

清华 M B A 核心课程英文版教材

PEARSON

战略管理

概念与案例

Twelfth Edition

Strategic Management: Concepts and Cases

(美) 弗雷德·R·戴维 (Fred R. David) 著

第12版

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出 版 说 明

为了适应经济全球化的发展趋势，满足国内广大读者了解、学习和借鉴国外先进管理经验和掌握经济理论前沿动态的需要，清华大学出版社与国外著名出版公司合作影印出版一系列英文版经济管理方面的图书。我们所选择的图书，基本上已是再版多次、在国外深受欢迎、并被广泛采用的优秀教材，绝大部分是该领域中较具权威性的经典之作。在本书的出版过程中，我们得到了清华大学李东红老师的支持、帮助和鼓励，在此表示谢意！

由于原作者所处国家的政治、经济和文化背景等与我国不同，对书中所持观点，敬请广大读者在阅读过程中注意加以分析和鉴别。

我们期望这套影印书的出版对我国经济科学的发展能有所帮助，对我国经济管理专业的教学能有所促进。

欢迎广大读者给我们提出宝贵的意见和建议；同时也欢迎有关的专业人士向我们推荐您所接触到的国外优秀图书。

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世纪之交，中国与世界的发展呈现最显著的两大趋势——以网络为代表的信息技术的突飞猛进，以及经济全球化的激烈挑战。无论是无远弗界的因特网，还是日益密切的政治、经济、文化等方面的国际合作，都标示着21世纪的中国是一个更加开放的中国，也面临着一个更加开放的世界。

教育，特别是管理教育总是扮演着学习与合作的先行者的角色。改革开放以来，尤其是20世纪90年代之后，为了探寻中国国情与国际上一切优秀的管理教育思想、方法和手段的完美结合，为了更好地培养高层次的“面向国际市场竞争、具备国际经营头脑”的管理者，我国的教育机构与美国、欧洲、澳洲以及亚洲一些国家和地区的大量的著名管理学院和顶尖跨国企业建立了长期密切的合作关系。以清华大学经济管理学院为例，2000年，学院顾问委员会成立，并于10月举行了第一次会议，2001年4月又举行了第二次会议。这个顾问委员会包括了世界上最大的一些跨国公司和中国几家顶尖企业的最高领导人，其阵容之大、层次之高，超过了世界上任何一所商学院。在这样高层次、多样化、重实效的管理教育国际合作中，教师和学生与国外的交流机会大幅度增加，越来越深刻地融入到全球性的教育、文化和思想观念的时代变革中，我们的管理教育工作者和经济管理学习者，更加真切地体验到这个世界正发生着深刻的变化，也更主动地探寻和把握着世界经济发展和跨国企业运作的脉搏。

我国管理教育的发展，闭关锁国、闭门造车是绝对不行的，必须同国际接轨，按照国际一流的水准来要求自己。正如朱镕基同志在清华大学经济管理学院成立十周年时所发的贺信中指出的那样：“建设有中国特色的社会主义，需要一大批掌握市场经济的一般规律，熟悉其运行规则，而又了解中国企业实情的经济管理人才。清华大学经济管理学院就要敢于借鉴、引进世界上一切优秀的经济管理学院的教学内容、方法和手段，结合中国的国情，办成世界第一流的经管学院。”作为达到世界一流的一个重要基础，朱镕基同志多次建议清华的MBA教育要加强英语教学。我体会，这不仅因为英语是当今世界交往中重要的语言工具，是连接中国与世界的重要桥梁和媒介，而且更是中国经济管理人才参与国际竞争，加强国际合作，实现中国企业的国际战略的基石。推动和实行英文教学并不是目的，真正的目的在于培养学生——这些未来的企业家——能够具备同国际竞争对手、合作伙伴沟通和对抗的能力。按照这一要求，清华大学经济管理学院正在不断推动英语教学的步伐，使得英语不仅是一门需要学习的核

心课程，而且渗透到各门专业课程的学习当中。

课堂讲授之外，课前课后的大量英文原版著作、案例的阅读对于提高学生的英文水平也是非常关键的。这不仅是积累相当的专业词汇的重要手段，而且是对学习者思维方式的有效训练。

我们知道，就阅读而言，学习和借鉴国外先进的管理经验和掌握经济理论动态，或是阅读翻译作品，或是阅读原著。前者属于间接阅读，后者属于直接阅读。直接阅读取决于读者的外文阅读能力，有较高外语水平的读者当然喜欢直接阅读原著，这样不仅可以避免因译者的疏忽或水平所限而造成的纰漏，同时也可以尽享原作者思想的真实表达。而对于那些有一定外语基础，但又不能完全独立阅读国外原著的读者来说，外文的阅读能力是需要加强培养和训练的，尤其是专业外语的阅读能力更是如此。如果一个人永远不接触专业外版图书，他在获得国外学术信息方面就永远会比别人差半年甚至一年的时间，他就会在无形中减弱自己的竞争能力。因此，我们认为，有一定外语基础的读者，都应该尝试一下阅读外文原版，只要努力并坚持，就一定能过了这道关，到那时就能体验到直接阅读的妙处了。

在掌握大量术语的同时，我们更看重读者在阅读英文原版著作时对于西方管理者或研究者的思维方式的学习和体会。我认为，原汁原味的世界级大师富有特色的表达方式背后，反映了思维习惯，反映了思想精髓，反映了文化特征，也反映了战略偏好。知己知彼，对于跨文化的管理思想、方法的学习，一定要熟悉这些思想、方法所孕育、成长的文化土壤，这样，有朝一日才能真正“具备国际战略头脑”。

以往，普通读者购买和阅读英文原版还有一个书价的障碍。一本外版书少则几十美元，多则上百美元，一般读者只能望书兴叹。随着全球经济合作步伐的加快，目前在出版行业有了一种新的合作出版的方式，即外文影印版，其价格几乎与国内同类图书持平。这样一来，读者可以不必再为书价发愁。清华大学出版社这些年在这方面一直以独特的优势领先于同行。早在1997年，清华大学出版社敢为人先，在国内最早推出一批优秀商学英文版教材，规模宏大，在企业界和管理教育界引起不小的轰动，更使国内莘莘学子受益良多。

为了配合清华大学经济管理学院推动英文授课的急需，也为了向全国更多的MBA试点院校和更多的经济管理学院的教师和学生提供学习上的支持，清华大学出版社再次隆重推出与世界著名出版集团合作的英文原版影印商学教科书，也使广大工商界人士、经济管理类学生享用到最新最好质优价廉的国际教材。

祝愿我国的管理教育事业在社会各界的大力支持和关心下不断发展、日进日新；祝愿我国的经济建设在不断涌现的大批高层次的面向国际市场竞争、具备国际经营头脑的管理者的勉力经营下早日中兴。

赵纯均 教授

清华大学经济管理学院

Preface

The business world today is considerably different and more complex than it was just two years ago when the previous edition of this text was published. Today, we experience private-equity firms acquiring hundreds of companies, rising consumer and business concern about global warming and pollution, high oil and gasoline prices, extensive outsourcing, a migration of work to China and India, more attention on business ethics, ballooning federal budget deficits, continued globalization, consolidation within industries, a European Union in dispute over its constitution, and intense rivalry in almost all industries. E-commerce continues to alter the nature of business to its core.

Thousands of strategic alliances and partnerships, even among competitors, formed in recent years. Hundreds of companies have declared bankruptcy and corporate scandals have highlighted the need for improved business ethics and corporate disclosure of financial transactions. Downsizing, rightsizing, reengineering, and countless divestitures, acquisitions, and liquidations have permanently altered the corporate landscape in the last two years. Thousands of firms have begun global operations and thousands more have merged. Thousands have prospered and yet thousands more have failed in the last two years. Many manufacturers have become e-commerce suppliers and long-held competitive advantages have eroded as new ones have formed.

Both the challenges and opportunities facing organizations of all sizes today are greater than ever. Illegal immigration across the U.S.–Mexico border has reached emergency levels. There is less room than ever for error today in the formulation and implementation of a strategic plan. This textbook provides a systematic effective approach for developing a clear strategic plan.

Changes made in this twelfth edition are aimed squarely at illustrating the effect of this new world order on strategic-management theory and practice. Due to the magnitude of the changes affecting companies, cultures, and countries, every page of this edition has been updated. The first edition of this text was published in 1986 and since that time it has grown to be one of, if not the most widely read strategic management books in the world. This text now is published in nine languages other than English. All 31 of the case companies in this twelfth edition are brand new, having not appeared in the prior edition.

This twelfth edition provides updated coverage of strategic-management concepts, theory, research, and techniques in the chapters. Every sentence and paragraph has been scrutinized, modified, clarified, deleted, streamlined, updated, and improved to enhance the content and caliber of presentation. The structure of this edition parallels the last, with nine chapters and a Cohesion Case, but the improvements in readability and coverage are dramatic. Every chapter features strategic-management concepts and practices presented in a clear, focused, and relevant manner with hundreds of new examples integrated throughout.

The skills-oriented, practitioner perspective that historically has been the foundation of this text is enhanced and strengthened in this edition. New and expanded coverage of strategic-management theories and research herein reflect companies' use of concepts such as value chain analysis (VCA), Balanced Scorecard, resource-based view (RBV), benchmarking, restructuring, and outsourcing. To survive and prosper in the new millennium, organizations must build and sustain competitive advantage. This text is now trusted around the world to provide future and present managers the latest skills and concepts needed to effectively formulate and efficiently implement a strategic plan—a game plan if you will—that can lead to sustainable competitive advantage for any type of business.

Our mission in preparing the twelfth edition of *Strategic Management: Concepts and Cases* was “to create the most current, well-written strategic management textbook on the market—a book that is exciting and valuable to both students and professors.” Based on comments from 49 reviewers of the prior edition, new strategic-management research and practice, such as the Industrial Organizational (I/O) Model, Market Commonality, Value Chain Analysis, Balanced Scorecard, and First Mover Advantages, are incorporated and

supported by hundreds of new practical examples. There is a brand-new Cohesion Case on Walt Disney—2008 which replaces the prior Google case. Nearly all of the twelfth edition Experiential Exercises have been revamped, replaced, or improved.

The time basis for all cases included in this edition is 2007 since year-end 2006 or 2007 financial statements are provided in all of the cases. This case lineup represents the most up-to-date compilation of cases ever assembled in a strategic management text. There are more cases on technology companies this time, more nonprofit companies, and more global companies. The cases are paired up within industries. The 31 cases in this edition represent a totally fresh beginning for this text and all the cases focus on well-known, student-exciting companies and organizations.

The 49 reviewers (on pp. xxii–xxiii) and I believe you will find this edition to be the best strategic management textbook available for communicating both the excitement and value of strategic management. Concise and exceptionally well organized, this text is now published in English, Chinese, Spanish, Thai, German, Japanese, Farsi, Indonesian, Indian, and Arabic. A version in Russian is being negotiated. On five continents, this text is widely used in colleges and universities at both the graduate and undergraduate levels. In addition, thousands of companies, organizations, and governmental bodies use this text as a management guide, making it perhaps the most widely used strategic planning book in the world.

This textbook meets all AACSB-International guidelines for the business policy and strategic-management course at both the graduate and undergraduate levels, and previous editions have been used at more than 500 colleges and universities. Prentice Hall maintains a separate Web site for this text at www.prenhall.com/david. The author maintains the Strategic Management Club Online at www.strategyclub.com, which offers many benefits for strategic-management and business policy students.

Chapter Themes

As listed below, two themes permeate all chapters in this edition and contribute significantly to making it timely, informative, exciting, and valuable. Boxed insert “Perspectives” in each chapter link concepts being presented to each theme. Nearly all of the boxed inserts are new to this edition.

1. **Global Factors Affect Virtually All Strategic Decisions** The global theme is enhanced in this edition because doing business globally has become a necessity, rather than a luxury in most industries. Nearly all strategic decisions today are affected by global issues and concerns. There is new global coverage in each chapter consistent with the growing interdependence among countries and companies worldwide. The dynamics of political, economic, and cultural differences across countries directly affect strategic-management decisions. Doing business globally is more risky and complex than ever. The global theme illustrates how organizations today can effectively do business in an interlocked and interdependent world community.
2. **Preserving the Natural Environment Is a Vital Strategic Issue** Unique to strategic-management texts, the natural environment theme is strengthened in this edition in order to promote and encourage firms to conduct operations in an environmentally sound manner. This theme now includes social responsibility, sustainability, and business ethics issues. Countries worldwide have enacted laws to curtail the pollution of streams, rivers, the air, land, and sea. Global warming is now undeniable, and even oil companies are supporting emission restrictions as consumers are demanding responsible action from companies and politicians. Thousands of companies are “going green.” The strategic efforts of both companies and countries to preserve the natural environment are described herein. More and more businesses are issuing Sustainability Reports to detail their efforts to curb global warming and operate in an environmentally-friendly manner. Respect for the natural environment has become an important concern for consumers, companies, society, and AACSB-International.

Twelfth Edition Design Features

There are some nice design features in this edition. For the first time ever, four photos in vivid color are present in each chapter and are tied directly to (1) chapter opening, (2) global perspective, (3) natural environment perspective, and (4) Walt Disney end-of-chapter experiential exercises. These four photos per chapter make the twelfth edition much more visually appealing. In the prior edition, only chapter opening photos were present.

At the start of each chapter, the section of the comprehensive strategy model covered in that chapter is highlighted and enlarged so students can see the focus of each chapter in the basic unifying comprehensive model.

A new Case Information Matrix and Case Description Matrix are provided in the Preface to reveal (1) topical areas emphasized in each case and (2) contact and location information for each case company. These matrices provide suggestions on how the cases deal with the two themes and the nine chapters. For example, the Case Information Matrix provides details regarding which cases can be used to highlight mission/vision and which ones are best for strategy implementation.

Time-Tested Features

This edition continues to offer many special time-tested features and content that have made this text so successful for nearly twenty years. Historical trademarks of this text that are strengthened in this edition include:

Chapters: Time-Tested Features

- This text meets AACSB-International guidelines which support a practitioner orientation rather than a theory/research approach. It offers a skills-oriented approach to developing a vision and mission statement; performing an external audit; conducting an internal assessment; and formulating, implementing, and evaluating strategies.
- The global and natural environment themes permeate all chapters and examine strategic-management concepts in these important perspectives.
- The author's writing style is concise, conversational, interesting, logical, lively, and supported by numerous current examples throughout.
- A simple, integrative strategic-management model appears in all chapters. This model is widely utilized for strategic planning among consultants and companies worldwide. One reviewer said: "One thing I have admired about David's text is that he follows the fundamental sequence of strategy formulation, implementation, and evaluation. There is a basic flow from mission/purposes to internal/external environmental scanning to strategy development, selection, implementation, and evaluation. This has been, and continues to be, a hallmark of the David text. Many other strategy texts are more disjointed in their presentation, and thus confusing to the student, especially at the undergraduate level."
- A Cohesion Case follows Chapter 1 and is revisited at the end of each chapter. This Cohesion Case allows students to apply strategic-management concepts and techniques to a real organization as chapter material is covered, which readies students for case analysis in the course.
- End-of-chapter Experiential Exercises effectively apply concepts and techniques in a challenging, meaningful, and enjoyable manner. Eighteen exercises apply text material to the Cohesion Case; ten apply textual material to a college or university; another ten exercises send students into the business world to explore important strategy topics. The exercises are relevant, interesting, and contemporary.
- There is excellent pedagogy in this text, including Notable Quotes and Objectives to open each chapter, and Key Terms, Current Readings, Discussion Questions, and Experiential Exercises to close each chapter.

- There is excellent coverage of strategy formulation issues such as business ethics, global versus domestic operations, vision/mission, matrix analysis, partnering, joint venturing, competitive analysis, governance, and guidelines for conducting an internal/external strategy assessment.
- There is excellent coverage of strategy implementation issues such as corporate culture, organizational structure, outsourcing, marketing concepts, financial analysis, and business ethics.
- A systematic, analytical approach is presented in Chapter 6, including matrices such as the SWOT, BCG, IE, GRAND, SPACE, and QSPM.
- The chapter material is again published in four-color.
- “Visit the Net” Internet exercises are available online at www.prenhall.com/david or at the www.strategyclub.com Web site and in the page margins of the text. This feature reveals the author’s recommended Web sites for locating additional information on the concepts being presented, and greatly enhances classroom presentation in an Internet environment since the recommended sites have been screened closely to assure that each is well worth visiting in class. This feature also provides students with substantial additional material on chapter concepts.
- The Web site, www.prenhall.com/david, provides chapter and case updates and support materials.
- The nine chapters are organized in the same manner as the previous edition.
- A chapters-only paperback version of the text is available.
- Custom-case publishing is available whereby an instructor can combine chapters from this text with cases from a variety of sources, or select any number of cases you desire from the 31 cases in the full text.
- For the chapter material, the outstanding ancillary package includes a comprehensive *Instructor’s Manual*, computerized test bank, and PowerPoints.

Cases: Time-Tested Features

- This edition contains the most current set of cases in any strategic-management text on the market. All cases include year-end 2006 or 2007 financial data and information.
- The cases focus on well-known firms in the news making strategic changes. All cases are undisguised and most are exclusively written for this text to reflect current strategic-management problems and practices. These are all “student friendly” cases.
- Organized conveniently by industry (usually two competing firms per industry), the cases feature a great mix of small business, international, and not-for-profit firms.
- All cases have been class tested to ensure that they are interesting, challenging, and effective for illustrating strategic-management concepts.
- All the cases provide complete financial information about the firm, an organizational chart, and a vision and mission statement for the organization if those were available.
- Customized inclusion of cases to comprise a tailored text is available to meet the special needs of some professors.
- For the cases, the outstanding ancillary package includes an elaborate *Case Solutions Manual*, PowerPoint, and support from the www.strategyclub.com Web site.
- All of the cases are comprehensive in the sense that each provides a full description of the firm and its operations rather than focusing on one issue or problem such as a plant closing. Each case thus lends itself to students preparing a three-year strategic plan for the firm.

What’s New to This Edition in the Chapters

In addition to the special time-tested trademarks described above, this edition includes some exciting new features, changes, and content designed to position this text as the clear leader and best choice for teaching business policy and strategic management.

First of all, the new Cohesion Case on the Walt Disney Company features one of the most successful, well-known, best managed, and largest family entertainment companies in the world. In addition to its theme parks worldwide, Disney owns Touchstone Pictures, Miramax Films, Pixar, ESPN Zone, 17 hotels at the Walt Disney World Resort, ABC News, Disney Channel, and more. It is a fun company and real challenge for students to address strategic issues facing Disney.

Experiential Exercises at the end of each chapter apply concepts to the Disney Cohesion Case and ready students for case analysis when they complete the chapter material. Over the past twenty years, the Cohesion Case for this text has changed from Ponderosa Steakhouse in the first and second editions, to Hershey Foods in the third through seventh editions, to AOL in the eighth edition, to American Airlines in the ninth edition, Krispy Kreme in the tenth, Google in the eleventh, and now Walt Disney, which is a great company for students to focus upon throughout the semester.

In this edition, new features, changes, and content common to all nine chapters include the following:

- New Global and Natural Environment boxed inserts.
- New examples throughout.
- New Visit the Net (VTN) Web sites provided in the page margins. Many universities now teach in Internet-ready classrooms and utilize Web sites during lectures. These sites are hot-linked at the www.prenhall.com/david and www.strategyclub.com Web sites.
- Improved coverage of global issues and concerns.
- Expanded coverage of business ethics.
- All new current readings at the end of each chapter reveal new, relevant strategic-management research.
- More international flavor than ever. There is excellent new coverage of cultural and conceptual strategic-management differences across countries.
- New research and theories of seminal thinkers in strategy development such as Ansoff, Chandler, Porter, Hamel, Prahalad, Mintzberg, and Barney are included. Scholars such as these have brought strategic management to its present place in modern business. Practical aspects of strategic management are still center-stage and the trademark of this text.
- Substantial new material on business ethics throughout. Corporate fraud, scandals, and illegalities are numerous, so we in academia must be certain to emphasize that “good ethics is good business.” This notion is tied to the natural environment theme in this edition.

In addition to the changes listed above, some specific chapter by chapter changes in this twelfth edition are:

Chapter 1

- There is a new Global Perspective boxed insert regarding the extent that U.S. firms dominate industries.
- There is a new Strategies in Action Table featuring McDonalds and American General.
- Experiential Exercises 1A and 1B have been overhauled.
- There are new examples throughout.

Chapter 2

- Eight new vision statements are provided along with new “Author’s Comments” about each one.
- Six new mission statements are provided along with new “Author’s Comments” about each one.
- Updated Global Perspective is provided.

- Updated Natural Environment Perspective is provided.
- Experiential Exercises 2A and 2B have been overhauled.
- New examples throughout.

Chapter 3

- New Natural Environment Perspective on climate change.
- New Global Perspective on auto producers in China.
- Deleted section on “The U.S.–Mexico Border.”
- Deleted section on “Russia’s Economy.”
- Deleted section on “China: Opportunities and Threats.”
- New EFE Matrix on ten-theatre cinema complex.
- New examples throughout.
- Experiential Exercises 3A, 3D, and 3E have been overhauled.

Chapter 4

- New Natural Environment Perspective on EU use of chemicals.
- New Global Perspective on work week variation across countries.
- New IFE Matrix on a retail computer store.
- New examples throughout.
- Experiential Exercise 4A has been overhauled.

Chapter 5

- New heading and material on private-equity firm acquisitions.
- New Global Perspective on joint venturing in India.
- Over 80 new examples.
- New material on joint ventures.
- New material on cooperating with rival firms.
- Deleted section on “Joint Ventures in Russia.”
- Experiential Exercises 5A and 5C overhauled.

Chapter 6

- New Natural Environment Perspective on developing a Sustainability Report.
- New SWOT Matrix for a retail computer store.
- New Global Perspective on comparing corporate tax rates worldwide.
- New strategy detail provided to support SPACE Matrix and BCG Matrix.
- New BCG, IE, and QSPM Matrices.
- New examples throughout.
- All Experiential Exercises updated.

Chapter 7

- New coverage of Six Sigma, the quality-boosting process improvement technique.
- New coverage of ESOPs, including a new table listing the eight largest in the United States.
- New coverage on women’s issues, including a new table listing the ten best firms for women to work for.
- Deleted the section “The Russian Culture.”
- Revised Natural Environment Perspective on environmental training of students in colleges and universities.
- New examples throughout.
- Experiential Exercise 7A has been overhauled.

Chapter 8

- Substantially more information is provided on “How to Develop Projected Financial Statements,” including a full new example of this concept worked out in detail for Mattel, Inc. Many students have trouble with these financial concepts, yet they need to show what impact their recommended strategies would have on this firm’s financial future.
- New coverage and examples on calculating a company’s worth, including use for the first time of Yahoo’s Enterprise Value technique.
- New Natural Environment Perspective on “Strategic Management of Your Health.” This is the author’s favorite new Boxed Insert in this edition and it focuses on “wellness campaigns” at companies.
- All Experiential Exercises fully updated.
- New examples throughout.

Chapter 9

- New Natural Environment Perspective on the pollution situation in China.
- Revised/updated Global Perspective on use of atomic energy.
- Fully updated Experiential Exercises.
- New examples throughout.

What’s New to This Edition in the Cases

Rather than 41 cases as in prior editions there are 31 cases included herein. None appeared in the prior edition, so this is indeed a fresh start. However, the following ten popular cases from two editions ago (the tenth edition text) are fully updated and included:

Revlon
 Krispy Kreme Doughnuts
 Pilgrim’s Pride
 Anheuser-Busch
 Winnebago Industries
 E*Trade Financial
 Amazon.com
 Southwest Airlines
 Carnival Cruise Lines
 Riverbanks Zoo

Also among the cases in this edition, three feature companies headquartered outside the United States:

Waterford Wedgwood, PLC in Dublin, Ireland
 Skoda Automobile Company in Mladá Boleslav, Czech Republic
 Compass Group PLC in Chertsey, London, United Kingdom

The twelfth edition cases are mostly organized into pairs of rivals competing within various industries, such as cases on:

Estée Lauder and Revlon
 Continental Airlines and Southwest Airlines
 Wendy’s International and McDonald’s Corporation

Included in the case lineup is a nice mix of cases on not-for-profit organizations, including:

Miami University
Wesley United Methodist Church
Riverbanks Zoo

Also among the cases are several hospitality cases, including:

MGM Mirage
Marriott International
Starwood Hotels

Facts About the Twelfth Edition Lineup of Cases

- The new mix of thirty-one cases includes sixteen service companies and fifteen manufacturing companies.
- The time setting of all the cases is early 2007, making them exceptionally up-to-date.
- All the cases contain year-end 2006 financial statements, so students can project financial implications of their recommendations for 2007 and beyond.
- All of the cases are “comprehensive” in the sense that each focuses on multiple business functions, rather than addressing one particular business problem or issue. Students are generally asked to prepare a three-year strategic plan for each case company, rather than being asked to solve a particular business problem.
- The new mix of cases includes two purely e-commerce cases—E*trade Financial and Amazon.com.
- The new mix of cases includes four small business cases – S/W Printing Company, Waterford Wedgwood PLC, Toll Brothers, and Cellox.
- In support of the global theme, every single one of the case firms has a Web site and does business globally, which provides students ample opportunity to evaluate and consider international aspects of doing business.
- All the cases are undisguised and feature real organizations in real industries using real names and real places. Nothing is fictitious in any case in any way in this edition.
- All the cases feature an organization “undergoing strategic change,” thus offering students specific issues to evaluate and consider.
- All the cases feature organizations in familiar or interesting settings.
- All the cases provide excellent coverage of a firm’s internal weaknesses and external threats, rather than focusing on the organization’s strengths and opportunities.
- All the cases are written in a lively, concise writing style that captures the reader’s interest and establishes a time setting, usually in the opening paragraph.
- The cases provide excellent quantitative information such as numbers, ratios, percentages, dollar values, graphs, statistics, and maps so students can prepare a more specific, rational, and defensible strategic plan for the organization.
- Each case provides excellent information about the industry and competitors.
- Each case includes the organization’s existing vision statement and mission statement, if available.
- Each case is supported by an excellent teacher’s note.
- A new running update of the Walt Disney Cohesion Case is provided at www.prenhall.com/david. The Disney case is kept fully updated online for both professors and students. Scores of excellent hot links for the Disney case are provided at www.prenhall.com/david.

Instructor’s Resource Center

At www.prenhall.com/irc, instructors can access a variety of print, digital, and presentation resources available with this text in downloadable format. Registration is simple and

gives you immediate access to new titles and new editions. As a registered faculty member, you can download resource files and receive immediate access and instructions for installing course management content on your campus server.

If you ever need assistance, our dedicated technical support team is ready to help with the media supplements that accompany this text. Visit www.247.prenhall.com for answers to frequently asked questions and toll-free user support phone numbers.

The following supplements are available to adopting instructors (for detailed descriptions, please visit www.prenhall.com/irc):

- **Instructor's Resource Center (IRC) on CD-ROM**—ISBN: 0-13-813210-0
- **Printed Instructor's Manual with Test Item File**—ISBN: 0-13-813217-8
- **Printed Case Instructor's Manual**—ISBN: 0-13-813209-7
- **PowerPoints** – available on the IRC (both online and on CD-Rom)
- **TestGen Test Generating Software**—Available at the IRC Online.
- **Custom Videos on DVD**—ISBN: 0-13-813212-7

Companion Website

This text's Companion Website at www.prenhall.com/david contains valuable resources for both students and professors, including an interactive student study guide.

CourseSmart Textbooks Online

CourseSmart Textbooks Online is an exciting new choice for students looking to save money. As an alternative to purchasing the print textbook, students can subscribe to the same content online and save up to 50 percent off the suggested list price of the print text. With a CourseSmart etextbook, students can search the text, make notes online, print out reading assignments that incorporate lecture notes, and bookmark important passages for later review. For more information, or to subscribe to the CourseSmart eTextbook, visit www.coursesmart.com.

Special Note to Students

Welcome to business policy or strategic management, whichever title this course has at your university. This is a challenging and exciting course that will allow you to function as the owner or chief executive officer of different organizations. Your major task in this course will be to make strategic decisions and to justify those decisions through oral and written communication. Strategic decisions determine the future direction and competitive position of an enterprise for a long time. Decisions to expand geographically or to diversify are examples of strategic decisions.

Strategic decision making occurs in all types and sizes of organizations, from Exxon and IBM to a small hardware store or small college. Many people's lives and jobs are affected by strategic decisions, so the stakes are very high. An organization's very survival is often at stake. The overall importance of strategic decisions makes this course especially exciting and challenging. You will be called upon in this course to demonstrate how your strategic decisions could be successfully implemented.

In this course, you can look forward to making strategic decisions both as an individual and as a member of a team. No matter how hard employees work, an organization is in real trouble if strategic decisions are not made effectively. Doing the right things (effectiveness) is more important than doing things right (efficiency). For example, ineffective strategies led to revenue declines of 71 percent and 10 percent in 2006 for Avis Budget Group and American Express, respectively. Boston Scientific and the *New York Times* had profit declines of 670 percent and 309 percent, respectively that year. Even well known firms such as Nortel, Circuit City, Eastman Kodak, La-Z-Boy, Citigroup, New Century Financial, Cadbury Schweppes, and Motorola are struggling with ineffective strategies.

Many American newspapers are faltering as consumers increasingly switch to interactive media for news.

You will have the opportunity in this course to make actual strategic decisions, perhaps for the first time in your academic career. Do not hesitate to take a stand and defend specific strategies that you determine to be the best based on tools and concepts in this textbook. The rationale for your strategic decisions will be more important than the actual decision, because no one knows for sure what the best strategy is for a particular organization at a given point in time. This fact accents the subjective, contingency nature of the strategic-management process.

Use the concepts and tools presented in this text, coupled with your own intuition, to recommend strategies that you can defend as being most appropriate for the organizations that you study. You will also need to integrate knowledge acquired in previous business courses. For this reason, strategic management is often called a capstone course; you may want to keep this book for your personal library.

This text is practitioner-oriented and applications-oriented. It presents techniques and content that will enable you to formulate, implement, and evaluate strategies in all kinds of profit and nonprofit organizations. The end-of-chapter Experiential Exercises allow you to apply what you've read in each chapter to the new Walt Disney Cohesion Case and to your own university.

Definitely visit the Strategic Management Club Online at www.strategyclub.com. The templates and links there will save you time in performing analyses and will make your work look professional. Work hard in policy this term and have fun. Good luck!

Fred R. David

Case Information Matrix

Manufacturing Firms	Stock Symbol	Headquarters	Web Site Address	# of Employees	2006 Revenues in Millions
Cosmetics					
1. Estée Lauder, Dr Sharynn Tomlin, Angelo State University	EL	New York, NY	www.ELcompanies.com	26,200	6,336.3
2. Revlon, Dr. M. Jill Austin, Middle Tennessee State University	REV	New York, NY	www.revlon.com	6,800	83.7
Food					
3. Krispy Kreme Doughnuts, Forest David and Mario Musa, Francis Marion University	KKD	Winston-Salem, NC	www.krispykreme.com	5,733	543.4
4. Pilgrim's Pride, Dr. Jim Hardin, Texas A&M University at Texarkana	PPC	Pittsburg, TX	www.pilgrimspride.com	40,550	5,666.3
Beverages					
5. Coca-Cola Company, Dr. Alen Badal, The Union Institute	KO	Atlanta, GA	www.coca-cola.com	55,000	24,088.0
6. Anheuser-Busch Companies, Inc., Dr Alen Badal, The Union Institute	BUD	St. Louis, MO	www.anheuser-busch.com	31,485	15,035.7
Computers					
7. Hewlett-Packard, Dr. Mernoush Banton, Florida International University	HPQ	Palo Alto, CA	www.hp.com	150,000	91,658.0
8. IBM Corporation, Dr. Vijaya Narapareddy, University of Denver	IBM	Armonk, NY	www.ibm.com	366,345	22,618.0
Automotive					
9. Ford Motor Company, Dr. Alen Badal, The Union Institute	F	Dearborn, MI	www.ford.com	300,000	37,110.0
10. Winnebago Industries, Dr. Gene Bland, Texas A&M—Corpus Christi and Dr. John Marcis, Coastal Carolina University	WGO	Forest City, IA	www.winnebagoind.com	3,610	864.4
11. Skoda Auto (a division of Volkswagen), Dr. Marlene Reed, Baylor University and Dr. Rochelle R. Brunson, Alvin College	na	Mladá Boleslav, Czech Republic	www.skoda-auto.com/global	26,738	189,816
Small Business					
12. Southwest Printing Company, Dr. Joe Aniello and Brianna Zhang, Francis Marion University	na	Florence, SC	www.swprinting.com	8	0.762
13. Waterford Wedgwood PLC, Brandan Still at Harvard Law School, Dr. Lisa McNary, NC State University, Clare Burns at Lamar University in Texas	WATFF (London)	Dublin, Ireland	www.waterfordwedgwood.com	9,606	772.6 E
14. Toll Brothers, Dr. Randy Harris, California State University, Stanislaus	TOL	Horsham, PA	www.tollbrothers.com	5,581	6,123.5
15. Cellox, Dr. Greg Stone and Dr. Tim Redmer, Regent University	na	Reedsburg, WI	www.celblox.com/www.cellox.com	20	3.4

(continued)