

STRATEGIC

Concepts & Cases

MANAGEMENT

Thompson
Strickland

Ninth Edition



STRATEGIC MANAGEMENT

Concepts & Cases

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Both of the University of Alabama

Ninth Edition



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To Hasseline and Kitty

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Preface

This ninth edition, following on the heels of last year's eighth edition, continues our response to the market's unrelenting appetite for fresh, interesting cases. Even though the pace of new developments in the literature of strategic management doesn't warrant an ultra-short text revision cycle, keeping readers well-supplied with a stream of timely, newly researched cases satisfies a legitimate market need. With so many business schools offering the strategic management course every term, the case collection in any one edition "wears out" after a few terms—we've all experienced the speed with which case files sprout and circulate; moreover, fast-changing company circumstances can prematurely render an otherwise good case obsolete. The strong desire of adopters for fresh cases, together with welcome and much-needed growth in the supply of first-rate cases being developed each year, has again prompted us to institute a short *case* revision cycle and provide a second collection of 36 cases to choose from. We've carried over only the classic two-page Robin Hood case; the other 35 cases in this edition all differ from those contained in the eighth edition. Aside from the new cases, however, the content of this ninth edition matches the eighth edition; the 11 chapters of text material remain untouched except for redesigned artwork and minor editing.

If you are a user of the eighth edition, shifting to the ninth edition merits consideration (1) as soon as you deem it's time to incorporate a new case collection into your course offering and/or (2) if you are intrigued with the pedagogical possibilities of our new Strat-TUTOR software supplement for students. If you haven't been an adopter of the eighth edition, we suggest giving priority to the ninth edition and seeing what enthusiasm your students have for the new Strat-TUTOR courseware. Because only the cases and the optional Strat-TUTOR software differentiate the ninth from the eighth edition, both editions will simultaneously remain available from the publisher, thus allowing adopters free rein to select whichever case lineup and software option is preferred.

THE CASE COLLECTION IN THE NINTH EDITION

The 36 cases in this edition include 23 new cases not appearing in any of our previous editions, 7 popular cases mostly from the seventh edition that have been thoroughly revised and updated, 1 carryover case from the eighth edition, and 5 carryover cases from the seventh edition. We've tried to strike a good balance between fresh cases and proven favorites. To highlight the close link between the

cases and strategic management concepts, we have grouped the cases under 5 chapter-related and topical headings. In the first grouping are 5 cases spotlighting the role and tasks of the manager as chief strategy-maker and chief strategy-implementer (these cases convincingly demonstrate why the discussions in Chapters 1 and 2 are relevant to a company's long-term market success). There's a 14-case grouping where the central issues deal with analyzing industry and competitive situations and crafting business-level strategy; these cases call upon students to apply the text material in Chapters 3–6. There are 4 cases involving strategy assessments and strategy-making in diversified companies that make nice follow-ons to the coverage of Chapters 7 and 8. A 10-case grouping covering the managerial challenges of implementing strategy match well with the concepts presented in Chapters 9, 10, and 11. The last section contains 3 cases highlighting the links between strategy, ethics, and social responsibility.

The cases in this ninth edition reflect our ongoing preference for situations that feature interesting products and companies and that trigger lively classroom discussions. At least 22 of the cases involve companies, products, or people that students will have heard of, know about from personal experience, or can easily identify with. Scattered throughout the lineup are 7 cases concerning international companies, globally competitive industries, and cross-cultural situations; these cases, in conjunction with the globalized content of the chapters, permit solid international coverage—in keeping with AACSB standards and the ongoing globalization of the world economy. Then there are 7 cases where the central figures are women, 9 cases dealing with the strategic problems of family-owned or relatively small entrepreneurial businesses, 1 nonprofit organization case, and 17 cases involving public companies about which students can do further research in the library or on the Internet. Eight of the cases have videotape segments that are available from the publisher or can be ordered from other services.

The case researchers whose work appears in this edition have done an absolutely first-class job of preparing cases that contain valuable teaching points, that illustrate the important kinds of strategic challenges managers face, and that allow students to apply the tools of strategic analysis. We believe you will find the ninth edition's collection of 36 cases exceptionally appealing, eminently teachable, and very suitable for drilling students in the use of concepts and analytical treatments in Chapters 1–11. It is a solid, attractive, and stimulating case lineup from beginning to end.

THE NEW STRAT-TUTOR™ SOFTWARE SUPPLEMENT —————

Available with this ninth edition is an innovative software option called Strat-TUTOR that goes well beyond the number-crunching assistance and analytical conveniences incorporated in the Strat-Analyst software accompanying our previous five editions. The new Strat-TUTOR courseware is, in effect, a full-fledged, computer-assisted, interactive study guide for the entire text. Strat-TUTOR has two main sections:

- A 25-question test for each text chapter that students can use to measure their comprehension of the material presented.
- A set of custom-designed case preparation exercises for 18 of the 36 cases in the ninth edition; these exercises lead students through the needed analysis, provide number-crunching assistance, and tutor students in use of the concepts and tools in the text chapters.

The Self-Testing Feature

Each chapter's test consists of 25 questions—some multiple-answer, some true–false, some fill-in-the-blank, some that test understanding of figures and diagrams in the text chapters. We've tried to be creative in developing the tests, varying the formats from chapter to chapter (to heighten interest), and building in as much opportunity for student interaction and input as we could dream up. When the student completes each test, Strat-TUTOR automatically grades the answers, provides a test score, and directs students to the text pages where the correct answers can be found. Questions incorrectly answered can be attempted as many times as needed to arrive at the right answer. *None of the questions on Strat-TUTOR correspond to those on the instructor's test bank.* We believe students will find these chapter-by-chapter self-tests a welcome and effective way to gauge their readiness for the course instructor's examinations.

The Case Preparation Guides

We've all experienced poor and uneven student preparation of cases for class discussion. Sometimes it's because of inadequate effort, but more often it is because of confusion over exactly what analysis to do and/or inexperience in translating the results of strategic analysis into solid recommendations. Strat-TUTOR aims at significantly boosting the quality of student preparation of assigned cases by providing a set of well-conceived study questions for each of the 36 cases and comprehensive case preparation exercises for a select subset of 18 cases (those marked with an asterisk in the Table of Contents). The 18 case preparation exercises coach students in the discipline of thinking strategically, walk them step-by-step through proper use of the analytical techniques described in the text chapters, provide assistance in doing routine calculations, and help develop their business judgment. Each exercise has been *tailored* to fit the specific issues/problems and analytical requirements posed by the case. We have scrupulously avoided creating one generic study guide because cases in strategic management cut across a broad range of issues/problems and entail diverse analytical requirements (strategy analysis in single-business situations is fundamentally different from strategy analysis of diversified companies; cases where the spotlight is on developing a strategy are fundamentally different from cases where the main issues revolve around strategy implementation and execution).

The Strat-TUTOR case preparation exercises consist of the following:

- *Study questions* for each case (to trigger the process of thinking strategically and to point students toward the analysis needed to arrive at sound recommendations).
- A series of *interactive screens that coach students in the use of whatever analytical tools are appropriate* (five-forces analysis, strategic group mapping, identification of key success factors, SWOT analysis, value chain analysis, competitive strength assessments, construction of business portfolio matrixes, and so on).
- *Follow-on questions* to prod students to think clearly about what conclusions flow from the analysis they have done.
- *Calculations* of financial ratios, compound average growth rates, common-size income statements and balance sheets, and any other statistics useful in evaluating industry data, company financial statements, and company operating performance (similar to what was provided on the former Strat-

Analyst software, but with added questions that prompt students to contemplate the relevance of the calculations provided).

- *What-iffing capability* that allows students to readily develop projections of company financial performance (when such projections are germane to the case).
- *Reminders* of strategy principles and generic strategic options to help students arrive at a set of pragmatic action recommendations.
- *Printouts* of the work done (to serve as notes students can use in the class discussion).

The design of the 18 case preparation exercises keeps the ball squarely in the student's court to do the analysis, to decide what story the numbers tell about a company's situation and performance, and to think through the options to arrive at recommendations. Strat-TUTOR is thus not a crutch or "answer-file" for the cases; rather, it is a tool for bringing the PC deeper into the teaching of strategic management. We've endeavored to design the case preparation exercises to *tutor* students—to coach them in how to think strategically about business problems/issues, to drill them in the methods of strategic analysis, and to promote sound reasoning. You can be assured that *the case notes students develop with the aid of Strat-TUTOR will represent their work, not ours.*

To decide whether Strat-TUTOR makes sense as a requirement or recommended option in your course, we suggest loading your set of Strat-TUTOR disks and perusing several of the chapter tests and case preparation exercises. Strat-TUTOR is programmed in the familiar, user-friendly Windows format and runs on both Windows 3.1 or Windows 95.

HOW THE TEXT CHAPTERS DIFFER FROM THE SIXTH AND SEVENTH EDITIONS

New concepts, analytical tools, and methods of managing continue to appear in the strategic management literature at a speed that mandates important edition-to-edition changes to keep the content of the text chapters close to the cutting edge. But whereas the text changes in earlier editions were concentrated more heavily in the chapters relating to strategic analysis and strategy formation (because advances in the literature have, for many years running, come faster in strategy formulation than in implementation), the most numerous changes in the eighth and ninth editions are in the chapters pertaining to strategy implementation. Since our last text revision, it has become clear that there are revolutionary developments underway in how to manage. Books, journals, and the business press are full of research studies and reports describing new tools and management approaches for restoring competitiveness, streamlining operations, and enhancing stakeholder satisfaction in one way or another. Across the world, companies are organizing the work effort around teams, totally reengineering core business processes, competing on organizational capabilities (as much as on differentiated product attributes), and installing leaner, flatter organization structures.

These new developments are not only durable, fundamental additions to the conventional wisdom about how to manage, but they represent valuable new methodologies for improving the caliber of strategy implementation and execution.

Incorporating them into the current presentation drove us to undertake a comprehensive overhaul of our prior treatment of the strategy implementation process. We expanded the presentation to three solid chapters, introduced a more compelling conceptual framework for thinking strategically about the tasks of implementation, and weaved in new material on employee empowerment, team and process organization, layering and flattening organizational structure, ways to build core competencies and hard-to-match organizational capabilities, reengineering, best practice programs, total quality management, and healthy versus unhealthy corporate cultures. The outcome is a fresh, common-sense approach to implementing and executing strategy that is very much in sync with both recent contributions to the literature and contemporary management practice.

In the other text chapters, you'll find up-to-date sections dealing with benchmarking techniques, value-chain analysis, competence-based competitive advantage, activity-based costing (which dovetails perfectly with value-chain concepts and strategic cost analysis), outsourcing of noncritical activities, vertical integration, and why strategy is partly planned and partly reactive. Once again, there's front-to-back coverage of global issues in strategic management and prominent treatment of ethical and social responsibility issues. Extensive rewriting to sharpen the presentations in every chapter has allowed us to include the new material and still cover everything in less than 320 pages—something that readers and adopters ought to welcome, given the jam-packed content of the course.

Specific Content Changes versus the Sixth and Seventh Editions

While the overall organizational arrangement of chapters and topical sequences in this edition parallels the sequencing in prior editions, you'll find several noteworthy refinements in content and emphasis:

- Chapters 1 and 2 contain better explanations of how and why a company's strategy emerges from (a) the deliberate and purposeful actions of management and (b) as-needed reactions to unanticipated developments and fresh competitive pressures. We've also introduced the concept of a strategy-making pyramid to underscore that a company's strategic plan is a collection of strategies devised by different managers at different levels in the organizational hierarchy; the effect is to build a stronger case for why all managers are on a company's strategy-making, strategy-implementing team and thus need to know about and be skilled in using the concepts and tools of strategic management.
- The roles of *core competencies* and organizational capabilities in creating customer value and helping build competitive advantage have been given added prominence in the discussions concerning company strengths, crafting strategy around what a company does best, and building a capable organization (Chapters 2, 4, and 9).
- The treatment of value-chain analysis has been recast and expanded, new graphics added, and emphasis placed on benchmarking costs and the performance of key value-chain activities to help determine a company's cost competitiveness and overall competitive strength (Chapter 4). There are new sections describing benchmarking techniques and activity-based costing that take value-chain analysis to a new plateau of understanding and application.

- We've couched the discussion of competitive strategy around five generic approaches rather than three—overall low-cost leadership, focused low-cost, broad differentiation, focused differentiation, and being the best-cost producer—see Figure 5-1 on page 117.
- We continue to believe that global competition and global strategy issues are best dealt with by integrating the relevant discussions into each chapter rather than partitioning the treatment off in a separate chapter. The globalization of each chapter, a prominent feature of the previous edition, is carried over and strengthened in this edition, plus we've added more illustration capsules to highlight the strategies of non-U.S. companies.
- The new three-chapter module (Chapters 9–11) on strategy implementation is structured around eight tasks: (1) building an organization capable of carrying out the strategy successfully; (2) developing budgets to steer ample resources into those value-chain activities critical to strategic success; (3) establishing strategically appropriate policies and procedures; (4) instituting best practices and mechanisms for continuous improvement; (5) installing support systems that enable company personnel to carry out their strategic roles successfully day-in and day-out; (6) tying rewards and incentives tightly to the achievement of performance objectives and good strategy execution; (7) creating a strategy-supportive work environment and corporate culture; and (8) exerting the internal leadership needed to drive implementation forward and to keep improving on how the strategy is being executed.
- The eight-task framework for understanding the managerial components of strategy implementation and execution is explained in the first section of Chapter 9. The remainder of Chapter 9 is devoted exclusively to the management tasks of building a capable organization—featuring new coverage of building core competencies and unique organizational capabilities; developing the dominating depth in competence-related activities needed for competitive advantage; making strategy-critical value-chain activities the main building blocks in the organization structure; the pros and cons of outsourcing noncritical activities, downsizing and layering hierarchical structures; employee empowerment, reengineering of core business processes; and using cross-functional and self-contained work teams. The result is a much-revised treatment of organization-building that ties together and makes strategic sense out of all the revolutionary organizational changes sweeping through today's corporations.
- Chapter 10 surveys the role of strategy-supportive budgets, policies, reward structures, and internal support systems and explains why the benchmarking of best practices, total quality management, reengineering, and continuous improvement programs are important managerial tools for enhancing organizational competency in executing strategy.
- Chapter 11 deals with creating a strategy-supportive corporate culture and exercising the internal leadership needed to drive implementation forward. There's all-new coverage of strong versus weak cultures, low performance and unhealthy cultures, adaptive cultures, and the sustained leadership commitment it takes to change a company with a problem culture, plus sections on ethics management and what managers can do to improve the calibre of strategy execution.
- There are 18 new Illustration Capsules.

The use of margin notes to highlight basic concepts, major conclusions, and “core truths” about strategic behavior in competitive markets was well-received in the previous three editions and remains a feature of this edition. Most of these notes represent an effort to distill the subject matter into a series of concise principles expressing what every student should know about strategic management. The margin notes bring the text discussion into sharper focus for readers, point them to what is important, and promote clearer strategic thinking.

Diligent attention has been paid to improving content, clarity, and writing style. We’ve tried to take dead aim on creating a text presentation that is crisply written, clear and convincing, interesting to read, comfortably mainstream, and as close to the frontiers of theory and practice as a basic textbook should be. Our objective continues to be one of satisfying the market’s legitimate need for a book that squarely targets what every student needs to know about crafting, implementing, and executing business strategies.

THE BUSINESS STRATEGY GAME OPTION ---

Version three of *The Business Strategy Game*, offered as an optional accompaniment to this ninth edition, represents a major step-up in capability and performance over versions one and two. It incorporates an array of new and better features, cuts instructor processing times, and greatly reduces the potential for operator error. Our objective in preparing the new version was to make the use of a simulation as attractive and as convenient as possible. Instructor gear-up time is minimal, processing of decisions is straightforward, and the administrative requirements are modest. Version three is definitely more streamlined and user-friendly than versions one and two—thanks to some excellent feedback and suggestions from users, faster and more versatile computers, and expedited programming on our end.

The Business Strategy Game has five features that make it an uncommonly effective teaching–learning aid for strategic management courses: (1) *the product and the industry*—producing and marketing athletic footwear is a business that students can readily identify with and understand; (2) *the industry environment is global*—providing students with up-close exposure to what global competition is like and the kinds of strategic issues that managers in global industries have to address; (3) *the realistic quality of the simulation exercise*—we’ve designed the simulation to be as faithful as possible to real world markets, competitive conditions, and revenue-cost-profit relationships; (4) *the wide degree of strategic freedom students have in managing their companies*—we’ve gone to great lengths to make the game free of bias as concerns one strategy versus another; and (5) *the five-year planning and decision-making capability it incorporates as an integral part of the exercise of running a company*. These features, wrapped together as a package, provide an exciting and valuable bridge between concept and practice, the classroom and real-life management, and reading conventional wisdom about management and learning-by-doing.

The Value a Simulation Adds

Our own experiences with simulation games, along with hours of discussions with users, have convinced us that simulation games are the single best exercise available for helping students understand how the functional pieces of a business fit together and giving them an integrated, capstone experience.

First, the exercise of running a simulated company over a number of decision periods helps develop students' business judgment. Simulation games provide a live case situation where events unfold and circumstances change as the game progresses. Their special hook is an ability to get students personally involved in the subject matter. *The Business Strategy Game* quickly immerses students in the entrepreneurial aspects of running a business. In plotting their competitive strategies each decision period, students learn about risk-taking. They have to respond to changing market conditions, react to the moves of competitors, and choose among alternative courses of action. They get valuable practice in reading the signs of industry change, spotting market opportunities, evaluating threats to their company's competitive position, weighing the tradeoffs between profits now and profits later, and assessing the long-term consequences of short-term decisions. They chart a long-term direction, set strategic and financial objectives, and try out different strategies in pursuit of competitive advantage. They become active strategic thinkers, planners, analysts, and decision-makers. And by having to live with the decisions they make, they experience what it means to be accountable for decisions and responsible for achieving satisfactory results. All this serves to drill students in responsible decision making and improve their business acumen and managerial judgment.

Second, students learn from working with the numbers, exploring options, and trying to unite production, marketing, finance, and human resource decisions into a coherent strategy. They begin to see ways to apply knowledge from prior courses and figure out what really makes a business tick. The effect is to help students integrate a lot of material, look at decisions from the standpoint of the company as a whole, and see the importance of thinking strategically about a company's competitive position and future prospects. Since a simulation game is, by its very nature, a hands-on exercise, the lessons learned are forcefully planted in students' minds—the impact is far more lasting than what is remembered from lectures.

Third, students' entrepreneurial instincts blossom as they get caught up in the competitive spirit of the game. The resulting entertainment value helps maintain an unusually high level of student motivation and emotional involvement in the course throughout the term.

About the Simulation

We designed *The Business Strategy Game* around athletic footwear because it is a product students can understand and because the athletic footwear market displays the characteristics of globally competitive industries in the 1990s—fast growth, worldwide use of the product, competition among companies from several continents, production located in low-wage locations, and ample room for a variety of competitive approaches and business strategies. The simulation allows companies to manufacture and sell their brands in North America, Europe, and Asia, plus there's the option to compete for supplying private-label sales to chain discounters. Competition is head-to-head—each team of students must match their strategic wits against the other company teams. Companies can focus their branded marketing efforts on one geographic market or two or all three or they can deemphasize branded sales and specialize in private-label production (an attractive strategy for low-cost producers). They can establish a one-country production base or they can manufacture in all three of the geographic markets. Low-cost leadership, differentiation strategies, best-cost producer strategies, and focus strategies are all viable competitive options. Companies can position their products in the low end of the market, the high end, or

stick close to the middle on price, quality, and service; they can have a wide or narrow product line, small or big dealer networks, extensive or limited advertising. Company market shares are based on how each company's competitive effort stacks up against the efforts of rivals. Demand conditions, tariffs, and wage rates vary between geographic areas. Raw materials used in footwear production are purchased in a worldwide commodity market at prices that move up or down in response to supply–demand conditions.

The company that students manage has plants to operate, a workforce to compensate, distribution expenses and inventories to control, capital expenditure decisions to make, marketing and sales campaigns to wage, sales forecasts to consider, and ups and downs in exchange rates, interest rates, and the stock market to take into account. Students must weave functional decisions in production, distribution, marketing, finance, and human resources into a cohesive action plan. They have to react to changing market and competitive conditions, initiate moves to try to build competitive advantage, and decide how to defend against aggressive actions by competitors. And they must endeavor to maximize shareholder wealth via increased dividend payments and stock price appreciation. Each team of students is challenged to use their entrepreneurial and strategic skills to become the next Nike or Reebok and ride the wave of growth to the top of the worldwide athletic footwear industry. The whole exercise is representative of a real world competitive market where companies try to outcompete and outperform rivals—things are every bit as realistic and true to actual business practice as we could make them.

There are built-in planning and analysis features that allow students to (1) craft a five-year strategic plan, (2) gauge the long-range financial impact of current decisions, (3) do the number-crunching to make informed short-run versus long-run tradeoffs, (4) assess the revenue-cost-profit consequences of alternative strategic actions, and (5) build different strategy scenarios. Calculations at the bottom of each decision screen provide instantly updated projections of sales revenues, profits, return on equity, cash flow, and other key outcomes as each decision entry is made. The sensitivity of financial and operating outcomes to different decision entries is easily observed on the screen and on detailed printouts of projections. With the speed of today's personal computers, the relevant number-crunching is done in a second. The game is designed throughout to lead students to decisions based on "My analysis shows . . ." and away from the quicksand of decisions based on "I think," "It sounds good," "Maybe, it will work out," and other such seat-of-the-pants approaches.

The Business Strategy Game can be used with any IBM or compatible PC with 640K memory and it is suitable for both senior-level and MBA courses. The game is programmed to accommodate a wide variety of computer setups as concerns disk drives, monitors, and printers.

Features of the Third Edition

This much-upgraded version of *The Business Strategy Game* makes things easier and better for both the players and the game administrator:

- **New decision variables.** Four new decision variables have been added to enhance the game's realism and provide greater strategic latitude. Each plant can now produce different quality shoes and different numbers of models, allowing both product quality and product line breadth to vary by

market segment. Portions of plants can now be sold or closed. There are more options for revamping less efficient plants to make them more cost competitive. And we've changed some decision entries to give companies more flexibility in competing simultaneously in the private-label and branded segments.

- **Expanded decision support.** We've greatly expanded the number of on-screen calculations at the bottom of each decision entry screen, achieving a quantum improvement in players' ability to do what-iffing and immediately see the sensitivity of key outcomes without having to move to a new file and consult the projected company reports.
- **The Competitor Analysis Report.** A new set of competitor analysis reports has been added that reorganizes the competitive effort information appearing in the Footwear Industry Report into formats suitable for easy diagnosis of competitors' actions and strategies, market segment-by-market segment and year-by-year. Printouts for any year and any competitor of interest are easily obtained and easily used as a diagnostic tool.
- **Other information enhancements.** In addition to the competitor analysis reports, we've improved the information in the Footwear Industry Report by including a whole page of cross-company comparisons of income statement and balance sheet statistics, additional plant construction data, and more information on the private-label segment. Plus we've beefed up the Administrator's Report with more diagnostic information and cross-company comparisons.
- **A new look.** We've given the screens a new look. The redesigned decision entry and report screens are easier to read, simpler to use, and more pleasing to the eye. There's a new menu bar that speeds access to all decision screens. It is also quicker to move from file to file.
- **The mouse.** All programs and disks used by both players and the game administrator are now "mouse aware." The mouse may be used to make menu selections and to invoke the [Enter] and [Esc] keys when necessary.
- **Error trapping and entry validation.** There's expanded error trapping capability that rejects any decision entry that falls outside the valid range or is of the wrong type [a letter versus a number].
- **Programming refinements.** We've refined the interaction among some key variables, adjusted several algorithms, improved the methodology of calculating the strategy rating, eliminated the need for students to manually update announced changes in costs and rates (it's now done automatically on the company disk during processing), relocated the what-if entries to boxes just below the relevant decision entries, and reformatted the decision screens so that all current-year decisions can be made on 6 decision screens instead of 14. There's also a more sophisticated and user friendly printer setup program.
- **Streamlined processing.** Just as in the last version, we've implemented another round of streamlining in processing decisions. Instructors/game administrators have more processing flexibility and options.
- **Improved manuals.** The *Player's Manual* has been reworked to provide better explanations of cause-effect relationships and more information on the conditions surrounding decision entries. The *Instructor's Manual* has

been expanded by 20 percent to provide more details on administering a successful simulation.

At the same time, though, we've kept intact the features that users told us made them enthusiastic about the last two versions:

- There's no paperwork associated with student decisions or with returning the results. Students turn in disks with their decisions already entered. When you process the results, everything the students need is automatically written onto their company disks, and they make their own printouts. It takes only a few minutes to collect the disks and return them. A printout of the industry scoreboard and a printout of the administrator's report are automatically generated during processing.
- Decisions can be processed in 40 minutes (less than 25 minutes on a fast PC); simple procedures allow most or all of the processing to be delegated to a student assistant.
- Students will find it convenient and uncomplicated to use the PC to play *The Business Strategy Game* even if they have had no prior exposure to PCs; no programming of any kind is involved and full instructions are presented in the *Player's Manual* and on the screens themselves.
- A scoreboard of company performance is automatically calculated each decision period. Instructors determine the weights to be given to each of six performance measures—revenues, after-tax profits, return on stockholders' investment, stock value, bond rating, and strategy rating. Students always know where their company stands and how well they are doing; the overall performance score can be used to grade team performance.
- An *Instructor's Manual* describes how to integrate the game into your course, provides pointers on how to administer the game, and contains step-by-step processing instructions.

THE READINGS BOOK OPTION

For instructors who want to incorporate samples of the strategic management literature into the course, a companion *Readings in Strategic Management* containing 47 selections is available. Forty-two of the 47 readings are new to the fifth edition. Over 80 percent have appeared since 1990. All are quite readable, and all are suitable for seniors and MBA students. Most of the selections are articles reprinted from leading journals; they add in-depth treatment to important topic areas covered in the text and put readers at the cutting edge of academic thinking and research on the subject. Some of the articles are drawn from practitioner sources and stress how particular tools and concepts relate directly to actual companies and managerial practices. Seven articles examine the role of the general manager and strategy; 13 articles concern strategic analysis and strategy formation at the business unit level; 6 articles deal with strategy in diversified companies; 16 articles relate to various aspects of strategy implementation and execution; and 5 articles are about strategy and ethics management. Five articles concentrate on the international dimensions of strategic management. In tandem, the readings package provides an effective, efficient vehicle for reinforcing and expanding the text-case approach.

THE INSTRUCTOR'S PACKAGE

A full complement of instructional aids is available to assist adopters in using the ninth edition successfully. The *Instructor's Manual* contains suggestions for using the text materials, various approaches to course design and course organization, a sample syllabus, alternative course outlines, a thoroughly revised and expanded set of 940 multiple-choice and essay questions, a comprehensive teaching note for each case, plus eight "classic" cases from previous editions. There is a computerized test bank for generating examinations, a set of color transparencies depicting the figures and tables in the eleven text chapters, a set of transparency masters for lecture presentations, and a 3½-inch disk that utilizes PowerPoint software and contains a full set of slide-quality visuals for classrooms equipped with computer screen projection capability. To help instructors enrich and vary the pace of class discussions of cases, there are video supplements available from either the publisher or other sources that can be used with the Ben & Jerry's, Hamilton Technologies, Campus Designs, SEGA versus Nintendo, World Tire, Bama Pie, Titeflex, Perdue Farms, and Zetor Tractor cases.

In concert, the textbook, the three companion supplements, and the comprehensive instructor's package provide a complete, integrated lineup of teaching materials. The package offers wide latitude in course design, full access to the range of computer-assisted instructional techniques, an assortment of visual aids, and plenty of opportunity to keep the nature of student assignments varied and interesting. Our goal has been to give you everything you need to offer a course that is very much in keeping with the strategic management challenges and issues of the 1990s and that is capable of winning enthusiastic student approval.

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Naturally, as custom properly dictates, we are responsible for whatever errors of fact, deficiencies in coverage or in exposition, and oversights that remain. As always we value your recommendations and thoughts about the book. Your comments regarding coverage and contents will be most welcome, as will your calling our attention to specific errors. Please fax us at 205-348-6695 or write us at P.O. Box 870225, Department of Management and Marketing, The University of Alabama, Tuscaloosa, Alabama 35487-0225.

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