
 Majluf, N., 328
 Mami, S., 325
 Marguiles, Robert, 250
 Mark, Reuben, 86
 Marler, J.H., 293
 Marr, Merissa, 71
 Martin, Xavier, 212
 Mason, R., 227, 228, 250
 Mathieu, Alexander, 212
 McAfee, Bruce, 96, 97
 McCarthy, Jerome, 300
 McConkey, Dale, 34, 60, 130, 292, 328, 348, 349
 McGahan, A. M., 130
 McGinnis, Michael, 349
 McGinnis, Vern, 90, 97
 McKinnel, Hank, 272
 McKinnon, John, 319
 McMillan, Margaret S., 61
 McTavish, Ron, 97
 Mellahi, G.K., 211
 Mentzer, John T., 130
 Merrick, Amy, 324
 Merriman, Kimberly K., 293
 Meyer, Klaus E., 212
 Michael, Steven C., 212
 Michaels, Daniel, 64
 Miesing, Paul, 97
 Miller, C.C., 60
 Miller, D. J., 212
 Miller, Leslie, 324
- Millman, Joel, 210
 Mintzberg, Henry, 328, 344, 346, 349
 Moffett, Sebastian, 93
 Montgomery, D. B., 211, 241
 Moore, Anne, 301
 Moore, John, 119
 Mulcahy, Anne, 289
 Murphy, Patrick, 171
 Murray, Alan, 111
 Murray, Matt, 250
 Muto, Sheila, 210
 Myers, Bill, 211
- N**
 Nader, Ralph, 91
 Nag, R., 349
 Naik, Gautam, 171
 Nardelli, Robert, 274
 Nauke, Pete, 211
 Nelson, Ron, 60
 Newbert, S.L., 171
 Newman, William, 292
 Nicolaes, Igor, 211
 Nikolaisen, V. Neal, 211
 Noorderhaven, Niels G., 212
 Nooyi, Indra, 289
 Norton, David, 209
 Nunes, Paul, 293
- O**
 O'Donnell, Jayne, 60, 221
 Ogden, John, 187
 Oliver, C., 211
 Opdyke, Jeff, 292
 Oster, Shai, 345
 Ota, Hiroko, 92
- P**
 Paetzold, Ramona, 293
 Paletta, Damien, 210
 Palmer, T.B., 130
 Pangarkar, Nitin, 61
 Parnell, John, 346, 349
 Pascale, R., 292
 Patton, George, 102
 Pearce, John II, 60, 96, 212
 Peel, Michael J., 60, 211
 Pehrsson, A., 212
 Peng, Mike W., 211
 Perrini, Francesco, 97
 Perry, Nancy, 258
 Peterson, Thomas, 277
 Pigman, G.A., 211
 Pleck, Joseph, 289
 Plitch, Phyllis, 324
 Ployhart, Robert E., 171
 Porras, Jerry, 97
 Porter, Michael E., 106, 118-121, 139, 164, 192-197, 210
 Power, Stephen, 159
 Prahalad, C. K., 130
 Pratt, Michael G., 61
 Prescott, John E., 130
 Priem, Richard L., 171
 Prince, Charles, 278
 Pudelko, Markus, 61
 Purohit, Deverarat, 130
- Q**
 Quigley, Joseph, 96
 Quinn, James Brian, 250
- R**
 Rapoport, Michael, 324
 Rarick, Charles, 86, 96
 Rattner, Steven, 210
 Raudsep, Eugene, 60
 Rehbein, Kathleen, 250
 Reilly, David, 319
 Reimann, Bernard, 60
 Reutzel, Christopher R., 61
 Reynolds, Paula, 289
 Richardson, Karen, 292
- Riedel, George, 189
 Rindfuss, A., 324
 Robertson, Diana, 52
 Robinson, Richard, 60
 Roos, Johan, 97
 Rosen, Andrew, 206
 Rosen, Christine Meissner, 89
 Rosenkopf, Lori, 212
 Ross, Joel, 34
 Rothaermel, R.T., 211
 Rousebl, Philip, 171
 Rousseau, Denise M., 130
 Rowe, H., 227, 228, 250
 Roy, J.P., 211
 Rudin's Law, 218
 Rumelt, Richard, 331
 Rupp, Deborah E., 97
 Russ, Patricia, 289
 Ryans, John K., Jr., 325
- S**
 Saad, Kamal, 171
 Sabharwal, Binny, 205
 Salk, George, 102
 Salomon, R.M., 97
 Salter, Malcolm, 237
 Samiee, S., 325
 Sammons, Mary, 289
 Sapirto, Bill, 130, 218
 Saravathy, S.D., 61
 Sawka, Kenneth, 130
 Scannell, Kara, 319
 Scarpiello, Vida, 162, 171
 Schein, Edgar H., 170, 268, 292
 Schendel, D.E., 349
 Schifrin, Matthew, 210
 Schilke, Oliver, 212
 Schmit, Julie, 210
 Schoemaker, Paul, 97
 Schrader, K., 60
 Schramm, Carl, 207
 Schreyogg, G., 171
 Schroeder, Roger, 158
 Schultz, Peter, 95
 Schwenk, G.L., 60
 Seacrey, Dionne, 205
 Seidenberg, Ivan, 277
 Selvarajan, T.T., 61
 Semadeni, Matthen, 61
 Semel, Terry, 278
 Sender, Henny, 210
 Seo, Myeong-Gu, 349
 Shaw, Robert, Jr., 130
 Shellenbarger, Sue, 293
 Sherman, Stratford, 293
 Shill, Walter, 293
 Shimell, Pamela, 349
 Shirouzu, Norihiko, 124, 300
 Shrivastava, P., 250
 Shropshire, Christine, 250
 Sidle, Stuart D., 171
 Simons, Robert, 348
 Simpson, Bob, 278
 Singh, K., 211
 Sloan, Alfred, Jr., 38, 60
 Stone, Reuben E., 130
 Smeltzer, Larry R., 211
 Smith, Adam, 170
 Smith, Daniel, 130
 Smith, Ethan, 60
 Smith, Julia, 60
 Smith, K. G., 171, 211
 Smith, M., 210
 Smith, Rebecca, 111, 343
 Solem, Olaf, 211
 Sommers, William, 130
 Sonenschein, Scott, 61
 Sonnenfeld, Jeff, 246
 Sovich, Nina, 343
 Srivastava, Abhishek, 293
 Stadler, Christian, 349
 Staley, Ed, 87
 Starik, Mark, 36
- Steel, Emily, 148, 171
 Steiner, George, 88, 97
 Steiner, Michael P., 211
 Stepanek, Marcia, 292
 Stieglitz, N., 61
 Stinson, Jeffrey, 343
 Stobaugh, Robert, 293
 Stoller, Gary, 231
 Stonecipher, Harry, 289
 Strickland, A.J., III, 130, 166, 210, 250, 352
 Suarez, Fernando, 212
 Sun Tzu, 55, 56, 130, 134, 346
- T**
 Taylor, Susan M., 171
 Teets, John W., 80
 Telesia, Piero, 293
 Theodosiou, M., 324
 Thompson, A., 130, 166, 210, 250
 Thompson, Kennedy, 278
 Thurm, Scott, 211
 Thurston, Ken, 130
 Tihanyi, Laszlo, 211
 Tilles, Seymour, 328, 349
 Tran, Yen Thi Thu, 212
 Trice, H. M., 140
 Trottman, Melanie, 231
 Truman, Harry, 258
 Tzu, Sun, 55, 56, 130, 134, 346
- U**
 Ueltschy, Linda C., 324
- V**
 Van Horne, James, 171
 Varadarajan, P.R., 130
 Venkat, P.R., 205
 Vitton, John, 86, 96
- W**
 Wade, M., 171
 Walisz, Martin, 61
 Walker, Marcus, 245
 Wasserman, Noah, 293
 Waterman, Robert, Jr., 34, 39, 60, 97, 171, 279, 292, 341, 349
 Waters, J., 349
 Weihrich, Heinz, 249
 Weise, Elizabeth, 324
 Welch, Jack, 274
 Wesson, Michael J., 293
 Whitman, Meg, 289
 Williams, Cynthia, 97
 Wilson, Timothy L., 61
 Wiltbank, R., 61
 Wimbush, James C., 293
 Wirtz, Bernd W., 212
 Woertz, Patricia, 289
 Wolfson, Paul J., 293
 Wonnacott, Peter, 205
 Woodyard, Chris, 89
 Wu, Jie, 61
 Wu, Martin, 203
- Y**
 Yanadori, Y., 293
 Yang, Monica, 212
 Yavitz, Boris, 292
 Yeung, Sally, 85, 96
 Yue, Pan, 345
- Z**
 Zackariasson, Peter, 61
 Zand, Dale, 348
 Zardkoohi, Asghar, 293
 Zatzick, Christopher, 212
 Zemsky, P., 61
 Zhang, Y., 293
 Zhao, Hao, 171
 Zifirovski, Mike, 189
 Zollo, Maurizo, 130

SUBJECT**A**

Accounting. See Finance/Accounting
 Acquiring capital, 305–310
 Acquisitions, 199–203
 Friendly merger, 199
 Hostile takeover, 199
 List of recent mergers, 202
 Activity ratios, 154–155
 Adapting (to Change), 39
 Advantage (in strategy evaluation), 331
 Advertising, 148
 Aggressive Quadrant (in SPACE), 224–229
 Alternative strategies, 192–197
 Annual objectives, 45
 Art of War, 55–56
 Art versus Science, 38, 344, 346
 Assumptions, making them, 123
 Attractiveness Scores (AS – in a QSPM), 238–242
 Auditing, 343–344
 Environmental audit, 344, 351
 Avoidance, 266

B

Backward integration, 178–180, 182
 Balanced scorecard, 178, 338–339
 Balancing work life and home life, 288–289
 Bankruptcy, 189–190
 Bargaining power of consumers, 118–121
 Bargaining power of suppliers, 118–121
 Beliefs, 140
 Benchmarking, 166
 Benefits (of strategic management), 47–48
 Financial benefits, 48
 Nonfinancial benefits, 48
 Of a diverse workforce, 289–290
 Board of directors, 243–247
 Bonus system, 277
 Boston Consulting Group (BCG) Matrix, 222–223, 229–233, 251, 255
 Brand positioning, 148
 Business ethics, 51–54
 Definition, 51
 Evaluating a code, 76
 Spying on competitors exercise, 77
 Business failure, 48
 Business plan, 47, 208
 Business policy, 37
 Business portfolio, 229
 Business strategy (vs Military strategy), 54–56
 Business vision and mission, 82–100
 Business worth, 316–321
 Business-process outsourcing (BPO), 203–204

C

Capacity (production/operations function), 158
 Capital budgeting, 151, 305–310
 Case analysis, 344–363
 Sample case analysis outline, 361–363
 Tips for success, 359
 Case analysis outline, 357, 362–363
 Case method, 352–363
 Cash budget, 315–316
 Cash cows, 230–233
 Ceremonies, 140
 Champions, 243
 Chandler's strategy/structure relationship, 267
 Chapter 7, 9, 11, 12, & 13 bankruptcy, 189–190
 Checklist of questions, 147, 151, 157, 161, 162, 163
 Finance/accounting audit checklist of questions, 157–158

Management audit checklist of questions, 147

Management information systems audit checklist of questions, 163–164
 Marketing audit checklist of questions, 151
 Production/operations audit checklist of questions, 161
 Research and development audit checklist of questions, 162
 CheckMATE Strategic Planning Software, 163, 299, 347
 Chief Executive Officer (CEO), 42
 Chief Information Officer (CIO), 113
 Chief Strategy Officer (CSO), 42
 Chief Technology Officer (CTO), 113
 Climate change, 111
 Code of Business Ethics, 51–54, 76
 Cohesion Case (on Walt Disney), 62–75
 Balance sheets, 65
 Competition, 72
 Income statements, 64
 Management structure, 63–64
 Combination strategy, 178
 Common stock financing, 305–310
 Communication, 47, 137
 Compensation, 276–278
 Competitive advantage, 39–42, 166, 227
 Competitive Advantage of Nations, 192
 Competitive analysis, 116, 118–121
 Competitive forces, 114–118
 Competitive intelligence (CI) programs, 114–117
 Corporate spies, 116
 Definition, 115
 Unethical tactics, 114–117
 Competitive Profile Matrix, 127–128, 223
 Competitive Quadrant in SPACE, 226–229
 Consistency, 331
 Consonance, 331
 Contingency planning, 341–343
 Controlling, 147
 Cooperation among competitors, 117–118
 Cooperative agreements (among competitors), 117–118, 197–199
 Cooperative arrangements, 197–199
 Core competence, 166
 Corporate agility, 337
 Corporate ethics, 51–54, 76
 Cost leadership strategies, 192–197
 Cost/benefit analysis, 150
 Crafting strategies, 344, 346. See *Art vs Science Issue*
 Creed statement, 83
 Critical success factors, 127–128
 Cultural forces, 108–110, 139–143
 USA vs foreign cultures, 141–143
 Variables, 140
 Cultural pitfalls, 142
 Cultural products, 140
 Culture, 139–143, 242, 282–285
 Cultural pitfalls, 142
 Cultural products, 140
 Definition, 139
 Japanese culture, 283
 Mexican culture, 282–283
 Customer analysis, 148
 Customer relations, 148

D

Data vs information, 163
 De-integration, 182
 Dealer relations, 148
 Debt financing, 305–310
 Decentralized structure, 268–271
 Decision stage, 222, 238–242
 Decruiting, 274–276
 Defensive quadrant (in SPACE), 226–229
 Defensive strategies, 179, 189–192
 Divestiture, 179, 189–192

Liquidation, 179, 192
 Retrenchment, 179, 189–190

Defusion, 266
 Delayering, 274–276
 Demographic forces, 108–110
 Variables, 110
 Demoting, 146
 Differentiation strategies, 192–197
 Directional vector, 229
 Director of competitive analysis, 116
 Distinctive competencies, 137, 166
 Distribution, 150
 Diversification strategies, 179, 184–189
 Related, 185–187
 Unrelated, 185–187
 Diversity, 289–290
 Divestiture, 179, 190–192
 Dividend decisions, 151–152, 310–311
 Divisional structure, 268–271
 Dogs, 230–233
 Downsizing, 274–276
 Dun & Bradstreet's Industry Norms and Key Business Ratios, 152

E

E-commerce, 41–42, 113
 E-engineering, 274–276
 Economic forces, 106–107
 Educational institutions, 206
 Educative change strategy, 278
 Empirical indicators, 139
 Employee stock ownership plans (ESOPs), 286–288
 Empowerment, 47
 Environment, 36
 Environmental audit, 345, 351
 Environmental forces, 108–110
 Environmental scanning, 43, 104
 Environmental stability (ES axis), 226–229
 Environmentalists, 344–351
 EPS-EBIT analysis, 305–310, 326
 Equifinality, 243
 ESOPs, 288–290
 Ethics, 51–54, 76, 77
 Evaluating mission statements, 83, 94–95, 99
 Evaluating the worth of a business, 316–320
 Executive summary, 356
 Executive titles, 272–274
 Experiential Exercises
 Chapter 1, 76–79
 Chapter 2, 98–100
 Chapter 3, 131–133
 Chapter 4, 172–173
 Chapter 5, 213–216
 Chapter 6, 251–256
 Chapter 7, 294–295
 Chapter 8, 326–327
 Chapter 9, 350–351
 External assessment, 102–133
 Competitive forces, 114–118
 Competitive intelligence (CI) programs, 115–117
 Competitive Profile Matrix, 127–128
 Cooperation among competitors, 117–118
 Economic forces, 106–107
 External Factor Evaluation (EFE) Matrix, 125–127
 Five-forces model, 118–121
 Forecasting tools and techniques, 122–123
 Globalization, 123–125
 Industrial/Organization (I/O) view, 106
 Industry Analysis: The External Factor Evaluation (EFE) Matrix, 125–127
 Making assumptions, 123
 Nature of an external assessment, 104
 Political, governmental and legal forces, 109–112
 Porter's Five-forces model, 118–121

Process of performing, 105
 Social, cultural demographic and environmental forces, 108–109
 Sources of external information, 122
 Technological forces, 112–114
 External audit. See external assessment
 External Factor Evaluation (EFE) Matrix, 125–127, 223
 External forces, 104
 Variables, 107, 110, 112, 115
 External opportunities and threats, 43, 102–133
 Externality, 215

F

Failure (business), 48, 332
 Fast follower, 203
 Feasibility (in strategy evaluation), 331
 Feng shui, 143
 Finance/Accounting, 151–158, 304–322
 Audit checklist, 157–158
 Financial Accounting Standards Board, 318
 Financial ratios, 152–156
 Functions of finance, 151
 Financial budgets, 315–316
 Financial objectives, 177
 Financial ratio analysis, 152–156, 172
 Financing decision, 151
 First mover advantages, 203
 Five-forces model, 118–121
 Bargaining power of consumers, 121
 Bargaining power of suppliers, 121
 Potential development of substitute products, 120
 Potential entry of new competitors, 120
 Rivalry among competing firms, 120
 Focus on higher-order issues, 243
 Focus strategies, 192–197
 Folktales, 140
 Force change strategy, 278
 Forecasting tools and techniques, 122–123
 Forward integration, 178–181
 Franchising, 181
 Fuld.com (intelligence gathering), 114
 Functional structure, 267–268
 Functions of finance, 151–158
 Dividend decision, 151–152
 Financing decision, 151
 Investment decision, 151
 Functions of management, 143–147
 Controlling, 145
 Motivating, 145
 Organizing, 145
 Planning, 143–145
 Staffing, 145
 Functions of marketing, 148
 Customer Analysis, 148
 Distribution, 150
 Marketing audit checklist of questions, 151
 Marketing research, 150
 Opportunity analysis, 150
 Pricing, 149
 Product and service planning, 149
 Selling products/services, 148
 Future shock, 337

G

GAAP, 318–319
 Gain sharing, 282
 Generalization, 243
 Generic Strategies, 192–197
 Glass ceiling, 289
 Cost leadership, 192–197
 Differentiation, 192–197
 Focus, 192–197
 Global challenge, 123
 Global competition, 55–58
 Advantages and disadvantages, 57–58
 Global Perspectives
 American versus Foreign Communication Differences, 284

Automobile Industry Workweek and Hourly Pay Variation Across Countries, 159
 China's Automobile Producers Heading to the USA in 2008, 129
 Corporate Tax Rates Worldwide—Europe is Lowest and Getting Lower, 245
 Eastern Europe, Western Europe, USA Embrace Atomic Energy, 342–343
 Globally Standardizing Accounting Standards, 318–319
 Joint Ventures Mandatory For All Foreign Firms in India, 204–205
 Social Policies on Retirement: Japan versus the World, 92–93
 The Largest Companies in the World, 40
 Global Reporting Initiative, 221
 Globalization, 124–125
 Goals. See objectives
 Governance, 243–247
 Governmental forces, 109–112
 Variables, 112
 Governmental organizations, (strategic planning), 207
 Grand Strategy Matrix, 222–223, 236–238, 255
 Growth ratios, 154–156
 Guanxi, 141
 Guidelines for case analysis, 352–363
 Guidelines for effective strategic management, 50–51

H

Halo error, 223
 Heroes/heroinies, 140
 High-velocity (change) markets, 196–197
 Horizontal consistency of objectives, 263
 Horizontal integration, 178–180, 182–183
 Host country, 55
 Hostile takeover, 199
 Human resource concerns when implementing strategies, 286–290
 Human resource management, 146

I

IE Matrix, 222–223, 229, 233–236
 India, 204–205
 Industrial Organization (I/O) View, 41, 106
 Industry Analysis: The External Factor Evaluation (EFE) Matrix, 104, 125–127, 223
 Industry Growth Rate (BCG axis), 229–233
 Information technology, 113
 Inhwa, 141
 Input stage, 222–223
 Integration strategies, 179–183
 Backward integration, 178–180
 Forward integration, 178–181
 Horizontal integration, 178–181
 Intensive strategies, 179, 183–184
 Market development, 183
 Market penetration, 183
 Product development, 184
 Internal assessment, 134–173
 Cultural pitfalls, 142
 Cultural products, 140
 Finance/accounting functions, 151–158
 Financial ratio analysis, 138, 172
 Integrating strategy and culture, 139–143
 Internal factor evaluation matrix, 166–168, 172–173
 Internal forces, 136
 Management, 143–147
 Management Information Systems, 162–164
 Marketing, 148–151

Nature of an internal audit, 136
 Process of performing an internal audit, 137–138
 Production/operations, 158–161
 Research and development, 161–162
 Research and development audit, 161–162
 Resource-Based View (RBV), 138–139
 USA vs foreign business cultures, 139–143
 Value chain analysis (VGA), 164–166

Internal audit, 137. See internal assessment
 Internal factor evaluation matrix, 166–168, 172–173, 223
 Internal forces, 136
 Internal strengths and weaknesses, 44, 136
 Internal-External (IE) Matrix, 222–223, 229, 233–236
 International operations, 55–58
 Advantages and disadvantages, 57
 Internet, 41–42, 113, 302
 Interviewing, 146
 Intuition (vs analysis), 38
 Inventory (production/operations function), 158
 Investment decision, 151
 ISO 14000 and 14001 Certifications, 52–53

J

Japanese culture, 283
 Joint venture/partnering, 197–199
 Just-in-time (JIT), 285

K

Kyoto Protocol, 109, 111

L

Language, 140
 Legal forces, 109–112
 Variables, 112
 Legend, 140
 Leverage ratios, 154–155
 Leveraged buyout, 203
 Lifecare facilities, 109
 Linear regression, 122
 Linking pay-performance, 276–278
 Bonus system, 276–278
 Gain sharing, 276–278
 Profit sharing, 276–278
 Liquidation, 179, 192
 Liquidity ratios, 154–155
 Lobbying, 43
 Long range planning, 36, 104
 Long-term objectives, 44, 176–177

M

Mach Test, 253–255
 Machiavellian, 253–255
 Making assumptions, 123
 Management, 143–147, 261
 Controlling, 145
 Functions of management, 143–147
 Management audit checklist of questions, 147
 Motivating, 145
 Organizing, 145
 Planning, 143–145
 Staffing, 145
 Management audit checklist of questions, 147
 Management by wandering around, 333
 Management Information Systems (MIS), 162–164, 322
 Managing by Crisis, 177
 Managing by Extrapolation, 177
 Managing by Hope, 177
 Managing by Objectives, 177
 Managing by Subjectives, 177
 Managing conflict, 266
 Managing resistance to change, 119, 278–280

Managing the natural environment, 36, 280–281. See Natural Environment
 Market commonality and resource similarity, 118
 Market development, 179, 183
 Market penetration, 179, 183
 Market segmentation, 299–302
 Marketing, 148–151, 298–303
 Cost/benefit analysis, 150
 Distribution, 150
 Implementation issues, 298–303
 Market segmentation, 299–302
 Marketing audit checklist of questions, 151
 Marketing research, 150
 Opportunity analysis, 150
 Pricing, 149
 Product and service planning, 149
 Product positioning, 302–303
 Selling products/services, 148
 Marketing audit checklist of questions, 151
 Marketing mix, 299–300
 Place, 299–300
 Price, 299–300
 Product, 299–300
 Promotion, 299–300
 Marketing research, 150
 Matching stage, 222–238
 Matching structure and strategy, 266–274
 Matrix structure, 271–272
 Medical organizations, 206
 Merger/acquisition, 199–203
 Friendly merger, 199
 Hostile takeover, 199
 List of recent mergers, 202
 Merit pay, 276–278
 Metaphors, 140
 Mexican culture, 282–283
 Military strategy (vs business strategy), 54–56
 Mirroring, 149
 MIS issues, 162–164, 322
 Mission, 38, 82–100
 Mission statements, 43, 82–100
 Characteristics of, 88–93
 Components, 93–94
 Definition, 43, 83
 Evaluating, 83, 94–95, 99
 Examples, 83, 98–99
 Importance (Benefits) of, 86–87
 Mission versus vision, 85
 Process of developing, 85
 Writing and evaluating, 85, 94–95, 99
 Motivating, 145–146
 Multinational corporations, 55–58, 124–125
 Mystery approach to decision making, 177
 Myths, 140

N

Natural environment, 36, 280–281
 Natural Environment Perspectives
 American Business Leaders Pushing for Legislation on Climate Change, 111
 China Vastly Polluted, 345
 European Union Countries Impose Strict Curbs on Use of Chemicals Among Manufacturers, 157
 In Hiring, Do Companies Consider Environmental Training of Students?, 281
 Is Your Firm Environmentally Proactive?, 89
 Songbirds and Coral Reefs in Trouble., 186–187
 Strategic Management of Your Health, 304–305
 Using ISO 14000 Certification to Gain Strategic Advantage, 52
 What is a Sustainability Report?, 219

Nemaswashio, 143

Nonprofit and governmental organizations, 206
 Notable Quotes, 34, 80, 102, 134, 174, 218, 258, 296, 328, 352

O

Objectives, 44–45, 176–177, 262–263, 294
 Annual, 45, 262–263
 Financial versus strategic objectives, 177
 Long-term, 176–177, 262–263
 Not managing by objectives, 177
 Purpose and characteristics, 262–263
 Operations. See Production/Operations Function
 Opportunities, 43, 104–105
 Opportunity analysis, 150
 Oral case analysis, 353, 357–359, 362–363
 Oral presentation, 353, 357–359, 362–363
 Organizational change, 39, 279–280
 Organizational charts, 266–274, 294
 Do's and Don'ts, 272–274
 Organizational culture, 139–143, 242, 282–285
 Cultural pitfalls, 142
 Cultural products, 140
 Definition, 139
 Japanese culture, 283
 Mexican culture, 282
 USA vs foreign, 141–143
 Organizational demise, 332
 Organizational structure, 266–274
 Organizing, 145
 Outsourcing, 203–204
 Outstanding shares method to value a firm, 317

P

Packaging, 149
 Parent company, 55
 Partnering, 197–199
 Partnerships, 197–199
 Pay-Performance issues, 276–278
 Personal ethics, 51–54, 76
 Personal selling, 149
 Personnel management, 146
 Pitfalls in strategic planning, 49–50
 Planning, 226
 Policies, 44, 264–265
 Political, governmental and legal forces, 109–112
 Variables, 112
 Politics of strategy choice, 242–243
 Porter's five generic strategies, 192–197
 Cost leadership, (Type 1 and 2), 192–197
 Differentiation, 192–197
 Focus, (Type 4 and 5), 192–197
 Porter's five-forces model, 118–121
 Bargaining power of consumers, 118–121
 Bargaining power of suppliers, 118–121
 Potential development of substitute products, 118–121
 Potential entry of new competitors, 118–121
 Rivalry among competing firms, 118–121
 Portfolio of businesses, 229
 Potential development of substitute products, 118–121
 Potential entry of new competitors, 118, 120
 Prepare and present a case analysis, 353–361
 Preparing a case for class discussion, 353–361
 Preparing a written case analysis, 356–357
 Price, 299–300

Price earnings ratio method of value businesses, 317
Pricing, 149
Private-equity acquisitions, 200–203
Process (production/operations function), 158
Product, 297–300
Product and service planning, 149
Product development, 179, 184
Product positioning, 299, 302–303, 325–327

Q
QSPM, 222, 238–242, 252
Quality (production/operations function), 158
Quantitative Strategic Planning Matrix (QSPM), 222, 238–242, 252
Question marks, 230–233

R
Ratings, 125, 127, 167
Ratio analysis, 152–156
Rational change strategy, 279
Recruiting, 274–276
Reengineering, and e-engineering, 274–276
Relative market share position, 229–233
Reorganizational strategy, 189
Research and development, 161–162
Research and development audit, 162
Research and development issues, 320–321
Resistance to change, 278–280
Resource allocation, 265–266
Resource similarity, 118
Resource-Based View (RBV), 41, 138–139
Empirical indicators, 139
Restructuring, 274–276
Retreats, 46, 103
Retrenchment, 179, 189–190
Revised EFE (and IFE) Matrix, 334
Rightsizing, 274–276
Rite, 140
Ritual, 140
Rivalry Among Competing Firms, 118–121
Rudin's Law, 218

S
Saga, 140
Sales force management, 148
Sales promotion, 299–300
Sample case analysis outline, 360–363
Sarbanes-Oxley Act, 247
Satisfying, 243
Segmentation, 299–302
Self-concept in mission statements, 93
Self-interest change strategy, 279
Selling products/services, 148
Six Sigma, 274
Small businesses, 207–208, 334
Social policy, 90–93
Japan versus the world, 92
Social responsibility, 90–93
Social, cultural, demographic and environmental forces, 108–110
Variables, 110
Songbirds and coral reefs in trouble, 186–187
Sources of external information, 122
SPACE Matrix, 222–223, 226–230, 251
Staffing, 146

Stakeholders, 88
Standards, 147
Stars, 230–233
Statement of beliefs, 83
Statement of philosophy, 83
Statement of purpose, 83
Story, 140
Strategic Business Unit (SBU) structure, 270–271
Strategic management, 36–38
Art vs Science Issue, 344–346
Benefits, 47–48
Case analysis, 352–363
Challenges, 344–347
Definition, 36
Guidelines for effective strategic management, 50–51
In nonprofit and governmental organizations, 206–207
In small firms, 207–208
Levels, 38
Model, 45–47, 84, 104, 136, 179, 220, 260, 299, 330
Of your own health, 304–305
Process, 37, 45–47, 122
Secret vs open discussion, 346–347
Stages, 37
Terms, 39–45
Visible vs hidden issue, 346–347
Strategic Management Club Online, 36–37
Experiential exercise, 79
Strategic objectives, 176–177, 262–263
Strategic planning, 36–37, 47, 104, 177, 247, 334
Art vs Science Issue, 38, 344, 346
Challenges, 344–347
Pitfalls, 49–50
Process of generating and selecting strategies, 222
Quotes, 136
Software, 163
Why some firms do no strategic planning, 49
Strategic Position and Action Evaluation (SPACE) Matrix, 222, 226–230, 251
Strategies, 44–45, 178–206
Backward integration, 178–180
Bankruptcy, 189
Diversification, 178–179, 184–189
Divestiture, 178–179, 190–192
Forward integration, 178–181
Franchising, 181
Generic, 192–197
Horizontal integration, 178–181, 182–183
Levels of, 180
Liquidation, 179, 192
Market development, 178–179, 183–184
Market penetration, 178–179, 183–184
Means for achieving, 197–205
Product development, 84, 178–179
Related diversification, 178–179, 184–189
Retrenchment, 178–179, 189–190
Types of, 178–179
Unrelated diversification, 178–179, 184–189
Vertical integration, 180
Strategists, 42–43
Strategos, 54
Strategy analysis and choice, 218–256
Strategy and culture, 139–143
Cultural products, 140
Strategy evaluation, 37–38, 328–351
Activities, 37–38, 334–337
Art vs Science Issue, 38, 344–346
Assessment Matrix, 334
Auditing, 343–344
Balanced scorecard, 177, 338–339
Challenges, 344–347
Characteristics of an effective evaluation system, 339–341
Contingency planning, 341–343
Framework, 335
Measuring organizational performance, 336–337
Review, evaluation, and control (Chapter 9), 334–335
Reviewing bases of strategy, 334
Taking corrective actions, 337–338
Top-down or Bottom-up strategic planning, 347
Visible vs hidden issue, 346–347
Strategy formulation, 37, 218–258
Analytical framework, 222
Cultural aspects, 242
Decision stage, 222, 238–242
Framework, 222
Governance issues, 243–247
Input stage, 222–223
Matching stage, 222–238
Politics of, 242–243
Versus strategy implementation, 260–261
Strategy implementation (Chapter 7) – Management and Operations Issues, 37, 258–295
Balancing work life and home life, 288–289
Benefits of a diverse workforce, 289–290
Chandler's strategy/structure relationship, 267
Creating a strategy-supportive culture, 282–285
Divisional structure, 268–271
Do's and don'ts in developing org charts, 272–274
Employee stock ownership plans (ESOPs), 288–290
Functional structure, 267–268
Human resource concerns when implementing strategies, 286–290
Linking performance and pay to strategies, 276–278
Management and Operations Issues (Chap. 7), 258–295
Managing resistance to change, 278–280
Marketing, Finance/Accounting, R&D, and MIS Issues (Chap 8), 296–327
Matrix structure, 271–272
Production/Operations concerns when implementing strategies, 285–286
Restructuring, reengineering, and e-engineering, 274–276
Strategic business unit (SBU) structure, 270–271
Versus strategy formulation, 260–261, 298
Strategy implementation (Chapter 8) – Marketing, Finance, R&D, MIS Issues, 296–327
Acquiring capital, 305–310
Deciding whether to go public, 320
EPS-EBIT analysis, 305–310
Evaluating the worth of a business, 316–320
Finance/Accounting issues, 304–320

Financial budgets, 315–316
Market segmentation, 299–302
Marketing issues, 298–303
MIS issues, 322
Product positioning, 299, 302–303
Projected financial statement analysis, 310–315
Research and development issues, 320–322
Wellness programs, 304–305
Strategy profiles, 228
Strategy review, evaluation, and control, 329–351
Strategy-structure relationship, 357
Strategy-supportive culture, 282–285
Strengths, 44, 166–168
Strengths-Weaknesses-Opportunities-Threats (SWOT) Matrix, 222–226, 251, 253
Structure and strategy, 266–274
Sum Total Attractiveness Scores (TAS) (in a QSPM), 238–242
Sustainability, 220–221
Sustained competitive advantage, 41
SWOT Matrix, 222–226, 251, 253
Symbols, 140
Synergy, 145

T
Tax harmonization, 110
Technological forces, 112–114
Test marketing, 149
Themes in textbook, 36
Global, 36, 55–58, 124–125
Natural Environment, 36, 186–187, 304–305
Threats, 43, 104–105
Top executive titles, 271–273
Top-down or Bottom-up strategic planning, 347
Total Attractiveness Scores (TAS) (in a QSPM), 238–242
Triangulation, 282
Turbulent, high-velocity (change) markets, 196–197
Turnaround strategy, 189

U
Unrelated diversification, 179, 187–189
Utility of mission statements, 90

V
Vacant niche, 302
Value chain analysis (VGA), 164–166
Value of the dollar, 107
Values, 140
Vertical consistency of objectives, 263
Vertical integration, 180
Visible vs hidden strategies, 346
Vision Statements, 43, 82–100
Definition, 43, 85
Examples, 82
Importance (Benefits) of, 86

W
Wa, 141
Walt Disney Cohesion Case, 62–75
Balance sheets, 65
Income statements, 64
Management structure, 64
Weaknesses, 44, 166–168
Weights vs ratings, 125, 127, 167
Women, 288–289
Workforce (production/operations function), 158
Worth of a business, 316–320