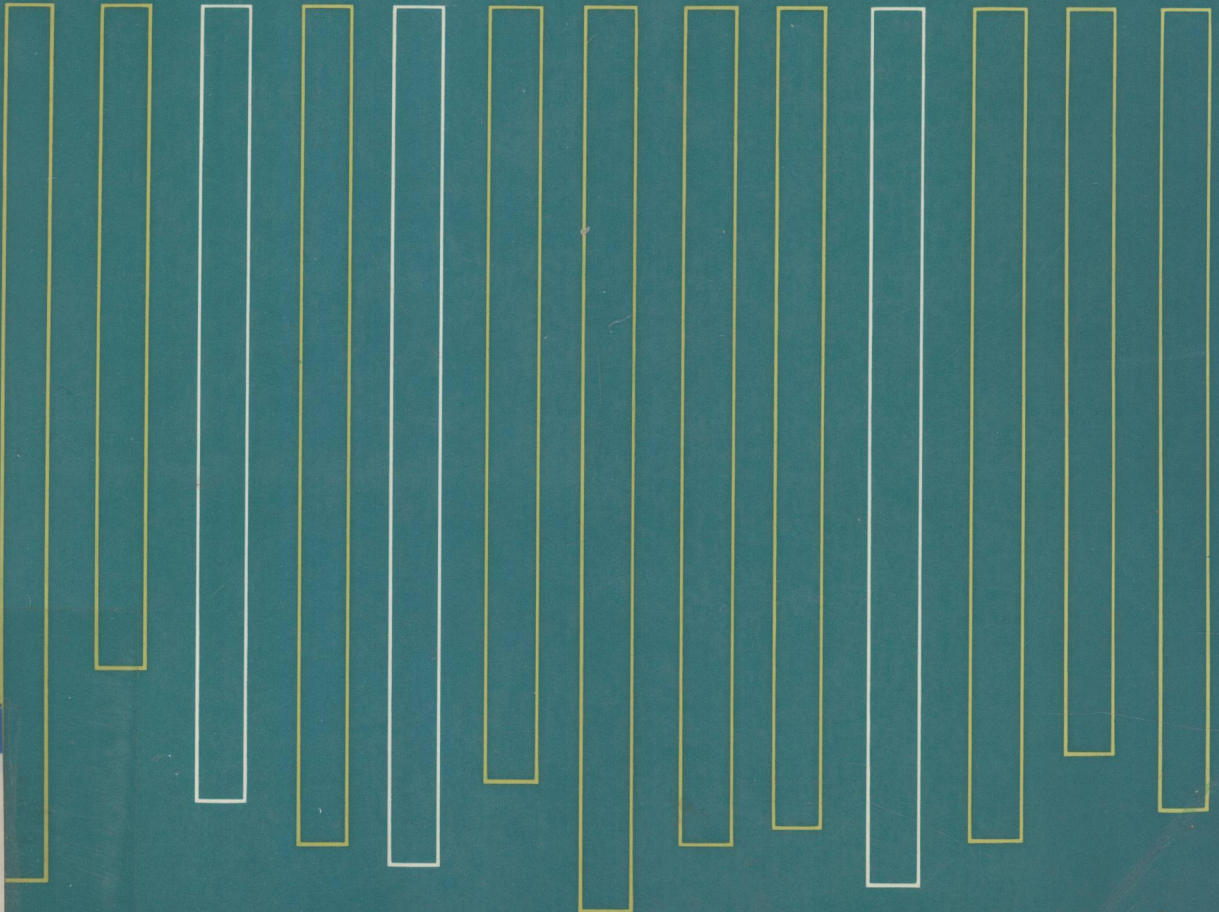


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Lawrence R. Jauch and William F. Glueck

THIRD EDITION



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STRATEGIC MANAGEMENT AND BUSINESS POLICY

THIRD EDITION

Lawrence R. Jauch

Northeast Louisiana University

William F. Glueck

Late of the University of Georgia



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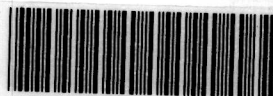
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WILLIAM F. GLUECK was Distinguished Professor of Management at the University of Georgia at the time of his death in 1980. He was a Fellow and President of the Academy of Management. Professor Glueck authored over 20 books (including *Strategic Management and Business Policy* and *Readings in Business Policy from Business Week*, both published by McGraw-Hill) and over 150 articles, monographs, and cases. He was a Fulbright scholar and spent many years as a food industry executive. He served on the editorial review boards of *Long Range Planning*, *Journal of Business Strategy*, and *Academy of Management Journal*.

To Bill

PREFACE

The third edition of this book, like its predecessors, is designed to meet the needs of students of business policy and strategic management. The following additions and changes have been made in the text of the third edition.

1 The text has been rewritten and updated, especially to reflect the major structural changes in the U.S. and world economies which impact strategic thinking.

2 The discussion and the model have been altered to stress a greater integration of topic areas.

3 Chapter 2 has been expanded to include a discussion of the roles of the general manager.

4 The discussion of the environment has been expanded to two chapters. Discussions of the industry environment and the international environment have been included.

5 International strategy material has been incorporated in other chapters as well, especially 7, 8, and 10.

6 The chapter on strategy alternatives has been expanded to two chapters (6 and 7). This helps students better grasp the concept of types of strategies and their variations.

7 The majority of exhibit vignettes describing applied concepts have been updated to provide meaningful illustrations of key points and topics as they are applied by various organizations.

8 Much of the elaboration of research studies and theories which were in supplementary modules in the previous edition have been deleted. Thus the readability of the basic text has been improved, but the integrity of previous editions has been maintained as explained below.

A key strength of previous editions of this book was the attempt to summarize the state of the art of business policy and strategic management. This included a blending of both prescriptive and descriptive ideas of theorists, practitioners, and researchers in the field. The body of work on the process and content of strategic management has been expanding rapidly. If an attempt had been made to incorporate all this material in the basic text of this latest edition, the result would have been confusion

for the reader. The basic material still rests on a firm foundation of up-to-date research, theory, and practice. Extensive references are also available to the reader. But many of the details of some research and various additional techniques, theories, and viewpoints formerly part of the supplementary modules have been condensed or eliminated. The key conclusions and findings from this supplementary material are highlighted and summarized in the chapter itself. Those interested in exploring particular sub-topics in greater depth might refer to the instructor's manual where extensive references are provided beyond those cited in the book. These were reduced to provide room for new text.

As we prepare to face the challenges of the 1990s, it is increasingly evident that managers are planning the strategies of their enterprises for their own survival and that of our civilizations. We hope that this book will contribute something to that mission.

This book is the product of many people. First and foremost is the foundation laid down in the first edition by the coauthor, William F. Glueck. His untimely death in 1980 was a blow to many of us. His inspiration and guidance are sorely missed. I continue to dedicate this edition to his memory and have made every attempt to continue the tradition of excellence he exhibited in all his endeavors.

I would also like to thank those who reviewed the book at various stages in its development. They include Helen Deresky, State University of New York at Plattsburgh; Bahman Ebrahimi, North Texas State University; R. Duane Ireland, Baylor University; Aaron Kelly, University of Louisville; Mary Frances Lewis, Illinois State University; Michael W. Pitts, Virginia Commonwealth University; Michael C. Shaner, St. Louis University and Gerald L. Speth, University of Indianapolis.

I should also mention the influence of many colleagues in the Academy of Management. I have been fortunate to have had the opportunity to receive and review the work of a large number of scholars active in advancing the field of strategic management. They are too numerous to mention here, but the references attest to their significant influence on my thinking and the development of this edition.

My appreciation also goes to Audrey Preston, Donna Reynolds, and Tammy Nack, who assisted in the preparation and typing of the manuscript, and to the Management Department at Southern Illinois University at Carbondale and Northeast Louisiana University for providing work environments conducive to productive efforts. My editor, Kathleen L. Loy, provided additional motivation to complete the task in a timely fashion, for which I am grateful. Last but not least, my family has had to bear my petulance for far too long; I trust their indulgence and tolerance have not been stretched beyond the limits.

As is customary, I will accept blame for errors of commission and omission. I hope that any errors that are discovered will be brought to my attention so that they may be corrected in future editions.

Lawrence R. Jauch

CHAPTER OUTLINE

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