

Instructor's Manual

to accompany

Crafting & Executing STRATEGY

The Quest for Competitive Advantage

Arthur A. Thompson, Jr.
The University of Alabama

Margaret A. Peteraf
Dartmouth College

John E. Gamble
Texas A&M University – Corpus Christi

A. J. Strickland III
The University of Alabama



Concepts and Cases

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SECTION 1

Instructor Resources,
Chapter Features,
and Case Overview



INSTRUCTOR RESOURCES

We strived to achieve four goals in preparing this package of Instructor Resources for the 21st Edition:

1. To equip you with all the resources and pedagogical tools you'll need to design and deliver a course that is on the cutting-edge and solidly in the mainstream of what students need to know about crafting and executing winning strategies.
2. To give you wide flexibility in putting together a course syllabus that you are comfortable with and proud of.
3. To give you a smorgasbord of options to draw from in keeping the nature of student assignments varied and interesting.
4. To help you deliver a course with upbeat tempo that wins enthusiastic applause from students.

We believe the contents of the package will be particularly informative and helpful to faculty members teaching the strategy course for the first time but we have also tried to embellish the content with ideas and suggestions that will prove valuable to experienced faculty looking for ways to refurbish their course offering and/or to keep student assignments varied and interesting.

A QUICK OVERVIEW OF THE ENTIRE INSTRUCTOR RESOURCE PACKAGE

The Instructor's Manual for *Crafting & Executing Strategy* contains:

- A quick look at the topical focus of the text's 12 chapters (Section 1).
- An overview of the 31 cases in the text, along with a grid profiling the strategic issues that come into play in each case (Section 1 and Section 3).
- A discussion of the reasons to use a strategy simulation as an integral part of your strategy course. The two web-based strategy simulations—*The Business Strategy Game* or *GLO-BUS*—that are companions to this text incorporate the very kinds of strategic thinking, strategic analysis, and strategic decision-making described in the text chapters and connect beautifully to the chapter content. The automated online nature of both simulations entails minimal administrative time and effort on the instructor's part. You will be pleasantly shocked (and pleased!!) at the minimal time it will take you to incorporate use of *GLO-BUS* or *The Business Strategy Game* and the added degree of student excitement and energy that either of these competition-based strategy simulations brings to the course—see Section 2 for more details.
- Tips and suggestions for effectively using either *GLO-BUS* or *The Business Strategy Game* in your course (covered in both Section 2 and Section 3).
- The merits of incorporating the use of the *Connect™ Management* Web-based assignment and assessment platform accompanying the 21st Edition, into your course requirements. Connect includes chapter quizzes, case assignment exercises for 12 of the 31 cases, and learning assurance exercises for all 12 chapters of the 21st Edition. Connect offers automatic grading for all chapter quizzes, and many of the case exercises and learning assurance exercises. Connect offers an easy-to-administer approach to testing and assessing individual-level student mastery of chapter concepts and case analysis (covered in Section 3).
- Ideas and suggestions on course design and course organization (Section 3 and Section 4).
- Recommendations for sequencing the case assignments and guidance about how to use the cases effectively (Section 3).
- Our recommendations regarding which cases are particularly appropriate for written case assignments and oral team presentations (Section 3).

- Two sample course syllabi (Section 4).
- A variety of schedules of activities for face-to-face, hybrid, and online courses: (Section 4)
 - Two sample schedules of class activities and assignments for face-to-face courses offered during a 15-week term;
 - Two sample schedule of activities for hybrid courses offered during a 15-week term;
 - One sample schedule of class activities for face-to-face courses offered during a 10-week term;
 - One sample schedule of class activities for hybrid courses offered during a 10-week term;
 - One sample schedule of class activities for a 7-week online course; and
 - Two sample course schedules for face-to-face courses offered in 5-week terms.
- A Test Bank for the 12 chapters that consists of 1100+ questions (Section 5).
- A set of Lecture Notes for each of the 12 chapters (Section 6).
- A comprehensive teaching note for each of the 31 cases in *Crafting & Executing Strategy* (Section 7).

In addition to the Instructor's Manual, the support package for adopters also includes several important features that should be of interest.

Connect™ Management Web-based Assignment and Assessment Platform The 21st Edition package includes a robust collection of chapter quizzes, chapter learning assurance exercises, and case preparation exercises that should prove to ease instructors' grading and assessment obligations. Student understanding of chapter concepts can be assessed at the individual-level through chapter quizzes and applied learning assurance exercises that record each student's grade in a Web-based grade book. *All chapter quizzes are automatically graded and more than one-half of the Assurance of Learning exercises for the 12 chapters are automatically graded.*

The *Connect Management* platform also includes fully autograded interactive application exercises for 12 of the 31 cases in this edition. The exercises require students to work through tutorials based upon the analysis set forth in the assignment questions for the case; these exercises have multiple components such as resource and capability analysis, financial ratio analysis, identification of a company's strategy, or analysis of the five competitive forces. The content of these case exercises is tailored to match the circumstances presented in each case, calling upon students to do whatever strategic thinking and strategic analysis is called for to arrive at pragmatic, analysis-based action recommendations for improving company performance. The entire exercise is autograded, allowing instructors to focus on grading only the students' strategic recommendations.

All students who purchase a new copy of the text are automatically provided access to Connect at no additional charge (those who have a used copy can obtain access by paying a modest fee--\$20 at the time of this writing).

PowerPoint Slides To facilitate delivery preparation of your lectures and to serve as chapter outlines, you'll have access to comprehensive PowerPoint presentations for each of the 12 chapters that the authors have developed for their own classes. The collection includes 500+ professional-looking slides displaying core concepts, analytical procedures, key points, and all the figures in the text chapters.

Accompanying Case Videos. All 31 cases have accompanying video segments that can be shown in conjunction with the case discussions. These videos can be sourced via links to YouTube postings, postings in the Connect Instructor Library for the 21st Edition.

Test Bank The test bank contains over 900 multiple-choice questions and short-answer/essay questions. It has been tagged with AACSB and Bloom's Taxonomy criteria. All of the test bank questions are also accessible via **TestGen**. TestGen is a complete, state-of-the-art test generator and editing application software that allows instructors to quickly and easily select test items from McGraw Hill's TestGen testbank content and to organize, edit, and customize the questions and answers to rapidly generate paper tests. Questions can include stylized text, symbols, graphics, and equations that are inserted directly into questions using built-in mathematical templates. TestGen's random generator provides the option to display different text or calculated number values each time questions are used. With both quick-and-simple test creation and flexible and robust editing tools, TestGen is a test generator system for today's educators.

WHAT TO EXPECT IN THE 21ST EDITION

The distinguishing mark of the 21st edition is its enriched and enlivened presentation of the material in each of the 12 chapters, providing an as up-to-date and engrossing discussion of the core concepts and analytical tools as you will find anywhere. As with each of our new editions, there is an accompanying lineup of exciting new cases that bring the content to life and are sure to provoke interesting classroom discussions, deepening students' understanding of the material in the process.

While this 21st edition retains the 12-chapter structure of the prior edition, every chapter—indeed every paragraph and every line—has been reexamined, refined, and refreshed. New content has been added to keep the material in line with the latest developments in the theory and practice of strategic management. In other areas, coverage has been trimmed to keep the book at a more manageable size. Scores of new examples have been added, along with 15 new Illustration Capsules, to enrich understanding of the content and to provide students with a ringside view of strategy in action. The result is a text that cuts straight to the chase in terms of what students really need to know and gives instructors a leg up on teaching that material effectively. It remains, as always, solidly mainstream and balanced, mirroring *both* the penetrating insight of academic thought and the pragmatism of real-world strategic management.

A standout feature of this text has always been the tight linkage between the content of the chapters and the cases. The lineup of cases that accompany the 21st edition is outstanding in this respect—a truly appealing mix of strategically relevant and thoughtfully crafted cases, certain to engage students and sharpen their skills in applying the concepts and tools of strategic analysis. Many involve high-profile companies that the students will immediately recognize and relate to; all are framed around key strategic issues and serve to add depth and context to the topical content of the chapters. We are confident you will be impressed with how well these cases work in the classroom and the amount of student interest they will spark.

ORGANIZATION, CONTENT, AND FEATURES OF THE TEXT CHAPTERS

Our objective in undertaking a major revision of this text was to ensure that its content was current, with respect to both scholarship and managerial practice, and presented in as clear and compelling a fashion as possible. We established five criteria for meeting this objective, namely that the final product must:

- Explain core concepts in language that students can grasp and provide first-rate examples of their relevance and use by actual companies.
- Thoroughly describe the tools of strategic analysis, how they are used, and where they fit into the managerial process of crafting and executing strategy.
- Incorporate the latest developments in the theory and practice of strategic management in every chapter to keep the content solidly in the mainstream of contemporary strategic thinking.

- Focus squarely on what every student needs to know about crafting, implementing, and executing business strategies in today's market environments.
- Provide an attractive set of contemporary cases that involve headline strategic issues and give students ample opportunity to apply what they've learned from the chapters.

We believe this 21st edition measures up on all five criteria and that you'll be amply convinced that *no other leading text does a better job of setting forth the principles of strategic management and linking these principles to both sound theory and best practices.*

Seven standout features strongly differentiate this text and the accompanying instructional package from others in the field:

1. *Our integrated coverage of the two most popular perspectives on strategic management—positioning theory and resource-based theory—is unsurpassed by any other leading strategy text.* Principles and concepts from both the positioning perspective and the resource-based perspective are prominently and comprehensively integrated into our coverage of crafting both single-business and multibusiness strategies. By highlighting the relationship between a firm's resources and capabilities to the activities it conducts along its value chain, we show explicitly how these two perspectives relate to one another. Moreover, in Chapters 3 through 8 it is emphasized repeatedly that a company's strategy must be matched *not only* to its external market circumstances *but also* to its internal resources and competitive capabilities.
2. *Our coverage of cooperative strategies and the role that interorganizational activity can play in the pursuit of competitive advantage, is similarly distinguished.* The topics of strategic alliances, licensing, joint ventures, and other types of collaborative relationships are featured prominently in a number of chapters and are integrated into other material throughout the text. We show how strategies of this nature can contribute to the success of single-business companies as well as multibusiness enterprises, whether with respect to firms operating in domestic markets or those operating in the international realm.
3. The attention we give to international strategies, in all their dimensions, make this textbook an indispensable aid to understanding strategy formulation and execution in an increasingly connected, global world. Our treatment of this topic as one of the most critical elements of the scope of a company's activities brings home to students the connection between the topic of international strategy with other topics concerning firm scope, such as multibusiness (or corporate) strategy, outsourcing, insourcing, and vertical integration.
4. *With a stand-alone chapter devoted to this topic, our coverage of business ethics, corporate social responsibility, and environmental sustainability goes well beyond that offered by any other leading strategy text.* This chapter, "Ethics, Corporate Social Responsibility, Environmental Sustainability, and Strategy" fulfills the important functions of (1) alerting students to the role and importance of ethical and socially responsible decision making and (2) addressing the accreditation requirement of the AACSB International that business ethics be visibly and thoroughly embedded in the core curriculum. Moreover, discussions of the roles of values and ethics are integrated into portions of other chapters to further reinforce why and how considerations relating to ethics, values, social responsibility, and sustainability should figure prominently into the managerial task of crafting and executing company strategies.
5. *Long known as an important differentiator of this text, the case collection in the 21st edition is truly unrivaled* from the standpoints of student appeal, teachability, and suitability for drilling students in the use of the concepts and analytical treatments in Chapters 1 through 12. The 31 cases included in this edition are the very latest, the best, and the most on target that we could find. The ample information about the cases in the Instructor's Manual makes it effortless to select a set of cases each term that will capture the interest of students from start to finish.
6. *The text is now more tightly linked to the publisher's trailblazing web-based assignment and assessment platform called Connect.™* This will enable professors to gauge class members' prowess in accurately completing (a) selected chapter-end exercises, (b) chapter-end quizzes, and (c) the creative author-developed exercises for 12 of the cases in this edition.

7. *Two cutting-edge and widely used strategy simulations—The Business Strategy Game and GLO-BUS—are optional companions to the 21st edition.* These give you an unmatched capability to employ a text-case-simulation model of course delivery.

The following rundown summarizes the noteworthy features and topical emphasis in this new edition:

- Chapter 1 serves as a brief, general introduction to the topic of strategy, focusing on the central questions of “*What is strategy?*” and “*Why is it important?*” As such, it serves as the perfect accompaniment for your opening-day lecture on what the course is all about and why it matters. Using the example of Starbucks to drive home the concepts in this chapter, we introduce students to what we mean by “competitive advantage” and the key features of business-level strategy. Describing strategy making as a process, we explain why a company’s strategy is partly planned and partly reactive and why a strategy tends to co-evolve with its environment over time. We show that a viable business model must provide both an attractive value proposition for the company’s customers and a formula for making profits for the company. A key feature of this chapter is a depiction of how the Value-Price-Cost Framework can be used to frame this discussion. We show how the mark of a winning strategy is its ability to pass three tests: (1) the *fit test* (for internal and external fit), (2) the *competitive advantage test*, and (3) the *performance test*. And we explain why good company performance depends not only upon a sound strategy but upon solid strategy execution as well.
- Chapter 2 presents a more complete overview of the strategic management process, covering topics ranging from the role of vision, mission, and values to what constitutes good corporate governance. It makes a great assignment for the second day of class and provides a smooth transition into the heart of the course. It introduces students to such core concepts as strategic versus financial objectives, the balanced scorecard, strategic intent, and business-level versus corporate-level strategies. It explains why *all managers are on a company’s strategy-making, strategy-executing team* and why a company’s strategic plan is a collection of strategies devised by different managers at different levels in the organizational hierarchy. The chapter concludes with a section on the role of the board of directors in the strategy-making, strategy-executing process and examines the conditions that led to recent high-profile corporate governance failures. A new illustration capsule on Volkswagen’s emissions scandal brings this section to life.
- The next two chapters introduce students to the two most fundamental perspectives on strategy making: the positioning view, exemplified by Michael Porter’s “five forces model of competition”; and the resource-based view. Chapter 3 provides *what has long been the clearest, most straightforward discussion of the five forces framework to be found in any text on strategic management*. It also offers a set of complementary analytical tools for conducting competitive analysis and demonstrates the importance of tailoring strategy to fit the circumstances of a company’s industry and competitive environment. The chapter includes a discussion of the value net framework, which is useful for conducting analysis of how cooperative as well as competitive moves by various parties contribute to the creation and capture of value in an industry.
- Chapter 4 presents the resource-based view of the firm, showing why resource and capability analysis is such a powerful tool for sizing up a company’s competitive assets. It offers a simple framework for identifying a company’s resources and capabilities and explains how the VRIN framework can be used to determine whether they can provide the company with a sustainable competitive advantage over its competitors. Other topics covered in this chapter include dynamic capabilities, SWOT analysis, value chain analysis, benchmarking, and competitive strength assessments, thus enabling a solid appraisal of a company’s cost position and customer value proposition vis-à-vis its rivals. *An important feature of this chapter is a table showing how key financial and operating ratios are calculated and how to interpret them.* Students will find this table handy in doing the number crunching needed to evaluate whether a company’s strategy is delivering good financial performance.
- Chapter 5 sets forth the basic approaches available for competing and winning in the marketplace in terms of the five generic competitive strategies—low-cost provider, broad differentiation, best-cost provider, focused differentiation, and focused low cost. It describes when each of these approaches works best and what pitfalls to avoid. It explains the role of *cost drivers* and *uniqueness drivers* in reducing a company’s costs and enhancing its differentiation, respectively.

- Chapter 6 focuses on *other strategic actions* a company can take to complement its competitive approach and maximize the power of its overall strategy. These include a variety of offensive or defensive competitive moves, and their timing, such as blue-ocean strategies and first-mover advantages and disadvantages. It also includes choices concerning the breadth of a company's activities (or its *scope* of operations along an industry's entire value chain), ranging from horizontal mergers and acquisitions, to vertical integration, outsourcing, and strategic alliances. This material serves to segue into the scope issues covered in the next two chapters on international and diversification strategies.
- Chapter 7 takes up the topic of how to compete in international markets. It begins with a discussion of why differing market conditions across countries must necessarily influence a company's strategic choices about how to enter and compete in foreign markets. It presents five major strategic options for expanding a company's geographic scope and competing in foreign markets: export strategies, licensing, franchising, establishing a wholly owned subsidiary via acquisition or "greenfield" venture, and alliance strategies. It includes coverage of topics such as Porter's Diamond of National Competitive Advantage, profit sanctuaries, and the choice between multidomestic, global, and transnational strategies. This chapter explains the impetus for sharing, transferring, or accessing valuable resources and capabilities across national borders in the quest for competitive advantage, connecting the material to that on the resource-based view from Chapter 4. The chapter concludes with a discussion of the unique characteristics of competing in developing-country markets.
- Chapter 8 concerns strategy-making in the multibusiness company, introducing the topic of corporate-level strategy with its special focus on diversification. The first portion of this chapter describes when and why diversification makes good strategic sense, the different means of diversifying a company's business lineup, and the pros and cons of related versus unrelated diversification strategies. The second part of the chapter looks at how to evaluate the attractiveness of a diversified company's business lineup, how to decide whether it has a good diversification strategy, and what strategic options are available for improving a diversified company's future performance. The evaluative technique integrates material concerning both industry analysis and the resource-based view, in that it considers the relative attractiveness of the various industries the company has diversified into, the company's competitive strength in each of its lines of business, and the extent to which its different businesses exhibit both *strategic fit* and *resource fit*.
- Although the topic of ethics and values comes up at various points in this textbook, Chapter 9 brings more direct attention to such issues and may be used as a stand-alone assignment in either the early, middle, or late part of a course. It concerns the themes of ethical standards in business, approaches to ensuring consistent ethical standards for companies with international operations, corporate social responsibility, and environmental sustainability. The contents of this chapter are sure to give students some things to ponder, rouse lively discussion, and help to make students more *ethically aware* and conscious of *why all companies should conduct their business in a socially responsible and sustainable manner*.
- The next three chapters (Chapters 10, 11, and 12) comprise a module on strategy execution that is presented in terms of a 10-step framework. Chapter 10 provides an overview of this framework and then explores the first three of these tasks: (1) staffing the organization with people capable of executing the strategy well, (2) building the organizational capabilities needed for successful strategy execution, and (3) creating an organizational structure supportive of the strategy execution process.
- Chapter 11 discusses five additional managerial actions that advance the cause of good strategy execution: (1) *allocating resources* to enable the strategy execution process, (2) ensuring that *policies and procedures* facilitate rather than impede strategy execution, (3) using *process management tools* and *best practices* to drive continuous improvement in the performance of value chain activities, (4) installing *information and operating systems* that help company personnel carry out their strategic roles, and (5) using *rewards and incentives* to encourage good strategy execution and the achievement of performance targets.
- Chapter 12 completes the framework with a consideration of the roles of corporate culture and leadership in promoting good strategy execution. The recurring theme throughout the final three chapters is that executing strategy involves deciding on the specific actions, behaviors, and conditions needed for a smooth strategy-

supportive operation and then following through to get things done and deliver results. The goal here is to ensure that students understand that the strategy-executing phase is a *make-things-happen and make-them-happen-right* kind of managerial exercise—one that is critical for achieving operating excellence and reaching the goal of strong company performance.

In this latest edition, we have put our utmost effort into ensuring that the 12 chapters are consistent with the latest and best thinking of academics and practitioners in the field of strategic management and provide the topical coverage required for both undergraduate and MBA-level strategy courses. The ultimate test of the text, of course, is the positive pedagogical impact it has in the classroom. If this edition sets a more effective stage for your lectures and does a better job of helping you persuade students that the discipline of strategy merits their rapt attention, then it will have fulfilled its purpose.

THE CASE COLLECTION IN THE 21ST EDITION

The 31-case line-up in this edition is flush with interesting companies and valuable lessons for students in the art and science of crafting and executing strategy.

- There's a good blend of cases from a length perspective—15 of the 31 cases are under 15 pages, yet offer plenty for students to chew on; 11 are medium-length cases; and the remainder are detail-rich cases that call for more sweeping analysis.
- At least 28 of the 31 cases involve companies, products, or people that students will have heard of, know about from personal experience, or can easily identify with.
- The lineup includes at least 15 cases that will provide students with insight into the special demands of competing in industry environments where technological developments are an everyday event, product life cycles are short, and competitive maneuvering among rivals comes fast and furious.
- Twenty-three of the cases involve situations where company resources and competitive capabilities play as large a role in the strategy-making, strategy-executing scheme of things as industry and competitive conditions do.
- Scattered throughout the lineup are 16 cases concerning non-U.S. companies, globally competitive industries, and/or cross-cultural situations; these cases, in conjunction with the globalized content of the text chapters, provide abundant material for linking the study of strategic management tightly to the ongoing globalization of the world economy.
- Eleven cases deal with the strategic problems of family-owned or relatively small entrepreneurial businesses.
- Twenty-one cases involve public companies, thus allowing students to do further research on the Internet regarding recent developments at these companies.
- All 31 cases have accompanying video segments that can be shown in conjunction with the case discussions. These videos can be sourced via links to YouTube postings, postings in the Connect Instructor Library. The links to the relevant YouTube videos are included in the teaching notes for the applicable cases.
- Twelve of the 31 cases have accompanying Connect-based case preparation exercises. All of the exercises are based on the recommended assignment questions for the respective case and call upon a student to develop thoughtful, analysis-based answers (as opposed to stating seat-of-the-pants opinions). Each exercise is different, depending both on the circumstances of the case and the content of the chapters to which it is closely linked. *All of the case assignment questions related to the proper analysis of the case are automatically graded, leaving only students' strategic recommendations to be graded manually by the instructor.*

A grid showing the issues that are prominent in each of the 31 cases in this edition is presented in Table 1.

Suggestions for sequencing the case assignments can be found in Section 3 of this IM. The 9 sample course outlines and daily schedules of class activities in Section 4 provide further suggestions about the sequencing of case assignments and how to integrate your coverage of the 12 chapters, the various case assignments, and use of a strategy simulation.

Specific details about how to utilize each case (including recommended assignment questions and recommended oral team presentation assignments are contained in the teaching notes for each of the cases (the TNs appear in Section 7).

Sample course syllabi displaying possible case sequencing and suggested case assignments are presented in Section 4 of this volume of the IM.

It is worth mentioning at this juncture that there is a comprehensive table of financial ratios in Chapter 4 that provides the formulas and brief explanations of what each ratio reveals. Adopters of prior editions have told us that students find this table extremely helpful in guiding their analyses of the financial statements contained in the cases. You will probably want to call this table to the attention of class members and urge that they make full use of the information it contains.

Moreover, we have included a Guide to Case Analysis that appears at the end of the book, after Case 31. This brief guide—designed especially for students unfamiliar with the case method of teaching/learning—explains what a case is, why cases are a standard part of courses in strategy, how to prepare for a class discussion of a case, how to prepare a written case analysis, what is expected in an oral presentation, and the financial ratio calculations that are used to assess a company's financial condition. We suggest having students read this Guide prior to the first class discussion of a case. We believe you will find the collection of 31 cases quite appealing, eminently teachable, and very suitable for drilling students in the use of the concepts and analytical treatments in Chapters 1 through 12. With this case lineup, you should have no difficulty whatsoever assigning cases that will capture the interest of students from start to finish.

TABLE 1. A Quick Profile of the Cases in the 21st Edition of Crafting and Executing Strategy

		Accompanying video (Y = yes; N = no)	Connect Case Exercise (Y = yes; N = No)	Size: Small (S), Medium (M), Large (L)	The manager's role in crafting strategy	The manager's role in executing strategy	Vision, mission, and objectives	Crafting strategy in single-business companies	Industry and competitive analysis	Company resources and capabilities	Global or multinational strategy	E-business strategy issues	Diversification strategies and the analysis of multi-business corporations	Financial conditions and financial analysis	Staffing, people management, incentives and rewards	Organizational structure, core competencies, competitive capabilities, staffing	Policies, procedures, operating systems, best practices, continuous improvement	Corporate culture issues	Ethics, values, social responsibility	Exercising strategic leadership	Making action recommendations
Case 1	Mystic Monk Coffee	N	Y	S	X		X	X	X	X		X		X	X			X		X	X
Case 2	Airbnb in 2016: A Business Model for the Sharing Economy	Y	Y	S	X	X	X	X		X		X		X	X	X					X
Case 3	Amazon.com's Business Model and Its Evolution	Y	Y	M	X		X	X	X	X				X	X		X	X	X	X	X
Case 4	Costco Wholesale in 2016: Mission, Business Model, and Strategy	Y	N	M	X	X	X	X	X	X	X			X	X						X
Case 5	Competition in the Craft Beer Industry in 2016	Y	Y	M	X			X	X	X	X			X							X
Case 6	TOMS Shoes: A Dedication to Social Responsibility	Y	Y	M	X		X	X	X	X	X			X							X
Case 7	Fitbit, Inc.: Has the Company Outgrown Its Strategy?	Y	N	S	X		X	X	X	X				X							X
Case 8	Under Armour's Strategy in 2016—How Big a Factor Can the Company Become in the \$250 Billion Global Market for Sports Apparel and Footwear?	N	N	L	X			X	X	X				X							X
Case 9	Lululemon Athletica, Inc. in 2016: Can the Company Get Back on Track?	Y	Y	M	X	X	X	X	X	X	X			X					X		X
Case 10	Etsy, Inc.: Reimagining Innovation	Y	Y	M	X		X	X	X	X				X							X
Case 11	Gap Inc.: Can It Develop a Strategy Connect with Consumers in 2016?	Y	Y	M	X			X	X	X				X							X
Case 12	Uber in 2014: Can It Remain the Dominant Leader in the World's Fast-Emerging Ride-Sharing Industry?	Y	N	M	X			X	X	X	X			X				X			X
Case 13	Panera Bread Company in 2016: Is the Company's Strategy to Rejuvenate the Company's Growth Working?	N	Y	M	X		X	X	X	X		X		X							X
Case 14	Chipotle Mexican Grill in 2016: Can the Company Recover from its E. Coli Disaster and Grow Customer Traffic Again?	Y	N	M	X		X	X	X	X		X		X							X
Case 15	GoPro's Struggle for Survival in 2016	N	N	S	X		X	X	X	X	X			X							X
Case 16	Tesla Motors in 2016: Will Its Strategy Be Defeated by Low Gasoline Prices and Mounting Competition?	Y	Y	L	X	X		X	X	X	X			X							X
Case 17	The South African Wine Industry in 2016: Where does it go from here?	Y	Y	M	X		X	X	X	X	X			X							X
Case 18	Ford Motor Company: New Strategies for International Growth	Y	Y	L	X			X	X	X	X			X							X
Case 19	The Green Music Center at Sonoma State University	Y	Y	L	X			X	X	X	X			X							X
Case 20	Ricoh Canada Inc.	Y	N	L	X			X	X	X	X			X							X
Case 21	Mondelez International: Has Corporate Restructuring Produced Shareholder Value?	Y	Y	L	X				X	X	X		X	X							X
Case 22	LVMH in 2016: Its Diversification into Luxury Goods	Y	Y	L	X		X		X	X	X		X	X							X
Case 23	Robin Hood	N	Y	S	X	X	X		X	X					X	X	X	X	X	X	X
Case 24	Dilemma at Devil's Den	N	N	S		X									X	X	X	X	X		X
Case 25	Southwest Airlines in 2016: Culture, Values, and Operating Practices	Y	Y	L	X	X	X	X	X	X	X			X	X	X	X	X		X	X
Case 26	Rosen Hotels & Resorts: Delivering Superior Customer Service	Y	N	M		X		X		X				X	X	X	X	X			X
Case 27	Nucor Corporation in 2016: Contending with the Challenges of Low-Cost Foreign Imports and Weak Demand for Steel Products	N	N	M		X		X						X	X		X	X			X
Case 28	Tim Cook's Leadership and Management Style: Building His Own Legacy at Apple	Y	N	M		X					X			X			X				X
Case 29	NCAA Football: Is It Worth It?	Y	N	S	X		X							X			X		X		X
Case 30	Rhino Poaching in South Africa: Do National Parks Have Sufficient Resources to Fight Wildlife Crime?	Y	N	S	X	X	X	X	X	X				X			X	X	X	X	X
Case 31	Conflict Palm Oil and PepsiCo's Ethical Dilemma	N	N	L	X				X	X							X		X		X

VALUE-ADDING STUDENT SUPPORT MATERIALS FOR THE 21ST EDITION OF CRAFTING & EXECUTING STRATEGY

The text and text website include several kinds of support materials to help students grasp the material.

Key Points Summaries At the end of each chapter is a synopsis of the core concepts, analytical tools and other key points discussed in the chapter. These chapter-end synopses help students focus on basic strategy principles, digest the messages of each chapter, and prepare for tests.

Two Sets of Chapter-End Exercises Each chapter concludes with two sets of exercises. The *Assurance of Learning Exercises* can be used as the basis for class discussion, oral presentation assignments, short written reports, and substitutes for case assignments. The *Exercises for Simulation Participants* are designed expressly for use by adopters who have incorporated use of a simulation and want to go a step further in tightly and explicitly connecting the chapter content to the simulation company their students are running. The questions in both sets of exercises (along with those Illustration Capsules that qualify as “mini-cases”) can be used to round out the rest of a 75-minute class period should your lecture on a chapter last for only 50 minutes.

Connect™ Management Web-based Assignment and Assessment Platform Connect chapter quizzes, learning assurance exercises, and case exercises can be used as a graded component of the course, an assessment mechanism, or as an effective way to prepare students for chapter exams, in-class discussions of cases, written case assignments or oral case presentations. Whether Connect assignments are calculated into students’ grades for the course or not, our robust collection of chapter quizzes, chapter learning assurance exercises, and case preparation exercises will give students valid and timely feedback about their mastery of the concepts and analytical tools presented in the text.

The progress-tracking function built into the *Connect Management* system enables you to:

- View scored work immediately and track individual or group performance with assignment and grade reports.
- Access an instant view of student or class performance relative to learning objectives.
- Collect data and generate reports required by many accreditation organizations, such as AACSB International.

LearnSmart and SmartBook™ LearnSmart is an adaptive study tool proven to strengthen memory recall, increase class retention, and boost grades. Students are able to study more efficiently because they are made aware of what they know and don’t know. Real-time reports quickly identify the concepts that require more attention from individual students—or the entire class. SmartBook is the first and only adaptive reading experience designed to change the way students read and learn. It creates a personalized reading experience by highlighting the most impactful concepts a student needs to learn at that moment in time. As a student engages with SmartBook, the reading experience continuously adapts by highlighting content based on what the student knows and doesn’t know. This ensures that the focus is on the content he or she needs to learn, while simultaneously promoting long-term retention of material. Use SmartBook’s real-time reports to quickly identify the concepts that require more attention from individual students—or the entire class. The end result? Students are more engaged with course content, can better prioritize their time, and come to class ready to participate.


The Business Strategy Game and GLO-BUS Online Simulations Using one of the two companion strategy simulations is a powerful and constructive way of emotionally connecting students to the subject matter of the course. We know of no more effective and interesting way to stimulate the competitive energy of students and prepare them for the rigors of real-world business decision-making than to have them match strategic wits with classmates in running a company in head-to-head competition for global market leadership. In Section 2 of this IM, we outline why using a competition-based strategy simulation as a course centerpiece makes great sense and provide you with detailed suggestions for successfully incorporating either *The Business Strategy Game* or *GLO-BUS* in your strategic management course.

Should you decide to incorporate use one of the two simulations in your course, the simplest (and usually the cheapest) way for students to obtain the simulation is via a credit card purchase at www.bsg-online.com (if you opt to use *The Business Strategy Game*) or at www.glo-bus.com (if you opt to use *GLO-BUS*). Purchasing the simulation direct at the web site allows students to bypass paying sometimes hefty bookstore markups (a savings that can amount to \$10-\$15). The second way for students to register for the simulation is by using a pre-paid access code that comes bundled with the 21st Edition when you order the text-simulation package through your bookstore—this requires use of a separate ISBN (the 21st Edition bundled with either simulation has a different ISBN number than just the 21st Edition ordered alone. Your McGraw-Hill rep can provide you with the correct ISBN for ordering the combination text-simulation package through your bookstore(s).



SECTION 2

Using a Strategy Simulation
in Your Course: What's Involved,
The Compelling Benefits,
and How to Proceed



Since 2005, impressive numbers of strategy instructors at business schools worldwide have transitioned from a purely text-cases course structure to what we contend is a more robust and energizing text-cases-simulation course structure. Incorporating a competition-based strategy simulation has the strong appeal of providing class members with *an immediate and engaging hands-on opportunity to apply the concepts and analytical tools covered in the chapters and personally assume responsibility for crafting and executing a strategy for a virtual company they have been assigned to manage.*

Two of the world's most widely-used and pedagogically effective online strategy simulations, *The Business Strategy Game* and *GLO-BUS*, are optional companions for this text.

- *The Business Strategy Game* is the world's most popular strategy simulation, having been used by 2,800 different instructors for courses involving some 800,000 students at 1150+ university campuses in 72 countries.
- *GLO-BUS*, a newer and somewhat simpler strategy simulation introduced in 2004, has been used by 1,620+ different instructors for courses involving over 240,000 students at 715+ university campuses in 51 countries.

Arthur A. Thompson, a senior author of this text, is a co-author of both *The Business Strategy Game* and *GLO-BUS* and painstakingly designed both simulations to provide instructors with an appealing and proven means of:

- Getting class members personally engaged in thinking strategically and applying the chapter content,
- Giving students valuable practice in synthesizing a variety of decisions (relating to plant operations, workforce compensation, distribution, pricing and marketing, social responsibility/citizenship, and finance) into an overall strategy and competitive approach that produces good financial and strategic results.

HOW THE STRATEGY SIMULATIONS WORK

In both *The Business Strategy Game (BSG)* and *GLO-BUS*, 1 to 5 class members are assigned to run a company that competes head-to-head against companies run by other class members.

- In *BSG*, team members run athletic footwear companies that produce and market both branded and private-label footwear in a global market arena with four distinct geographic regions—Europe-Africa, North America, Asia-Pacific, and Latin America.
- In *GLO-BUS*, team members operate companies that design, assemble, and market professional quality action-capture video cameras and unmanned aerial view drones in a global market arena that also consists of four distinct geographic regions—Europe-Africa, North America, Asia-Pacific, and Latin America.

In both simulations, each management team is called upon to craft a strategy for their company and make decisions relating to production capacity, plant operations, workforce compensation, pricing and marketing, social responsibility/citizenship, and finance.

Company co-managers are held accountable for their decision-making. ***Each company's performance is scored on the basis of earnings per share, return on equity investment, stock price, credit rating, and image rating.*** Rankings of company performance, along with a wealth of industry and company statistics, are available to company co-managers after each decision round to use in making strategy adjustments and entering decisions for the next competitive round. You can be certain that the market environment, strategic issues, and operating challenges that company co-managers must contend with in running their simulation company are ***very tightly linked*** to the concepts, analytical tools, and strategy options they encounter in the text chapters.

We suggest that you schedule 1 or 2 practice rounds and anywhere from 6 to 10 regular (scored) decision rounds (6 to 10 rounds are better than 3-5 rounds because requiring class members to run their companies for a greater number of decision rounds prompt them to consider the longer-term impact of their decisions and strategies rather than to focus on short-term decision-making and immediate outcomes/financial results. Each decision round

represents a year of company operations and will entail roughly two hours of time for company co-managers to complete. ***Decision rounds can be scheduled weekly, bi-weekly, or at whatever intervals instructors wish.*** Sample schedules for courses of varying length and numbers of class meetings are provided.

When the instructor-specified deadline for a decision round arrives, the simulation server automatically accesses the saved decision entries of each company, determines the competitiveness and buyer appeal of each company's product offering relative to the offerings of rival companies, and then allocates sales and market shares, geographic region by geographic region, based on:

- ***how each company's prices compare against the prices of rival brands,***
- ***how each company's product quality compares against the quality of rival brands,***
- ***how each company's product line breadth and selection compares to those of rival companies,***
- ***how each company's advertising effort compares to rivals' advertising, and so on for a total of 11 competitive factors that determine a company's unit sales and market shares in the four geographic regions.***

The competitiveness and overall buyer appeal of each company's product offering *in comparison to the product offerings of rival companies* is all-decisive—this algorithmic feature is what make *BSG* and *GLO-BUS* “competition-based” strategy simulations. Once each company's sales and market shares are awarded based on the competitiveness of its respective overall product offering vis-à-vis rival companies, the various company and industry reports detailing the outcomes of the decision round are then generated. Company co-managers and course instructors can access the results of the decision round 15-20 minutes after the decision deadline.

Rest assured that both simulations were meticulously designed to be instructor-friendly. You'll be pleasantly surprised—and we think quite pleased—at how little time it takes to gear up for and to administer an automated online simulation like *The Business Strategy Game* or *GLO-BUS*.

This remainder of this section provides you with information about the two strategy simulations and offers suggestions for successfully using either *BSG* or *GLO-BUS* in your course. Here is a quick reference guide to the contents of this section:

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THE TEACHING/LEARNING BENEFITS OF USING A STRATEGY SIMULATION IN YOUR COURSE

There are *three exceptionally important teaching/learning benefits* associated with using a competition-based simulation in strategy courses taken by seniors and MBA students:

1. *The three-pronged text-case-simulation course delivery model delivers significantly more teaching-learning power than the traditional text-case delivery model. Having class members run a company in head-to-head competition against companies managed by other class members provides a truly powerful learning experience that engages students in the subject matter of the course and helps achieve course learning objectives.* This added learning power of a strategy simulation stems from three things:
 - *Using both case analysis and a competition-based strategy simulation to drive home the lessons that class members are expected to learn is far more pedagogically powerful and lasting than relying solely on case analysis alone.* Both cases and strategy simulations drill students in thinking strategically and applying what they read in your text, thus helping them connect theory with practice and gradually building better business judgment. What cases do that a simulation cannot is give class members broad exposure to a variety of companies and industry situations and insight into the kinds of strategy-related problems real-world managers face. But what a competition-based strategy simulation does far better than case analysis is thrust class members squarely into *an active, hands-on managerial role* where they are totally responsible for assessing market conditions, determining how to respond to the actions of competitors, forging a long-term direction and strategy for their company, and making all kinds of operating decisions. Because company co-managers are held fully accountable for their decisions and their company's performance, *they are strongly motivated* to dig deeply into company operations, probe for ways to be more cost-efficient and competitive, and ferret out strategic moves and decisions calculated to boost company performance. *Such diligent and purposeful actions on the part of company co-managers translate into a productive learning experience with strong retention of the lessons learned and higher achievement of course learning objectives.*
 - The achievement of course learning objectives is further enhanced because of the extremely tight connection between the issues and decisions that company managers face in running their *BSG* or *GLO-BUS* company and the concepts, analytical tools, and strategy options they encounter in the 12 chapters of the 5th edition. Having class members use *an interactive "learn-by-doing" tool* to apply and experiment with the chapter content, while at the same time honing their business and decision-making skills, generates solid learning results.
 - Since it doesn't take long for a spirited rivalry to emerge among the management teams of competing companies and for co-managers to become emotionally invested in figuring out what strategic moves to make to out-compete rivals, class members become *more receptive to reading the text chapters, listening to your lectures, and wrestling with assigned cases*—partly in the hope they will come across ideas and approaches that will help their company outperform rivals and partly because they begin to see the practical relevance of the subject matter and the value of taking the course.

To provide you with quantitative evidence of the boost in learning power and achievement of course objectives that occurs with using *The Business Strategy Game* or *GLO-BUS*, *there is a built-in Learning Assurance Report showing how well each class member performs on 9 skills/learning measures versus tens of thousands of students worldwide that have completed the simulation in the past 12 months.*

2. *The competitive nature of a strategy simulation arouses positive energy and steps up the whole tempo of the course by a notch or two.*
 - The healthy rivalry that emerges among the management teams of competing companies stirs competitive juices and spurs class members to fully exercise their strategic wits, analytical skills, and decision-making prowess—much more so than occurs with case assignments. *Nothing energizes a class quicker*

or better than concerted efforts on the part of class members to gain a high industry ranking and avoid the perilous consequences of getting outcompeted by other members of the class. It is hard to duplicate the excitement and hallway chatter that occurs when the results of the latest decision round become available and co-managers renew their quest for strategic moves and actions that will strengthen company performance. At the same time, class members become *more receptive to reading the text chapters, listening to your lectures, and wrestling with assigned cases*—partly in the hope they will come across ideas and approaches that will help their company outperform rivals and partly because they begin to see the practical relevance of the subject matter and the value of taking the course.

- *Participating in a competition-based strategy simulation is an unusually stimulating and enjoyable way for class members to learn.* As soon as your students start to say “Wow! Not only is this fun but I am learning a lot”, *which they will*, you have won the battle of engaging class members in the subject matter and moved the value of taking your course to a much higher plateau in the business school curriculum. This translates into *a livelier, richer learning experience from a student perspective and better instructor-course evaluations.*

3. *Incorporating a fully automated online simulation reduces the time instructors spend on course preparation, course administration, and grading.*

- Since the simulation exercise involves a 20 to 30-hour workload for students-teams (roughly 2 hours per decision round times 10-12 rounds, plus optional assignments), simulation adopters often compensate by trimming the number of assigned cases from, say, 10 to 12 to perhaps 4 to 6, which significantly reduces the time instructors spend reading cases, studying teaching notes, and otherwise getting ready to lead class discussion of a case or grade oral team presentations. The cases-for-simulation tradeoff is a sound one because class members will learn as much or more from their experience managing their simulation company and retain it longer, as compared to the learning gleaned from covering 4 to 6 more cases.
- Course preparation time is further cut because you can use several class days to have students meet in the computer lab (or in your classroom if it has wireless Internet access and each company team has access to at least one laptop) to work on upcoming decision rounds or a 3-year strategic plan (in lieu of lecturing on a chapter or covering an additional assigned case). Such lab or in-class sessions provide a splendid opportunity for you to visit with teams, observe the interplay among co-managers, and view the caliber of the learning experience that is going on.
- Use of a simulation gives you leeway to eliminate at least one assignment that entails considerable grading on your part. Grading one less written case or essay exam or other written assignment saves enormous time. With *BSG* and *GLO-BUS*, grading is effortless and takes only minutes. Once you enter percentage grading weights for each simulation activity in your online grade book, an overall numerical grade is automatically calculated for each class member.
- The speed and ease with which you can conduct a fully-automated strategy simulation for your course frees time for other activities. Plus, every task can be performed from an office or home PC that has an Internet connection and an Internet browser.

Special Note: *Both simulations work especially well for online classes or in distance-learning situations.* This is because *team members running the same company who are logged-in simultaneously on different computers at different locations have two tremendously valuable functional capabilities:*

1. *They can click a button to work collaboratively in viewing reports and making decision entries.* When in “Collaboration Mode,” each team member sees the same screen at the same time as all other team members who are logged-in and have joined Collaboration Mode. If one team member chooses to view a particular decision screen, that same screen appears on the monitors for all team members engaged in collaboration. Each team member controls their own color-coded mouse pointer (with their first-name appearing in a color-coded box linked to their mouse pointer) and can make a decision entry or move the mouse to point to particular on-screen items.

2. ***They can click a second button to talk to one another (using the built-in real time VOIP audio chat feature).*** Chat capability among team members working in Collaboration Mode enables team members to debate and discuss the merits of alternative decision entries and strategies. In effect, they can have an online meeting to conveniently and effectively collaborate in running their simulation company (as opposed to meeting face-to-face and gathering around a single computer).

Moreover, instructors have capability to use their own computers to join any company's online meeting. They can not only talk online to the managers of a company but also enter Collaboration (highly recommended because all attendees are then viewing the same screen) where they have their own red-colored mouse pointer linked to a red box labeled Instructor. This instructor-friendly feature curtails having to schedule meetings with team members in your office should something arise that requires your participation.

Even if you are not teaching an online course, you will find that a big majority of class members will opt to take advantage of the built-in collaboration and voice chat features because the members of many company teams will like the convenience of having an online meeting to prepare their decision entries as opposed to having face-to-face meetings and gathering around a single computer either in the computer lab or at some other location of their choosing.

Instructors who have used state-of-the-art simulations in their strategy courses quickly become enthusiastic converts because the added spark to the course and student excitement surfaces rapidly and the resulting teaching/learning benefits are undeniable. Moreover, the word about the effectiveness of using a top-notch strategy simulation seems to be spreading.

HOW MUCH TIME WILL IT TAKE TO LEARN ABOUT AND CONDUCT EITHER ONE OF THE SIMULATIONS FOR YOUR COURSE?


One of the biggest factors probably weighing on your mind if you are contemplating being a first-time user is “how much time will it take me to learn about *The Business Strategy Game* or *GLO-BUS*, conduct the simulation exercise for my course, and assign grades on the simulation exercise?” Here are some honest estimates of what you can expect:

- You should probably spend 30 minutes viewing two orientation videos: (1) the introductory tour of the student portion of the website (which is also readily available to all class members) and (2) the introductory tour of the instructor portion of the website. These are both accessible directly by clicking on the Instructor Essentials menu item on the left side of your Instructor Center screen.
- You should read the first 20 pages of the Instructor’s Guide (written expressly for first-time users) to get a solid overview of the simulation and learn how things work in the most time-efficient manner. You should also skim through the *Participant’s Guide* to familiarize yourself with what running a company is all about from a student perspective—but this can be deferred until later if you wish.
- To launch either one of the simulations for your course and prepare everything for students to register and gain access to the website and the simulation materials they will be using, ***you must complete the Course Setup procedure*** that entails deciding what size management teams you want (anywhere between 1 and 5 persons), specifying the number of companies you want to create (which is a function of expected class size and how many people you want to co-manage each company), selecting dates/times for each decision round to be completed, indicating which optional assignments you want company co-managers to complete (the quizzes, strategic plans, peer evaluations, and company presentation exercise), and distributing company registration codes and/or registration procedures to class members. Recommendations for handling each of the options are provided in the Course Setup procedure. It will take you 30-40 minutes or so to complete the Course Setup procedure the first time you do it and 10-5 minutes each time thereafter.



SECTION 3

Organizing Your Course,
Deciding What the Workload
Should Be, and Settling on
Specific Assignments



THE ROLE AND OBJECTIVES OF COURSES IN STRATEGY

The cornerstones of courses in strategic management involve looking at the job of managing through strategic eyes and drilling students in the whys and hows of utilizing the tools and techniques of strategic analysis to craft, implement, and execute company strategies. The central theme of the strategic management course is that a company's chances for sustained success are greatly improved when managers (1) develop an astute, timely strategic "game plan" for running the company and then (2) implement and execute the strategic plan with great proficiency.

The content portion of the course should explain what it means to think strategically about a company's situation and it should instruct the student in the formal tools and techniques of strategic analysis, crafting a strategy, and then executing it successfully. The skills-building portion of the course, built around case analysis and strategy simulations like *GLO-BUS* and *The Business Strategy Game*, drills students in the applications of key concepts and analytical weaponry, helps develop their ability to do strategic thinking, forces them to exercise business judgment, and gives them a modest but valuable dose of experience in making strategy-related decisions.

The ground that has to be covered content-wise is expansive and moderately rigorous in terms of core concepts and analytical tools, yet the subject matter is full of energy and practical relevance. During the term, instructors are obliged to drive home what the roles and tasks of the strategist are, to introduce students to what strategy means, to lead them through the ins and outs of crafting and executing a strategic plan, and to get them into the habit of automatically reviewing a firm's situation and re-appraising the need for strategy revision.

The overriding pedagogical objectives are to sharpen students' abilities to "think strategically", to evaluate a company's situation from the perspective of its competitiveness and performance prospects, and to draw sound conclusions about what actions a company's management needs to take in light of all the relevant circumstances. Accomplishing these objectives entails introducing students to how an enterprise must in fact deal with all of the complexities and constraints of the business environment in which it operates, why none of these can be assumed away or ignored, and how situational factors impact strategic decisions. It means pushing students to grapple with many determining factors at once and forcing them to weigh how they shape what actions need to be taken from the perspective of the total enterprise. It means drilling students thoroughly in the tools of strategy analysis and exercising them in the managerial tasks of sizing up a company's competitive position in the marketplace. It means systematically exposing them to the rigors of industry and competitive analysis, to the process of evaluating a company's resources and competitive capabilities, to the ins and outs of crafting an attractive strategic plan, and to the varied managerial and leadership tasks associated with implementing and executing the chosen strategy as well as circumstances permit. It means deliberately putting them in managerial shoes and forcing them to make decisions (in an ethical and socially responsible manner!) and concoct concrete action plans capable of producing good results. The excitement and fun of it all comes from seeing the lights turn on in students' eyes and the "a-ha, now I get it" results that signal the lessons of the course are being driven home.

In the midst of all this, another major purpose of the course is being served: helping students synthesize and integrate much of the knowledge gained in the core business curriculum. Unlike most other required business courses, strategic management is a big picture course. Virtually all other business courses are narrower in scope and somewhat specialized—principles of accounting, corporate finance, principles of marketing, and so on. Some concern the "hard side" and others the "soft side" of managing. Some relate to important concepts and information, while others involve skills-building. But none can match courses in strategy in covering so much of the spectrum of managing. Weighing the ins and outs of crafting, implementing, and executing company strategies forces a total enterprise perspective, demands that many internal and external situational considerations be dealt with at once, and calls for judgments about how all the relevant factors add up. This trait is what makes strategic management an integrative, capstone course.

Suggested Course Objectives

We see courses in crafting and executing strategy as having eight very relevant objectives:

1. To develop students' capacity to think strategically about a company, its present business position, its long-term direction, its resources and competitive capabilities, the caliber of its present strategy, and its opportunities for gaining sustainable competitive advantage.
2. To build students' skills in conducting strategic analysis in a variety of industries and competitive situations and, especially, to provide them with a stronger understanding of the competitive challenges of a global market environment.
3. To give students hands-on experience in crafting business strategy, reasoning carefully about strategic options, using what-if analysis to evaluate action alternatives, and making sound strategic decisions.
4. To acquaint students with the managerial tasks associated with implementing and executing company strategies, drill them in the range of actions managers can take to promote competent strategy execution, and give them some confidence in being able to function effectively as part of a company's strategy-implementing team.
5. To integrate the knowledge gained in earlier core courses in the business school curriculum, show students how the various pieces of the business puzzle fit together, and demonstrate why the different parts of a business need to be managed in strategic harmony for a company to operate in winning fashion.
6. To develop students' powers of managerial judgment, build their skills in assessing business risk, and improve their ability to create results-oriented action plans.
7. To have students become more proficient in using personal computers to do managerial analysis and managerial work.
8. To make students more conscious about the importance of exemplary ethical principles, sound personal and company values, and socially responsible management practices.

STRUCTURING YOUR COURSE

Just as there are “many ways to skin a cat,” there are many ways to structure a good course in strategic management. Aside from just the core text and cases which you plan to use, you will have to decide:

1. Whether to include *GLO-BUS* or *The Business Strategy Game* as an integral part of your course. Using one of the two companion simulations is a powerful and constructive way of emotionally connecting students to the subject matter of the course. There is no more effective and interesting way to stimulate the competitive energy of students and prepare them for the rigors of real-world business decision-making than to have them match strategic wits with classmates in running a company in head-to-head competition for global market leadership. The simplest (and usually the cheapest) way for students to obtain the simulation is via a secured credit card transaction at www.bsg-online.com (if you opt to use *The Business Strategy Game*) or at www.glo-bus.com (if you opt to use *GLO-BUS*).
2. Whether to use outside readings and, if so, what readings to assign.
3. What balance to strike between lectures on concepts/techniques, class discussion of cases, and a “learn by doing” strategy simulation. Our suggestions for weighting various possible assignments are offered several pages below.
4. What use you wish to make of written case assignments.

5. Whether to require class members to do an oral team presentation of an assigned case.
6. What use to make of the chapter-end Assurance of Learning Exercises and Exercises for Simulation Participants.
7. Whether to use the Connect platform for case assignments that the publisher now has made available for this edition—it contains automatically graded and recorded chapter-end quizzes, Assurance of Learning exercises, and exercises for selected cases.
8. What sort of examinations to use.

If you are a veteran in teaching the course, you undoubtedly have some experience in what works for you and which pieces of the overall text package are most intriguing. But if you are wrestling with teaching the course for the first time or are looking for new ways to design your course, you may find some of the following thoughts and suggestions helpful in selecting a comfortable, suitable approach.

Deciding on an Appropriate Workload

The “standard” senior-level and MBA course in strategic management these days seems to involve:

1. Covering all or most of the text chapters.
2. Discussing a subset of the cases in the text—somewhere between 5 and 15.
3. Assigning one or more written cases and/or an oral team presentation.
4. Use of a strategy simulation. (We believe over two-thirds of strategy courses in the U.S. these days entail having students play a simulation game—and the percentage seems to be growing, both domestically and internationally. The rapidity with which the standard pedagogy of strategy courses has changed from a two-pronged approach of relying on text chapters and cases to drive home the lessons of crafting and executing strategy to a three-pronged standard of relying on text chapters, cases, and a simulation exercise is powerful testimony to the effectiveness of simulations. In the early 1990s, we believe fewer than 25% of the senior-level and MBA courses in strategy incorporated use of a simulation.)
5. Having one or more in-class examinations over the text chapters.

These combine to make a full course, with plenty of topics to cover and ample assignments to keep students busy.

So why add more? Specifically, should use of the new Connect platform that incorporates chapter-end quizzes, selected Assurance of Learning exercises, and selected case exercises be voluntary or mandatory? Should you assign certain of the chapter-end Assurance of Learning Exercises in lieu of one or two cases? We think it is difficult to argue against students completing chapter self-tests (either those posted in the Online Learning Center or those included in the new Connect Assignment and Learning Assessment platform) prior to taking an exam on chapter material. Also, we have designed chapter-end Assurance of Learning Exercises that are attractive vehicles for class discussion or student reports and that can be used for assessment purposes. And there are 17 Connect-based case exercises that you can use to measure how well class members are able to use and apply core concepts and the tools of strategic analysis in assessing a company’s situation, identifying issues that company managers need to address, and proposing pragmatic action recommendations. The assignment questions included in the 17 exercises lead students through a proper analysis of the case and are automatically graded. Each exercise also includes open-ended questions for strategic recommendations that must be instructor-graded), thus facilitating their usefulness for learning assessment purposes as well. So there’s ample reason to make use of the 17 case exercises built into the Connect supplement for 20e.

We would value your comments on the usefulness of the Connect exercises for 20e. Do they add real value? What would make them better?

Why Incorporating a Strategy Simulation Makes Sense

Insofar as use of a simulation is concerned, we believe—based on our own experiences and the mushrooming use of simulations in strategy courses worldwide—that ***incorporating a simulation as a course centerpiece definitely adds major value***. As was discussed at some length in Section 2 of this IM, a strategy simulation steps up the tempo of the course a notch, emotionally involves students in the subject matter, and gives them ***much-needed hands-on practice*** in (a) applying what they have read in the 12 chapters and (b) making sound business decisions and being held accountable for the results they produce.

Competition-based strategy simulation games give students every bit as much valuable practice as do cases in thinking strategically, diagnosing market and competitive circumstances, appraising a company's competitiveness and financial performance, and coming up with concrete actions to improve a company's market position and performance. What a simulation does that a case cannot is give students immediate and incontrovertible feedback of the caliber of their decisions to improve a company's performance—in light of competitive circumstances and the company's product offering, costs, and other situational circumstances. Since in the course of playing a simulation, students have to live with the financial results of their decisions, simulations are powerful devices for teaching students the importance of responsible, results-oriented decision-making. In contrast, in analyzing cases and making action recommendations for the company being studied, there little way to provide students with credible feedback on their caliber of their action recommendations /decisions beyond that of telling them what's happened at the company since the case was written. We think this is why professors of strategy at many business schools have concluded that supplementing coverage of the text chapters with use of ***both cases and a strategy simulation is more pedagogically powerful than just relying on traditional case assignments alone***.

You can be fairly confident that if you incorporate use of *GLO-BUS* or *The Business Strategy Game* the challenges and excitement of a competition-based strategy simulation will get most students' competitive juices flowing and make their task of learning about crafting and executing winning strategies more enjoyable. Most students find the "learn by doing" nature of a simulation more engaging. They become more emotionally and personally involved in the subject matter because they are active participants, along with their co-managers, in crafting and executing strategy for a company in which they have a stake—the decisions they make and the results these decisions produce affect their grade! Their company becomes "real" to students and takes on a life of its own as the simulation unfolds—and it doesn't take long for students to establish a healthy rivalry with other companies run by their class members that they must compete with head-on in the marketplace. Because the competition in the simulation typically gets very personal, most students become immersed in what's going on in their industry—as compared to the more impersonal engagement that occurs when they are assigned a case to analyze.

While incorporating the simulation will consume part of a class period to get things under way, the actual playing of the game is an *out-of-class group exercise* done mostly sitting around a personal computer (company team members will need to spend 1½ to 2½ hours preparing each decision, usually more for the first couple of decisions until students gain command of the software and the procedures).

Use of either *GLO-BUS* or *The Business Strategy Game* is likely to add net time to the course requirements from a student perspective. To adjust for these time requirements, you may want to have the simulation substitute for a written case assignment or a couple of class discussions of cases or an hour exam or some combination of these.

Again, should you decide to incorporate one of the two simulations in your course, the simplest (and usually the cheapest) way for students to obtain the simulation is via a secured credit card transaction at www.bsg-online.com (if you opt to use *The Business Strategy Game*) or at www.glo-bus.com (if you opt to use *GLO-BUS*). Purchasing the simulation direct at the simulation web site allows students to bypass paying sometimes hefty bookstore markups (a savings that can amount to \$10-\$15). The second way for students to register for the simulation is by using a pre-paid access code that comes bundled with the 21st Edition when you order the combination text-simulation package through your bookstore—this requires use of a separate ISBN (the 21st Edition bundled with either simulation has a different ISBN number than just the 21st Edition ordered alone). Your McGraw-Hill rep can provide you with the correct ISBN for ordering the text-simulation package.

Suggestions for Using the Connect™ Management Web-based Assignment and Assessment Platform Accompanying the 21st Edition

The mushrooming popularity of McGraw-Hill's innovative Connect™ Management Web-based Assignment and Assessment Platform among text adopters is a solid reason to consider incorporating use of Connect in your own course offering.

The Connect-Based Chapter-end Quizzes. One element of Connect for the 21st edition involves automatically-graded and recorded chapter-end quizzes consisting of 20 to 25 multiple choice questions. Having students complete these quizzes following your coverage of each chapter is strongly recommended, not only as a prod to push students to gain better command of the chapter material but also to assess class member learning and the achievement of course objectives.

For students to realize the maximum benefit from the online chapter self-tests and for you to see the difference in their command of the core concepts and ability to use the analytical tools to analyze assigned cases, we recommend that you *strongly encourage students to work through the online chapter tests immediately after reading each chapter* (rather than waiting until just before the hour exam over the chapters). It is easy to check the automatically graded and recorded scores for the chapter-end quizzes on Connect. If students complete the quizzes at the Online Learning Center, you can have students e-mail you the results of their test scores—as a way of checking whether they took the test and monitoring how well they scored.

The sample course syllabi and the 9 sample schedules of assignments and activities in Section 4 of this IM illustrate ways to make the chapter-end quizzes a part of your course syllabus.

The Connect-Based Learning Assurance Exercises. The authors of the text have developed two Connect-based learning assurance exercises for each of the 12 chapters of the 21st edition. All of the exercises is based on an end-of-chapter Assurance of Learning Exercise that requires students to demonstrate understanding and proper application of chapter concepts. The exercises include (1) 3 to 6 assignment questions that assess students' abilities to accurately apply chapter concepts and analytic tools. Students should be able to complete the Connect-Based exercises for a chapter in about 20 minutes.

Topics included in the Connect-Based Learning Assurance Exercises for the various chapters include:

- Identifying and critiquing a company's business strategy
- Assessing the effectiveness of managerial oversight on the part of a company's board of directors
- Drawing a strategic group map and assessing the positions of the companies/strategic groups
- Calculating financial ratios and doing other number-crunching to determine a company's financial performance and the strength of its balance sheet
- Determining the strengths of a low-cost provider strategy and gain command of the major avenues for securing a cost-based advantage
- Evaluating the advantages and disadvantages of extending the company's scope of operations via vertical integration
- Assessing the merits of utilizing strategic alliances to enter and compete in international markets
- Evaluating the strategic fit potential among the value chain activities of a diversified company's lineup of businesses

- Assessing how companies balance duties to engage in socially responsible and sustainable business practices with economic responsibilities to shareholders
- Identifying and critiquing the policies, practices, principles, and approaches management is using to implement and execute the company's strategy
- Determining if and why a company's system of incentives and rewards promotes adept strategy execution and operating excellence
- Identifying the key features of a company's corporate culture and assessing if and why a company's culture aids in the drive for proficient strategy execution and operating excellence

Each chapter includes one exercise that is automatically graded and open-ended assignment questions that require students to discuss their analysis of the exercise material.

Chapter Learning Assurance Exercises are intended to improve student understanding of chapter concepts and their mastery of the application of tools of strategic analysis. The Connect-Based Learning Assurance Exercises may be scored and used as a graded component for the course or the exercises may be used for individual-level assessment purposes only. Whether used as part of course pedagogy or for accrediting body assessment purposes, the Connect-Based Learning Assurance Exercises are an easy-to-administer approach to collect individual-level measures of student performance.

The table below lists the chapter and source content, learning objective linkage, topic, and auto-grading features of each Connect-Based chapter Learning Assurance Exercise.

Chapter and Source Content for Exercise	Learning Objectives Covered	Exercise Title/Topic	Automatic Grading
Ch. 1: Assurance of Learning Exercise 1	LO 4, LO 6	What is Strategy and Why is it Important?	Yes
Ch. 1: Assurance of Learning Exercise 3	LO 1, LO 2, LO 3	Strategy and a Company's Business Model	No
Ch. 2: Assurance of Learning Exercise 1	LO 1	Strategic Vision	No
Ch. 2: Assurance of Learning Exercise 5	LO 5	Corporate Governance	Yes
Ch. 3: Assurance of Learning Exercise 1	LO 2	Competitive Forces Model	Yes
Ch. 3: Assurance of Learning Exercise 2	LO 3	Strategic Group Mapping	No
Ch. 4: Assurance of Learning Exercise 1	LO 1	Ratio Analysis	Yes
Ch. 4: Assurance of Learning Exercise 3	LO 4	Company Value Chain	No
Ch. 5: Assurance of Learning Exercise 2	LO 2	Low-Cost Provider Strategy	Yes
Ch. 5: Assurance of Learning Exercise 4	LO 3	Differentiation Strategy	No
Ch. 6: Assurance of Learning Exercise 1	LO 1, LO 2, LO 3	Strategic Moves	No
Ch. 6: Assurance of Learning Exercise 2	LO 4	Vertical Integration Strategy	Yes
Ch. 7: Assurance of Learning Exercise 2	LO 1, LO 3	Cross Border Alliances	No
Ch. 7: Assurance of Learning Exercise 3	LO 2, LO 4	Strategic Choices in International Markets	Yes
Ch. 8: Assurance of Learning Exercise 1	LO 1, LO 2, LO 3, LO 4	Strategic Fit and Diversification in Related Businesses	No
Ch. 8: Assurance of Learning Exercise 3	LO 1, LO 2, LO 3, LO 4, LO 5	Analyzing a Company's Diversification Strategy	Yes
Ch. 9: Assurance of Learning Exercise 3	LO 4	Corporate Social Responsibility	Yes
Ch. 9: Assurance of Learning Exercise 4	LO 2	Environmental Sustainability	No
Ch. 10: Assurance of Learning Exercise 1	LO 1	Key Components of the Strategy Execution Process	No
Ch. 10: Assurance of Learning Exercise 2	LO 2	Staffing the Organization	Yes
Ch. 11: Assurance of Learning Exercise 3	LO 3	Six Sigma	No
Ch. 11: Assurance of Learning Exercise 6	LO 5	Incentives and Motivational Practices	Yes
Ch. 12: Assurance of Learning Exercises 1	LO 1, LO 2	Corporate Culture and Strategy Execution	No
Ch. 12: Assurance of Learning Exercise 3	LO 1, LO 2	Corporate Culture	Yes

The Connect-Based Case Exercises. The 21st Edition includes Connect case exercises for 12 of the 31 cases in the text. All of the exercises reflect the recommended assignment questions for the respective case and call upon a student to develop thoughtful, analysis-based recommendations to address strategic issues disclosed through their analysis (as opposed to stating seat-of-the-pants opinions). Students are able to complete autograded assignment questions related to the proper analysis of the case and submit strategic recommendations that are instructor-graded. Each exercise is different, depending both on the circumstances of the case and the content of the chapters to which it is closely linked. The exercises relate to such things as

- Identifying and critiquing a company’s strategic vision or objectives or strategy
- Doing a five-forces analysis
- Identifying driving forces (industry dynamics) and evaluating their impact
- Drawing a strategic group map and assessing the positions of the companies/strategic groups
- Identifying key success factors
- Doing a SWOT analysis
- Doing a competitive strength analysis
- Calculating financial ratios and doing other number-crunching to determine a company’s financial performance and the strength of its balance sheet
- Evaluating the performance potential of a diversified company’s lineup of businesses
- Identifying and critiquing the policies, practices, principles, and approaches management is using to implement and execute the company’s strategy
- Assessing whether a company’s stated core values are cosmetic or genuine
- Identifying the strategic issues/problems that company management needs to address
- Proposing action recommendations

The driving concept underlying the creation and use of these exercises has been to facilitate student learning, put students on the path to sound strategic thinking and proper use of the concepts and tools of strategic analysis, and make it quick and easy for you to assess student performance on assigned cases.

The exercises can typically be completed in 30 to 60 minutes, assuming a student has done a conscientious job of reading the case and absorbing the information. You’ll find that some of the case exercises are suitable for use as substitutes for a written case analysis, with a portion of the exercise being automatically graded and a portion requiring instructor grading.

Special Note: Because, the Connect-based case exercises call upon students to develop answers to questions that are largely identical to some of same assignment questions presented in the Teaching Note we provide for the case, the content of the Teaching Outline and Analysis section of each TN serves as your “answer guide” to the questions posed to students in each of the Connect case exercises.

Having class members complete some or many of the Connect-based case exercises serves several teaching/learning purposes and has multiple benefits:

- The nature and content of a case exercise signals students that they need to do more than come to class having read an assigned case (this is particularly beneficial if the case assignments for your course are a student’s first encounter with the case method of teaching/learning). There is no way that students can score well on the case exercises without doing some serious thinking and putting forth effort; guessing at the answers or relying on seat-of-the-pants opinions won’t get them very far.

- The exercises are yet another means of drilling students in how to apply the chapter content in managerial situations and helping them bridge the gap between theory and practice. We think a good argument can be made that the learning potential of an assigned case is more likely to be fully achieved by having students use an interactive tool that “tutors” them in the process of (a) thinking strategically, (b) using the concepts and methods of strategic analysis to evaluate a company, and (c) arriving at analysis-based action recommendations.
- Students that do a conscientious job of completing the Connect exercise for a case will be better prepared to make meaningful contributions to the class discussion of that case, as opposed to merely giving off-the-cuff opinions. Letting students know that you fully expect them to come to class truly well-prepared in terms of developing solid answers to the assignment questions will put more students in position to give meaningful, content-filled answers to the questions you pose in class.

The table below lists cases included in the 21st Edition with Connect exercises.

Case Number/Title
Case 1: Mystic Monk Coffee
Case 4: Costco Wholesale In 2016: Mission, Business Model, and Strategy
Case 8: UnderArmour’s Strategy in 2016—How Big a Factor Can the Company Become in the \$250 Billion Global Market for Sports Apparel and Footwear?
Case 9: Lululemon Athletica, Inc. in 2016: Can the Company Get Back on Track?
Case 13: Panera Bread Company in 2016—Is the Company’s Strategy to Rejuvenate the Company’s Growth Working?
Case 14: Chipotle Mexican Grill in 2016: Can the Company Recover from Its E. Coli Disaster and Grow Customer Traffic Again?
Case 16: Tesla Motors in 2016: Will Its Strategy Be Defeated by Low Gasoline Prices and Mounting Competition?
Case 21: Mondelez International: Has Corporate Restructuring Produced Shareholder Value?
Case 22: LVMH in 2016: Its Diversification Into Luxury Goods
Case 23: Robin Hood
Case 25: Southwest Airlines in 2014: Culture, Values, and Operating Practices
Case 27: Nucor Corporation in 2016: Contending with the Challenges of Low-Cost Foreign Imports and Weak Demand for Steel Products

Suggestions for Examinations over the 12 Text Chapters

We suggest having two exams covering the text material and perhaps having a comprehensive final (although our preference is to use a comprehensive case as a final exam as opposed to a comprehensive final covering the content of just the 12 chapters). If you opt for two chapter-related exams, we recommend that the first one cover Chapters 1-7 and that the second one cover Chapters 8-12. If the number of class periods is too short for two exams, a single exam covering all 12 chapters is the next best option—it can be given at the end of the course or shortly after your lectures on all the assigned chapters.

We prefer giving a test on the assigned chapters immediately following the conclusion of the lectures and before covering most of the related cases so that you can be assured that students have sufficient acquaintance with the concepts and analytical tools covered in the chapters and concepts to apply them in the course of preparing and discussing the cases. The sample course outlines in Section 4 indicate possible locations in the class schedule where exams on the chapters fit in.

There’s a test bank of 900+ multiple choice and short-answer/essay questions you can choose from in making out exams. The full test bank is in both this volume of the IM. The EZ Test companion software enables you to quickly setup an online exam or print out a test master.

Suggested Weights in Determining Final Grades in the Course

If you are a veteran in teaching strategy, then you have no doubt arrived at a scheme for weighting all the various assignments in determining each student's final grade in the course. And the scheme necessarily varies with the number of written case assignments, the number of exams, whether you are using a simulation, the weight you put on class participation, and whether you have students do oral team presentations.

In the table below, we offer some suggestions for weighting various possible assignments:

Assignment/Activity	Weighting of Assignment/Activity				
	Option 1	Option 2	Option 3	Option 4	Option 5
Exam over Chapters 1-7	10%	10.0%	15%	12.5%	—
Exam over Chapters 8-12	10%	10.0%	15%	12.5%	—
Written Case Report #1	15%	12.5%	15%	12.5%	20%
Written Case Report #2	—	12.5%	15%	—	—
Oral Team Presentation	15%	15.0%	15%	—	20%
Company Performance on Simulation Exercise	35%	25.0%	—	30.0%	25%
Participation in Class Discussion of Assigned Cases	15%	15.0%	10%	15.0%	15%
In-class Written Case for Final Exam (2½ – 4 hours)	—	—	15%	17.5%	—
Final Exam over All 12 Chapters	—	—	—	—	20%
Total	100.0%	100.0%	100.0%	100.0%	100.0%

Tips and Suggestions for Effectively Incorporating Either *The Business Strategy Game* or *GLO-BUS* in Your Course

Both *The Business Strategy Game* and *GLO-BUS* are suitable for either senior-level or MBA-level courses. Which to use is really a matter of preference and the degree to which the faculty believe that there should be a clear distinction between the content and rigor of a senior-level course in strategy and the MBA-level course in strategy:

- If you want students to spend an average of 1-2 hours per decision, then we believe *GLO-BUS* is the best choice. If you want the simulation to be a truly major part of the course and serve as the main assignment for the class beyond the text chapters, then *The Business Strategy Game* is perhaps the better choice—especially for a MBA class—because it has more robust production and distribution operations and allows students to formulate somewhat more complex strategies. Both simulations have a 3-year strategic plan module (which can be made a requirement or left optional or ignored altogether).
- If school policy is to maintain a clear-cut distinction between the content and rigor of the senior-level course and the MBA-level course then it probably makes sense to use *GLO-BUS* in one course (probably the senior-level course) and *BSG* in the other course (the MBA course)
- If many of your school's undergraduate students also go on to be part of your school's MBA program (thus making it desirable to provide them with a differentiated simulation experience in the two courses), then it probably makes sense to use *GLO-BUS* in one course (again probably the senior-level course) and *BSG* in the other course (again the MBA course)

However, adopters have used both *GLO-BUS* and *The Business Strategy Game* for senior and MBA courses—with apparent success at both levels. We firmly believe you can have a successful experience with either simulation in either senior or MBA courses.



SECTION 4

Sample Syllabi and Daily Course Schedules



This section contains:

1. Two sample course syllabi—The two sample course syllabi are ones that we have used in our own senior-level strategic management courses at The University of Alabama and Texas A&M University – Corpus Christi. The syllabus for Texas A&M University – Corpus Christi is for a 100% online course taught on a 7-week term.
2. A comprehensive set of suggested daily class schedules:
 - Two alternative suggested daily schedules for 15-week (or semester-length) terms, including sample schedules and Connect™ Management assignments for classes meeting face-to-face 2 times weekly, with and without use of a simulation exercise such as *The Business Strategy Game* or *GLO-BUS*.
 - Two suggested schedules for 15-week hybrid courses meeting 1 time weekly, with and without use of a simulation exercise such as *The Business Strategy Game* or *GLO-BUS*.
 - One sample daily schedule for 10-week (or quarter-length) terms, including suggested schedules and Connect™ Management assignments for classes meeting 2 times weekly, without the use of a simulation exercise such as *The Business Strategy Game* or *GLO-BUS*.
 - One sample schedule for 10-week hybrid courses meeting 1 time weekly, with use of a simulation exercise such as *The Business Strategy Game* or *GLO-BUS*.
 - One sample online course schedule and Connect™ Management assignments for a 7-week term, with use of a simulation exercise such as *The Business Strategy Game* or *GLO-BUS*.
 - Two sample daily course schedules and Connect™ Management assignments for face-to-face courses offered in 5-week terms.

Should your course involve more or less class meetings than indicated on our sample schedules, you can (1) add or delete case assignments as needed or (2) devote more/less class time to covering the 12 chapters of text or (3) schedule more class meetings in the computer lab (in the event you opt to use a strategy simulation).

Having the class meet in the computer lab gives you a great opportunity to personally observe the dynamics of how different companies go about the task of strategizing and making decisions).

If you are inexperienced in teaching first-level strategy courses for seniors and MBA students, we think you will find the contents of the sample syllabi and daily course schedules helpful in developing a syllabus and daily class schedule for your own course that you are comfortable with.

COURSE SYLLABUS (SAMPLE 1)

Course Description

Unlike other business courses that concentrate narrowly on a particular function or piece of the business—accounting, finance, marketing, production, human resources, or information systems, strategic management is a big picture course. It cuts across the whole spectrum of business and management. The center of attention is the *total enterprise*—the industry and competitive environment in which it operates, its long-term direction and strategy, its resources and competitive capabilities, and its prospects for success.

Throughout the course, the spotlight will be trained on the foremost issue in running a business enterprise: “What must managers do, and do well, to make the company a winner in the game of business?” The answer that emerges, and which becomes the theme of the course, is that good strategy-making and good strategy-execution are the key ingredients of company success and the most reliable signs of good management. The mission of the course is to explore why good strategic management leads to good business performance, to present the basic concepts and tools of strategic analysis, and to drill you in the methods of crafting a well-conceived strategy and executing it competently.

You’ll be called on to probe, question, and evaluate all aspects of a company’s external and internal situation. You’ll grapple with sizing up a company’s standing in the marketplace and its ability to go head-to-head with rivals, learn to tell the difference between winning strategies and mediocre strategies, and become more skilled in spotting ways to improve a company’s strategy or its execution.

In the midst of all this, another purpose is accomplished: to help you synthesize what you have learned in prior business courses. Dealing with the grand sweep of how to manage all the pieces of a business makes strategic management an integrative, capstone course in which you reach back to use concepts and techniques covered in previous courses. For perhaps the first time you’ll see how the various pieces of the business puzzle fit together and why the different parts of a business need to be managed in strategic harmony for the organization to operate in winning fashion.

The Next Weeks Will Be Exciting, Fun, Challenging, and Filled with Learning Opportunities. No matter what your major is, the content of this course has all the ingredients to be the best course you’ve taken—best in the sense of learning a lot about business, holding your interest from beginning to end, and enhancing your powers of business judgment. As you tackle the subject matter, ponder Ralph Waldo Emerson’s observation, “Commerce is a game of skill which many people play, but which few play well.” The overriding intent of the course is to help you become a more savvy player and better prepare you for a successful business career. We sincerely hope this course will prove to be instrumental in making you “competitively superior,” successful in your career, and much wiser about the secrets of first-rate management.

Required Texts and Materials

1. Thompson, Peteraf, Gamble, and Strickland, *Crafting and Executing Strategy: The Quest for Competitive Advantage*, 21st Edition, supplemented by student use of and Connect™ Management case preparation exercises, learning assurance exercises, and chapter quizzes.
2. Thompson, and others, *The Business Strategy Game* or *GLO-BUS: Developing Winning Competitive Strategies* (register to participate at www.bsg-online.com or www.glo-bus.com). **To complete the registration, you will need (1) either a credit card or the Prepaid Access Code on the card that was shrink-wrapped with your copy of the text and (2) the company registration code provided by the instructor.**

Course Objectives

1. To develop your capacity to think strategically about a company, its present business position, its long-term direction, its resources and competitive capabilities, the caliber of its strategy, and its opportunities for gaining sustainable competitive advantage.
2. To build your skills in conducting strategic analysis in a variety of industries and competitive situations and, especially, to provide you with a stronger understanding of the competitive challenges of a global market environment.
3. To give you hands-on experience in crafting business strategy, reasoning carefully about strategic options, using what-if analysis to evaluate action alternatives, and making sound strategic decisions.
4. To acquaint you with the managerial tasks associated with implementing and executing company strategies, drill you in the range of actions managers can take to promote competent strategy execution, and give you some confidence in being able to function effectively as part of a company's strategy-implementing team.
5. To integrate the knowledge gained in earlier core courses in the business school curriculum, show you how the various pieces of the business puzzle fit together, and demonstrate why the different parts of a business need to be managed in strategic harmony for the organization to operate in winning fashion.
6. To heighten your awareness of how and why ethical principles, core values, and socially responsible management practices matter greatly in the conduct of a company's business.
7. To develop your powers of managerial judgment, help you learn how to assess business risk, and improve your ability to make sound business decisions and achieve effective outcomes.

Grading Plan/Performance Evaluations

Your course grade will be based on the following components and percentage allocation:

Performance on the <i>BSG</i> or <i>GLO-BUS</i> simulation exercise (including the quizzes, the 3-year strategic plan, and the peer evaluations)	30%
Written case assignment	15%
Participation in class discussion of cases/Completion of Connect case exercises	15%
Exams on lectures/text materials and satisfactory completion of Connect practice tests and learning assurance exercises for assigned chapters in the text	25%
Oral team presentation of assigned case	15%
	100%

The Approach to Teaching/Learning

1. Lectures by the instructor	30% of in-class hrs.
2. Practicing the tasks of managerial analysis and decision-making via use of actual case studies—analysis/discussion by whole class (students do most of the talking)	45% of in-class hrs.
3. Practicing the task of managing via the “learn-by-doing” simulation exercise.	Out-of-class team meetings.
4. Exams/oral team presentations	25% of in-class hrs.

Required Participation in Class Discussions of Assigned Cases

Due to the fact that participation in class discussion of cases counts as a factor in determining your overall grade in the course, each student MUST contribute significantly to in-class analysis and discussion of the cases. Each student is expected to be an active participant in case discussions and to offer meaningful analysis and convincing arguments for the position you stake out. Your grade on class participation is something to be earned by contributing your assessments and judgments to the discussion. Merely coming to class and listening to the discussion of assigned cases is not sufficient; attendance is not participation. You should, therefore, make a conscientious effort to be sufficiently prepared to make intelligent, timely comments regarding the managerial issues raised in the cases—this entails reading the assigned cases and preparing several pages of notes to the assignment questions for the case.

The bare minimum number of assigned cases on which you are expected to display your analytical skills by speaking out and making a meaningful contribution is 6 (multiple contributions to a single case are averaged into a single grade for participating on that case). A contribution is defined as making a relevant and clearly articulated statement, either in response to a question by the instructor or in response/rebuttal to comments made by another class member. Merely saying “yes” or “no” without any elaboration or without having the full attention of the class does not count as meaningful participation. On days when there are oral team presentations, class participation is judged on the caliber of the question(s) you pose to one or more of the presenting teams.

Satisfactory contributions on 6 assigned cases will be judged as a C– (70); and good-to-excellent contributions on 6 cases will be worth a B– (80). To earn an A on class discussion typically requires contributing meaningfully on 10 to 13 cases (out of the 15 total cases that are assigned) and standing out as a class leader in the discussions of assigned cases. Satisfactory contributions on only 2 assigned cases will be judged as a 30; satisfactory contributions on just 3 cases will be judged as a 40; satisfactory contributions on 4 cases will be judged as a 50; and satisfactory contributions on 5 cases will be judged as a 60—so failure to have the minimum 6 case participations will negatively impact your grade in the course.

Special Note: In lieu of two of the required six oral contributions, you may opt to turn in a fully completed Connect exercise for the assigned case or a typewritten set of answers to the assignment questions for the case. **To count, these must be turned in at the end of the class period on the day the case is discussed in class and you must have been present in class that day.** For completion of your written answers to the study questions to qualify as a substitute for an oral contribution, **they must be completed in full and the quality of your work must be judged as the equivalent of at least a B to count as an oral participation.**

Policies Regarding Class Attendance and Make-Up of Absences

Attendance at all class sessions is expected, but **attendance is required** on those days an assigned case is discussed in class. **Absence from class on case discussion days requires make-up** and should be discussed with your instructor, since roll is taken on case discussion days.

If you must miss class discussion of an assigned case, you are required to turn in answers to the assignment questions for the case. **The make-up work for the missed case discussions is due no later than the following class period (except by prearranged consent of the instructor).**

Failure to satisfactorily complete and hand in the “make-up” work at the next class meeting will result in a 2-point penalty deduction from your overall course average for each case discussion absence without a satisfactorily-completed written make-up (thus if your final average is an 80 and you have three unmade-up absences from case discussions, your final average will be reduced to 74).

More than one absence on case discussion and oral team presentation days, even if made up by turning in written answers to the assignment questions, will be penalized at the discretion of the instructor.

Completion of the Connect Chapter Quizzes and Learning Assurance Exercises

The Connect web site for the course has a menu option that contains multiple choice quizzes for each of the assigned text chapters. You are urged to conscientiously attempt and complete each of these chapter quizzes in a timely manner.

The multiple choice questions that comprise these tests are indicative of the types of questions that will appear on the comprehensive chapter exam. In other words, the nature and difficulty of these 20 multiple choice questions that comprise the Connect quizzes are very similar to the kinds of questions used for the comprehensive exam on the 12 chapters. Hence, if you can score well on the Connect quizzes, you ought to be able to score well on the comprehensive exam.

Each chapter also includes a set of Learning Assurance Exercises that will allow you to further assess your understanding of key chapter concepts and your ability to apply the tools of strategic analysis presented in all 12 chapters. Completion of these exercises should further prepare you for the comprehensive exam in the course.

Preparation of Written Case Assignment

The written case assignment is to be prepared on an individual basis. It is expected that the content of your written case will reflect your thoughts and analysis rather than the work of others. The nature of the written assignment will be handed out in class about a week prior to the due date.

Suggestions regarding the preparation of written case assignments are discussed in “A Guide to Case Analysis” found immediately following Case 31 in the text. The criteria for grading written case presentations include:

1. Identification of key problems/strategic issues.
2. Use of appropriate analytical tools techniques, including the use of charts and tables where appropriate. You are expected to demonstrate that you can use the tools and techniques of strategic analysis presented in the chapters. Both breadth and depth of analysis will be evaluated.
3. Presenting realistic, workable, well-supported recommendations for action.
4. Use of good communication skills—failure to use good grammar, spelling, and other written communication skills will result in a full one-letter grade reduction.
5. Evidence of adequate preparation, pride of workmanship, and display of professional attitude and approach.

Written case assignments are due on the day the case is scheduled for class discussion (see the Schedule of Class Activities) and should be turned in to your instructor at the end of the class period. **All written case assignments are to be prepared individually; group work is “out of bounds.”**

Cases turned in after the scheduled class period are eligible for a grade no higher than a C (and that only if the paper is otherwise an A or B+ paper). **No late papers will be accepted if submitted more than 2 class days past the scheduled due date** (except by prearranged consent of the instructor).

All written cases are to be typed (double-spaced) and should incorporate correct form, spelling, grammar, sentence structure, and communication skills.

Papers which, in the opinion of the instructor, employ disproportionately poor grammar and poor quality written communication skills will be assigned a grade that is a full one-letter lower than would otherwise be assigned.



SECTION 5

Lecture Notes
for Chapters 1-12





What is Strategy and Why is It Important?

Chapter Summary

Chapter 1 defines the concept of strategy and describes its many facets. The chapter explains what is meant by a competitive advantage, discusses the relationship between a company's strategy and its business model, and introduces the student to the kinds of competitive strategies that can give a company an advantage over rivals in attracting customers and earning above-average profits. The chapter examines what sets a winning strategy apart from others and why the caliber of a company's strategy determines whether it will enjoy a competitive advantage over other firms or be burdened by competitive disadvantage. By the end of this chapter, the student will have a clear idea of why the tasks of crafting and executing strategy are core management functions and why excellent execution of an excellent strategy is the most reliable recipe for turning a company into a standout performer over the long term.

Lecture Outline

I. Introduction

Chapter one explores the fundamental concepts surrounding organizational strategy. It begins with an explanation of the term strategy and discusses why companies need a distinctive strategy in order to compete successfully. Next, it explores why a company must have a viable business model and the five most dependable strategic approaches for setting a company apart. The chapter wraps up with an illustration of how a company's strategy tends to evolve over time due to changing business conditions and the three tests for winning strategies.

II. What Do We Mean by Strategy?

connect ACTIVITY

Consider adding a LearnSmart assignment requiring the student to review this section of the chapter as an interactive question and answer review. The assignment can be graded and posted automatically.

1. A company's **strategy** is the set of actions that its managers take to outperform the company's competitors and achieve superior profitability. In effect, it represents a managerial commitment to an integrated array of considered choices about how to compete.
2. Normally, companies have a wide degree of strategic freedom in choosing the "hows" of strategy:
 - How to position the company in the marketplace.
 - How to attract customers.
 - How to compete against rivals.
 - How to achieve the company's performance targets.

- How to capitalize on opportunities to grow the business.
- How to respond to changing economic and market conditions.

CORE CONCEPT

A company's **strategy** is the set of actions that its managers take to outperform the company's competitors and achieve superior profitability.

3. **Strategy Is about Competing Differently**—A strategy stands a better chance of succeeding when it is predicated on actions, business approaches, and competitive moves aimed at:
 - a. appealing to buyers in ways that *set a company apart from its rivals* and
 - b. staking out a market position that is not crowded with strong competitors.
4. **Figure 1.1—Identifying a Company's Strategy—What to Look For**, shows what to look for in identifying the substance of a company's overall strategy. These are the visible actions taken that signal what strategy the company is pursuing.

connect ACTIVITY

Consider adding a File Attachment assignment requiring the student to develop a response to this Illustration Capsule. You can post instructions for the student within the assignment and collect their attachments for grading.

ILLUSTRATION CAPSULE 1.1

Starbucks' Strategy in the Specialty Coffee Market

Discussion Question: How did Starbucks develop a sustainable competitive advantage in the specialty coffee market?

Answer: Starbucks has developed a unique customer experience through their store ambiance that is difficult and expensive for rivals to match. This experience which includes the product, the environment it is served in, and the service itself, is intended to create an emotional attachment with their customers. Their product offerings are broad and include not only coffee and specialty coffee drinks, but also teas, fresh pastries, and other merchandise. They have carefully nurtured their global brand through strategic expansion, and ensure the consistency of the customer experience through the consistency of their store operations.

III. Strategy and the Quest for Competitive Advantage

connect ACTIVITY

Consider adding a LearnSmart assignment requiring the student to review this section of the chapter as an interactive question and answer review. The assignment can be graded and posted automatically.

1. The heart and soul of any strategy is the actions and moves in the market place that managers are taking to improve the company's financial performance, strengthen its long-term competitive position, and gain a competitive edge over rivals.

2. A company achieves a competitive advantage whenever it has some type of edge over rivals in attracting buyers and coping with competitive forces.
3. Strategy is about competing differently from rivals or doing what competitors don't do or, even better, can't do. In this sense, every strategy needs a distinctive element that attracts customers and produces a competitive edge.
5. What makes a competitive advantage **sustainable** (or durable), as opposed to temporary, are elements of the strategy that give buyers lasting reasons to prefer a company's products or services over those of competitors

CORE CONCEPT

A company achieves a **competitive advantage** when it provides buyers with superior value compared to rival sellers or offers the same value at a lower cost to the firm. The advantage is **sustainable** if it persists despite the best efforts of competitors to match or surpass this advantage.

4. Five of the most frequently used strategic approaches to setting a company apart from rivals and achieving a sustainable competitive advantage are:
 - a. Low Cost Provider—Achieving a cost-based advantage over rivals.
 - b. Broad Differentiation—Seeking to differentiate the company's product or service from rivals' in ways that will appeal to a broad spectrum of buyers.
 - c. Focused Low Cost—Concentrating on a narrow buyer segment (or market niche) and outcompeting rivals by having lower costs than rivals and thus being able to serve niche members at a lower priced.
 - d. Focused Differentiation—Concentrating on a narrow buyer segment (or market niche) and outcompeting rivals by offering niche members customized attributes that meet their tastes and requirements better than rivals' products.
 - e. Best Cost Provider—Giving customers more value for the money by satisfying buyers' expectations on key quality/features/performance/service attributes, while beating their price expectations.

IV. Why a Company's Strategy Evolves over Time

connect ACTIVITY

Consider adding a LearnSmart assignment requiring the student to review this section of the chapter as an interactive question and answer review. The assignment can be graded and posted automatically.

1. Every company must be willing and ready to modify the strategy in response to changing market conditions, advancing technology, unexpected moves by competitors, shifting buyer needs, emerging market opportunities, and mounting evidence that the strategy is not working well.
2. Most of the time, a company's strategy evolves incrementally from management's ongoing efforts to fine-tune the strategy and to adjust certain strategy elements in response to new learning and unfolding events.
3. Industry environments characterized by high velocity change require companies to repeatedly adapt their strategies.

- The important point is that the task of crafting strategy is not a one-time event but always a work in progress.

V. A Company's Strategy Is Partly Proactive and Partly Reactive

connect ACTIVITY

Consider adding a LearnSmart assignment requiring the student to review this section of the chapter as an interactive question and answer review. The assignment can be graded and posted automatically.

- The evolving nature of a company's strategy means that the typical company strategy is a blend of (1) *proactive*, planned initiatives to improve the company's financial performance and secure a competitive edge, and (2) *reactive* responses to unanticipated developments and fresh market conditions.

CORE CONCEPT

A company's **deliberate strategy** consists of *proactive* strategy elements that are both planned and realized as planned; its **emergent strategy** consists of *reactive* strategy elements that emerge as changing conditions warrant.

- The biggest portion of a company's current strategy flows from ongoing actions that have proven themselves in the marketplace and newly launched initiatives aimed at building a larger lead over rivals and further boosting financial performance.—Deliberate Strategy
- Managers must always be willing to supplement or modify the proactive strategy elements with as-needed reactions to unanticipated conditions.—Emergent Strategy
- In total, these two elements combine to form the company's Realized Strategy. *Figure 1.2, A Company's Strategy is a Blend of Proactive Initiatives and Reactive Adjustments*, illustrates the elements of strategy that become the Realized Strategy.

VI. A Company's Strategy and its Business Model

connect ACTIVITY

Consider adding a LearnSmart assignment requiring the student to review this section of the chapter as an interactive question and answer review. The assignment can be graded and posted automatically.

CORE CONCEPT

A company's **business model** sets forth the logic for how its strategy will create value for customers, while at the same time generate revenues sufficient to cover costs and realize a profit.

- A business model is management's blueprint for delivering a valuable product or service to customers in a manner that will generate revenues sufficient to cover costs and yield an attractive profit.
- The two elements of a company's business model are (1) its customer value proposition and (2) its profit formula.
- The customer value proposition lays out the company's approach to satisfying buyer wants and needs at a price customers will consider a good value.

4. The profit formula describes the company's approach to determining a cost structure that will allow for acceptable profits, given the pricing tied to its customer value proposition.
5. Figure 1.3 illustrates the elements of the business model in terms of what is known as the Value-Price-Cost Framework highlighting the relationship between the Customer's Value Proposition (V-P) and the Profit Formula (P-C).

ILLUSTRATION CAPSULE 1.2

Pandora, Sirius XM, and Over-the-Air Broadcast Radio: Three Contrasting Business Models

Discussion Question 1: What is the prominent difference between the business models of these three organizations?

Answer: While all three provide essentially the same type of entertainment service, the business models employed by Pandora, Sirius XM, and Over-The-Air Broadcast Radio are completely different. In the area of value proposition (what the customer sees), Sirius XM provides commercial free entertainment with some local content based upon a monthly fee, while Broadcast Radio provides entertainment with some local content with interruptions for commercials without a fee. Pandora bridges these two methods. In one mode it operates more like Over-the-Air Broadcast Radio in that it provides entertainment without a fee that includes targeted advertisements, with the added benefit of allowing the listener to customize the music mix. In the other mode, listeners can elect to go ad-free for a fee using Pandora One.

For profit, Sirius XM must attract a large enough customer base in order to cover costs and provide profit, while Broadcast Radio must attract a large enough advertiser base to cover costs and provide profit. Pandora, once again bridging the two, generates profit by either an advertiser base or through ad-free services.

VII. What Makes a Strategy a Winner?

connect ACTIVITY

Consider adding a LearnSmart assignment requiring the student to review this section of the chapter as an interactive question and answer review. The assignment can be graded and posted automatically.

1. Three questions can be used to test the merits of one strategy versus another and distinguish a winning strategy from a losing or mediocre strategy:
 - a. The Fit Test: How well does the strategy fit the company's situation? To qualify as a winner, a strategy has to be well matched to industry and competitive conditions, a company's best market opportunities, and other aspects of the enterprise's external environment.
 - b. The Competitive Advantage Test: Is the strategy helping the company achieve a sustainable competitive advantage? The bigger and more durable the competitive edge that a strategy helps build, the more powerful and appealing it is.
 - c. The Performance Test: Is the strategy producing good company performance? Two kinds of performance improvements tell the most about the caliber of a company's strategy: (1) gains in profitability and financial strength and (2) gains in the company's competitive strength and market standing.

2. Strategies that come up short on one or more of the above questions are plainly less appealing than strategies passing all three test questions with flying colors.

VIII. Why are Crafting and Executing Strategy Important?

connect ACTIVITY

Consider adding a LearnSmart assignment requiring the student to review this section of the chapter as an interactive question and answer review. The assignment can be graded and posted automatically.

1. Crafting and executing strategy are top priority managerial tasks for two big reasons
 - a. High-performing enterprises are nearly always the product of astute, creative, and proactive strategy making
 - b. Even the best-conceived strategies will result in performance shortfalls if they are not executed proficiently.
2. Good Strategy + Good Strategy Execution = Good Management
 - a. Crafting and executing strategy are core management functions.
 - b. Among all the things managers do, nothing affects a company's ultimate success or failure more fundamentally than how well its management team charts the company's direction, develops competitively effective strategic moves and business approaches, and pursues what needs to be done internally to produce good day-to-day strategy execution and operating excellence.

IX. The Road Ahead

1. Throughout the remaining chapters and the accompanying case collection, the spotlight is trained on the foremost question in running a business enterprise: What must managers do, and do well, to make a company a winner in the marketplace?
2. The mission of this book is to provide a solid overview of what every business student and aspiring manager needs to know about crafting and executing strategy.

connect ACTIVITY

Use the Question Bank to build a quiz for the chapter to measure and reinforce learning. Consider using the questions you select to build a comprehensive mid-term and final exam for the course. The assignment can be graded and posted automatically.

ASSURANCE OF LEARNING EXERCISES

1. Based on your experiences as a coffee consumer, does Starbucks' strategy (as described in Illustration Capsule 1.1) seem to set it apart from rivals? Does the strategy seem to be keyed to a cost-based advantage, differentiating features, serving the unique needs of a niche, or some combination of these? What is there about Starbucks' strategy that can lead to sustainable competitive advantage?

connect ACTIVITY

This Assurance of Learning exercise is available as a Connect Assignment. The assignment can be graded and posted automatically.

Response:

Setting Itself Apart—The student should identify key elements in Starbucks' strategy that set it apart from rivals. These include their unique customer experience. This experience which includes the product, the environment it is served in, and the service itself, is intended to create an emotional attachment with their customers. Their product offerings are broad and include not only coffee and specialty coffee drinks, but also teas, fresh pastries, and other merchandise. They have carefully nurtured their global brand through strategic expansion, and ensure the consistency of the customer experience through the consistency of their store operations.

Elements of Strategy—The student should identify that Starbucks' strategy seems to be keyed on differentiating features as described above as well as targeting some specific niche elements. These include customers who prefer a companies that make a commitment to corporate responsibility including protecting the environment and community where they operate and engaging in 'fair trade' practices with their suppliers.

Sustainable Competitive Advantage—The student should identify that developing a sustainable competitive advantage relies on a) building competitively valuable capabilities that rivals cannot readily match and b) having a distinctive product offering. Further, they should be able to highlight that the two areas described above are both distinctive and difficult to match.

2. Elements of the Hershey Company's strategy have evolved in meaningful ways since the company's founding as an American chocolate manufacturer in 1900. After reviewing the company's history at www.thehersheycompany.com/about-hershey/our-story/hersheys-history.aspx and the links at the company's investor relations site (www.thehersheycompany.com/investors/company-profile.aspx), prepare a one- to two-page report that discusses how its strategy has evolved. Your report should also assess how well Hershey's strategy passes the three tests of a winning strategy.

Response:

Strategy Evolution—The student's report should identify how the company's strategy has evolved from a being a local caramel retailer to a mult-brand confection supplier with six unique brands and a global reach. Importantly, the student should note the recent change to a master-brand strategy. Historically, Hershey has relied on independent marketing efforts for its brands such as Hershey Bars, Milk Duds, Reese's Peanut Butter Cups, and others. Under this new approach, the overarching Hershey brand is being used to market the company's unique brands in combinations by strongly identifying them with the master-brand. This stronger focus on the master-brand of Hershey will allow all brands to gain from the brand equity of the master-brand as well as the other individual brands. The student might highlight that the strategy of shifting to a master-brand is a growing trend in corporations with numerous strong independent product brands.

The student should also identify a strong focus on Corporate Social Responsibility. Hershey has made feeding the hungry of the world and working with local producers to ensure future raw material supplies central elements of their strategy going forward. These are strategy elements that resonate well with millennial consumers who make up a growing market segment.

Strategy Assessment—The student’s report should include specific indications that the company’s strategy is a winner to as follows.

- a. **Does the strategy fit the company’s situation?** Yes, the company’s strategy fits the evolving world of food industry MNE’s and fits the company’s internal structure.
 - b. **Does the strategy helping the company achieve a sustainable competitive advantage?** Yes, the shift towards a master-brand strategy allows the Hershey brand to leverage all brands, thereby growing awareness of each individual brand, the connection between individual brands, and the master-brand.
 - c. **Does the strategy producing good company performance?** Yes, the company’s financial records show a consistent revenue stream from FY2013 through FY2015. However, the company’s profitability suffered in FY2015 largely due to increased selling and administrative expenses. It remains to be seen what the impact of the recent change towards a master-brand strategy will be however, based upon quarterly results the company is positioned to report a growth in annual revenue for FY2016.
3. Go to investor.siriusxm.com and check whether Sirius XM’s recent financial reports indicate that its business model is working. Are its subscription fees increasing or declining? Are its revenue stream advertising and equipment sales growing or declining? Does its cost structure allow for acceptable profit margins?

connect ACTIVITY

This Assurance of Learning exercise is available as a Connect Assignment. The assignment can be graded and posted automatically.

Response:

General—The responses developed by the students may include information such as the following. SiriusXM is a leading satellite media company that provides commercial free music from numerous genres, live play by play sports, news and talk shows, and other forms of audio entertainment streaming to the consumer’s home, auto, business, or even boats within 200 miles of the coast.

Is the business model working—The student should note that the company’s annual revenue has increased steadily over the last three reporting periods from \$3.8B in 2013 to \$4.6B in 2015, while net income has grown from \$186M to \$500M over the same period. This is an increase in net profit from 4.9% in 2013 to 10.9% in 2015. This illustrates an increasing value proposition (revenue) as well as an effective and growing profit formula (earnings). The conclusion the student should reach is that the business model is working effectively.

Subscription Fees—The student should identify that the company had subscription revenue of \$3.2B in 2013 and \$3.8B in 2015, representing an 8% average annual growth.

Revenue Stream from Advertising—The student should identify that the company had advertising revenue of \$89M in 2013 and \$122M in 2015, representing an 18% average annual growth.

Revenue from Equipment—The student should identify that the company had revenue from equipment of \$80.5M in 2013 and \$111M in 2015, representing an 18.5% average annual growth.

Cost Structure and Profit Margins—The student should identify that the company had consistently growth in Operating Profit with \$1.04B in 2013 and \$1.18B in 2015, representing 6% average annual growth. This demonstrates that the company’s cost structure allows for attractive profit margins.

Mystic Monk Co ee

Overview

This 4-page case requires that students consider the future direction of a monastery located in Clark, Oregon. The case involves issues relating to mission, vision, objectives, strategy, business models, and decisive strategic leadership; the need for an action plan is obvious—these are the very things one looks for in a good operation.

Suggestions for Using the Case

The case involves issues relating to mission, vision, objectives, strategy, business models, and decisive strategic leadership; the need for an action plan is obvious—these are the very things one looks for in a good operation. The case involves issues relating to mission, vision, objectives, strategy, business models, and decisive strategic leadership; the need for an action plan is obvious—these are the very things one looks for in a good operation.

The case involves issues relating to mission, vision, objectives, strategy, business models, and decisive strategic leadership; the need for an action plan is obvious—these are the very things one looks for in a good operation. The case involves issues relating to mission, vision, objectives, strategy, business models, and decisive strategic leadership; the need for an action plan is obvious—these are the very things one looks for in a good operation.

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The case involves issues relating to mission, vision, objectives, strategy, business models, and decisive strategic leadership; the need for an action plan is obvious—these are the very things one looks for in a good operation. The case involves issues relating to mission, vision, objectives, strategy, business models, and decisive strategic leadership; the need for an action plan is obvious—these are the very things one looks for in a good operation.

,W LV UHDOO\ YHU\ GLvFXOW WR KDYH DQ LQVLJKWIXO DQG FRQVWU unless students have not only read the case but also conscientiously worked their way through a set of well-FRQFHLYHG VWXG\ TXHVWLRQV EHIRUH WKH\ FRPH WR FODVV ,Q R\ WKH VWXG\ TXHVWLRQV WR XVH UHIHU WR LQ UHVSRQGLQJ WR WKH of study questions is useful in helping them prepare oral team presentations and written case assignments—in addition to whatever directive questions you supply for these assignments.

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<RX PD\ DOVR ¿QG LW EHQH¿FLDO WR KDYH \RXU FODVV UH DG WKH /LEUDU\ DQG LQ WKH WH[WERRN LPPHGLDWHO\ IROORZLQJ &KDSWH SDUWLFXODUO\ KHOSIXO LI WKLV LV WKHLU ¿UVW H[SHULHQFH ZLWK prepare a case for class discussion, oral presentation, or written analysis.

Auto-Graded Connect Case Exercise. 7KH VW (GLWLRQ LQFOXGHV D IXOO\ DXWR IRU FDVHV LQFOXGH LQ WKH WH[W 7KH DXWR JUDGHG H[HUFLVH included in the teaching note for the case. 7KH DXWR JUDGHG H[HUFLVH IRU WKH 0\VV WKDW VWXGHQWV DQVZHU D VHULHV RI PXOWLSOH FKRLFH TXHVWLR left as an open ended question that allows students to fully discuss recommendations concerning improvements WR WKH FRPSDQ\¶V FRuHH RSHUDWLRQV FKDQJHV LQ LWV ORQJ VWUDWHJ\ H[HFXWLRQ

Students should be expected to spend about 45 minutes to complete the exercise, assuming they have done a conscientious job of reading the case and absorbing the information it contains. All of the questions are automatically graded, and the grades are automatically recorded in your Connect grade book, which makes it easy for you to evaluate each class member's ability to apply many of the concepts discussed in Chapters 1 and 2.

Videos for Use with the MMC Case. There are two videos that you may consider having students view prior WR FODVV GLVFXVLRQ RI WKH FDVH RU \RX PD\ FKRRVH WR RSHQ Y YLGHV DUH SRVWHG DW <RX7XEH DQG FDQ EH DFFHVV WKURXJK WK

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Assignment Questions

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Teaching Outline and Analysis

- 1. Has Father Daniel Mary established a future direction for the Carmelite Monks of Wyoming? What is his vision for the monastery? What is his vision for Mystic Monk Co ee? What is the mission of the Carmelite Monks of Wyoming?

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 for Starbucks was graphic, focused, desirable, and easy to communicate. The same can be said for Father
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2. Does it appear that Father Daniel Mary has set de nite objectives and performance targets for achieving his vision?

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3. What is Father Prior's strategy for achieving his vision? What competitive advantage might Mystic Monk Co ee's strategy produce?

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 DEOH WR LGHQWLI\ WKH IROORZLQJ HOHPHQWV RI 00&¶V IRFXVHG

„ ([FOXVLYH XVH RI KLJK TXDOLW\ IDLU WUDGH \$UDELFD DQG IDL
 „ 9DULHW\ RI EOHQGV URDVWV DQG ÀDYRUV WR DSSHDO WR D E
 „)RFXV RQ 8 6 &DWKROLF FRQVXPHUV DQG WKRVH ZLVKLQJ WR
 RI :\RPLQJ \$Q DSSHDO ZDV PDGH WR &DWKROLFV 3WR XVH WK
 Catholic church.”

„ :RUG RI PRXWK DGYHUWLVLQJ DPRQJ 0RQNV FXVWRPHUV LQ &DV
 „ 0DMRULW\ RI VDOHV PDGH WKURXJK 00&¶V :HE VLWH

„ Telephone orders accepted

„ \$vOLDWH SURJUDP WKDW SURYLGHG SHUFHQW FRPPLVVLRQV
 EDQQHU DQG WH[W DGV WR DSSHDO RQ WKHLU VLWHV

„ 6KDUH\$6DOH SDUWLFLSDWLRQ SURJUDP WKDW DOORZHG DvOLD
 QHZ DvOLDWH¶V FRPPLVVLRQ

„ :KROHVDOH VDOHV WR FKHUFKHV DQG ORFDO FRuHH VKRSV

„ 3URGXFW OLQH H[WHQVLRQ WKDW LQFOXGHG VDOHV RI 7 VKLUW

„ *UHJRULDQ FKDQWV

6WXGHQWV ZLOO JHQUHDOO\ DSSURYH RI 00&¶V IRFXVHG GLuHUH
 EXLOGLQJ FRPSHWLWLYH DGYDQWDJH 7KH XVH RI KLJK TXDOLW\ F
 DQG WKH 0\ VWLF 0RQN LPDJH SURGXFH D QXPEHU RI WDQJLEOH
 6WXGHQWV ZLOO DOVR UHFRJQL]H WKDW 00&¶V IRFXV RQ WKH
 8QLWHG 6WDWHV PDNHV WKH WDUJHW PDUNHW VXvFLHQWO\ ODUJ
 WKDW HYHQ WKRXJK 00& LV LQFDSDEOH RI VXVWDLQLQJ DQ DGYD
 FRuHH DORQH LWV PRQDVWLF UHODWLRQV KLS ZRXOG EH YHU\ GL

- 4. Is Mystic Monk Co ee’s strategy a money-maker? What is MMC’s business model? What is your assessment of Mystic Monk Co ee’s customer value proposition? its pro t formula? its resources that enable it to create and deliver value to customers?

(YHQ WKRXJK 00&¶V EXVLQHVV PRGHO KDV D FRPSHOOLQJ FXVW
 students to challenge the overall soundness of the business 00&¶V DWUDFWLYH GLuHUHQW
 DQG FRPSHWLWLYH SULFLQJ FUHDWH D VWURQJ FXVWRPHU YDOXH
 WKDQ WKH ODFN RI ODERU H[SHQVH 00& HQMR\V QR FRVW DGYDQ
 LQYROYH KLJKHU WKDQ QRUPDO FRVWV EHFDXVH RI LWV ORZ SUR
 SHUFHQW EURNHU IHHV RI SHUFHQW DQG LQERXQG VKLSSLQJ
 VROG RI SHUFHQW (YHQ WKRXJK VWXGHQWV PLJKW DUJXH WKD
 UHYHQXHV DUH ODUJHO\ ¿[HG DQG PLJKW JR GRZQ DV YROXPH L
 variable and will increase with volume. 00&¶V FXUUHQW VDOHV DQG SHUFHQW Q
 LQVXýFLHQW WR JHQUHDOO PLOOLRQ LQ FXPXODWLYH HDUQL

6WXGHQWV DUH DOVR OLNHO\ WR QRWH WKDW 00& JHQUHDOO WHV OF
 WKH FRPSDQ\ SD\ V DQ SHUFHQW FRPPLVVLRQ RQ RQWHV SHUOHV

6WXGHQWV ZLOO DOVR TXHVWLRQ ZKHWHU WKH PRQDVWHU\ SRV
 URDVWLQJ DQG VDOHV EXVLQHVV &XUUHQW PRQWKO\ VDOHV RI
 RI FRuHH HDFK PRQWK DW D UHWDLO SULFH RI SHU RXQFH
 IRU SURGXFWLRQ RI SRXQGV SHU GD\ ZKLFK LV DERXW SR
 DEOH WR ZRUN IRU RQO\ KRUV SHU GD\ ZKLFK At a rate of 185 SURGXF
 SRXQGV SHU GD\ LW DSSHUV WKDW %URWKHU -DJD LV ZRUNLQJ
 sales!! 6WXGHQWV ZLOO DOVR QRWH WKDW D ODUJHU URDVWHU FRX
 SRXQGV SHU KRUV ZKLFK ZRXOG LQFUHDVH GDLO\ SURGXFWLRQ
 LQ SDFNDJLQJ WKH FRuHH DQG SUHSDULQJ GDLO\ VWURQJHQW SLF
 VWURQJ UHVRQ WR EHOLHYH WKDW WKH PRQN¶V PRQDVWLF FRQ
 SURGXFWLRQ HYHQ LI GHPDQG SHUPLWWHG VXFK DQ LQFUHDVH L

6WXGHQWV¶ RYHUHDOO DVVHVPHQW RI WKH EXVLQHVV PRGHO VK
 FXUUHQW EXVLQHVV PRGHO VHYHUHO\ OLPLWV LWV DELOLW\ WR F
 ,UPD 5DQFK +RZHJU 00&¶V DYHUDJH PRQWKO\ SUR¿WV RI VOLJK
 VXSSRUWLQJ WKH FXUUHQW RSHUWLRQV [SDQFRQROXGHVPRQDVW
 LV TXLWH VXýFLHQW VKRXOG)DWKHU 'DQLHO 0DU\ FKRRVH WR VF

- 5. Does the strategy qualify as a winning strategy? Why or why not?

7KHUHQ¶V PHULW LQ GLUHFWLQJ VWXGHQWV WR WKH WKUHH WHVW
 RI WKH WH[W LI \RX¶YH FKRVHQ WR VFKHGXOH 0\ VWLF 0RQN &RHH
 PDGH E\ VWXGHQWV PD\ LQFOXGH WKH IROORZLQJ DUJXPHQWV DQ

„ 'RHV WKH VWUDWHJ\ ¿W WKH FRPSDQ\¶V VLWXDWLRQ" <RX VKR
 LQ ZKHWHU WR FODVVL\ 00&¶V VWUDWHJ\ DV D ZLQQHU 7KH
 the market for VSHFLDOW\ FRuHHV KDG JURZQ DW DQ DQQXDO UDW

WR UHDFK \$OEIROOLVRXG HQWV VKRXOG QRWH WKDW WKH UHW
 JURZQ WR ELOOLRQ E\ 00&¶V IRFXV RQ &DWKROLF FRQVX
 PDUNHW IRU 00&²DQG RQH WKDW ZRXOG D 6WXGHHQ VEH ZK RPHVXHU
 00& ODFNV D ZLQQLQJ VWUDWHJ\ DUH OLNHO\ WR SRLQW WR D S
 VLWXDWLRQ WKDW UHTXLUHV PRQNV WR GHYRWH PRVW RI WKH

” +DV WKH VWUDWHJ\ \LHOGHG D VXVWDLQDEOH FRPSHWLWLYH D
 WKH VWUDWHJ\ KDV WKH SRWHQWLDO WR \LHOG VXVWDLQDEOH
 DQ DGYDQWDJH KDV EHHQ DFKLHYHG DW WKDW WLPH RI WKH F
 FRPSHWLWLYH DGYDQWDJH H[LVV VWRXOG FRQFHGH WKDW WK
 00& KDV D JURZLQJ DQG OR\DO IROORZLQJ DPRQJ &DWKROLF FF

” +DV WKH VWUDWHJ\ SURGXFHG JRRG ¿QDQFLDO SHUIRUPDQFH
 SDVV WKH WKLUG WHVW RI D ZLQQLQJ VWUDWHJ\ GHSHQGV KHD
 SHUIRUPDQFH 6WXGHQWV ZKR DUH LPSUHVVHG ZLWK 00&¶V DY
 SUR¿W PDUJLQ RI SHUFHQW ZLOO VXJJHVW WKDW WKH VWU
 7KRVH ZKR DUH IRFXVHG RQ WKH QHHG WR JHQHUDWH SUR¿WV
 /DNH 5DQFK ZLOO DUJXH IRUFHIXOO\ WKDW 00&¶V VWUDWHJ\ KD

:H WHQG WR DJUHH ZLWK VWXGHQWV ZKR ¿QG WKDW 00&¶V VWUDV
 JHQHUDWH VXVFLHQW IXQGV WR SXUFKDVH ,UPD /DNH 5DQFK UHV
 VXJJHVWV WKDW WKH VWUDWHJ\ LV D ZLQQHU EXW WKDW WKH EX
 H[SHULHQFH GUDPDWLF LQFUHDVHV LQ VDOHV DQG HDUQLQJV

6. What recommendations would you make to Father Daniel Mary in terms of crafting and executing strategy for the monastery’s co ee operations? Are changes needed in its long-term direction? its objectives? its strategy? its approach to strategy execution? Explain.

Student recommendations are likely to fall into two groups, with one group suggesting that the vision be
 VFDOHG EDFN GUDPDWLFDOO\ DQG WKH RWKHU JURXS UHFRPPHQ
 revenues and earnings.

6WXGHQWV DUJXLQJ WKDW)DWKHU 'DQLHO 0DU\¶V YLVLRQ VKRXO
 VXFK D UHFRPPHQGDWLRQ ZLWK VHYHUDO IDFWV IURP WKHLU DQD

” The monastery does not have the human resources necessary to roast, package, and ship the volume of
 FRuHH QHFHVVDU\ WR DFFUXH PLOOLRQ

” \$GGLWLRQDOO\)DWKHU 'DQLHO 0DU\ QRU WKH RWKHU &DUPHOL
 WR PDQDJH D ODUJH FRuHH RSHUDWLRQ FDSDEOH JHQHUDWLQJ

” 7KHUH LV QRWKLQJ LQ WKH FDVH WR VXJJHVW WKDW WKH &DU
 WR EXLOG D QHZ 0RXQW &DUPHO LQ WKH 5RFNLHV ,W LV TXLW
 WUDGLWLRQDO PRQDVWHU\ OLIH UDWKHU WKDQ WR EH FRQFHU
 VDOHV DQG SUR¿WV

” 0\WVLF 0RQN &RuHH¶V RSHUDWLRQV DUH FDSDEOH RI VXSSRU
 ZLWKRXW GUDPDWLF UHYHQXH DQG YROXPH JURZWK 3HUKDSV
 00&¶V FXUUHQWO\ PRQWKO\ SUR¿WV

”)DWKHU 'DQLHO 0DU\ FRXOG FKRRVH WR XVH WKH PRQDVWHU\¶V
 UHFWRU\ WR SURYLGH DGGLWLRQDO OLYLQJ VSDFH IRU H[LVWL
 7KH &DUPHOLWHV¶ FXUUHQW DFUH SDUFHO RI ODQG FRXOG E
 UDQFK VW\OH IRXU EHGURRP KRPH FRXOG QRW EH H[SDQGHG

6WXGHQWV DUJXLQJ WKDW)DWKHU 'DQLHO 0DU\ VKRXOG VWLFN UHFRPPHQGDWLRQV IRU LPSURYLQJ 0\ VWLF 0RQN &RUHH¶V VW UHFRPPHQGDWLRQV LQFOXGH

” %HIRUH PDNLQJ VSHFL¿F UHFRPPHQGDWLRQV WtDebtMustVH 00&¶V ¿UVW GHWHUPLQH WR ZKDW H[WHQW GRQDWLRQV FDQ EH UHOL WKH ,UPD /DNH 5DQFK ,Q RXU FDOFXODWLRQV ZH¶YH DVVXPH purchase the ranch will come from charitable contributions.

”)DWKHU 'DQLHO 0DU\ VKRXOG UHTXHVW WKDW WKH &DWKROLF & FORLVWHUHG OLIH WR GHYHORS D VWUDWHJ\ ZLWK &RG\ :\RPL WKH IRXQG DWLRQ HVWDEOLVKHG IRU WKH EHQH¿W RI WKH PRQ SHRSOH GRQ¶W KDYH WKH NQRZ KRZ RU WLPH WR JHQHUDWH V

”)DWKHU 'DQLHO 0DU\ VKRXOG DOVR XWLOL]H WKH UHVRXUFHV R WR FRQWULEXWH WR WKH FUHDWLRQ RI D QHZ 0RXQW &DUPHO OLPLWHG E\ WKH &DWKROLF &KXUFK¶V FGDULWDEOH JLYLQJ UH

” Assuming that charitable giving will account for 50 percent of the funding requirements to purchase the PLOOLRQ ,UPD /DNH 5DQFK LW ZRXOG WDNH 00& QHDUO\ LWV OHYHO RI DQXDO SUR¿WV UHPDLQV DW 6WXGHQWV 00&¶V SUR¿WV D PDMRU FRQWULEXWRU WR WKH PLOOLRQ S DOORZ 00& WR UHFRUG QHW HDUQLQJV RI PLOOLRQ DQXDO

” 7KH SXUFKDVH RI WKH ODUJHU SRXQG SHU KRXU URDVWHU Z PLOOLRQ VLQFH %URWKHU -DYD¶V KRXU VKLIW ZLOO DOORZ SRXQGV KU [KRXUV 7KLV OHYHO RI SURGXFWLRQ ZRXOG RI FRuHH HDFK SRXQGV [RXQFHV RXQFHV RX DW EDJ DOORZV IRU GDLO\ UHYHQXH RI DQG D GDLO PDUJLQ RI SHUFHQW 6R 00&¶V DQXDO SUR¿WV FRXOG DUJ FRXOG EH LQFUHDVHG WR PDWFK WKH KRXU FDSDFLW\ RI WK SURMHFW 00&¶V SUR¿WV LI VDOHV LQFUHDVH E\ D IDFWRU RI DQXDO SUR¿WV RI E\ WR DUULYH DW D SURMHFWHG DG

” 6WXGHQWV VKRXOG UHEWPHQG WKDW EDUJXLQJ SRZHU VWLFN LQFUHDVHV WR QHJRWLDPH EHWWHU WHUPV ZLWK LWV VXSSOL SURYLGH HQRXJK GHWDLO IRU VWXGHQWV WR PDNH DQ H[DFW sold could be decreased, but students should be able to come up with some easily supported assumptions. ,Q JHQHUDO VWXGHQWV VKRXOG EH DEOH WR MXVWL\ D UHGX WR DERXW SHUFHQW SHUFHQW EHFDXVH RI HQKDQFHG EX

” 8WLOLWLHV WHOHVKRQH DQG :HE VLWH PDLQWHQDQFH DUH I production increase, but stiP LJKW RñHU VRPH HFRQRPLHV RI VFDOH RSSRU DEOH WR MXVWL\ D GHFOLQH LQ RSHUDWLQJ H[SHQVHV IURP of scale economies.

” 6WXGHQWV PDNLQJ WKH DVVXPSWLRQ WKDW LQFUHDVHG YROXPH IURP SHUFHQW WR SHUFHQW ± SHUFHQW ZLOO QRWH WK x EDVHG RQ GDLO\ VDOHV RI 7KH LPSURYHPHQW LQ LQFRPH IRU 00& RI

” 0RVW VWXGHQWV ZLOO UHFRPPHQG WKDW 00& LPPHGLDWHO\ UH VLQFH WKH FXUUHQW SHUFHQW FRPPLVLRQ FDQQRW EH VXS

” 6WXGHQWV VKRXOG UHFRJQL]H WKDW HYHQ XQGHU WKH PRVW required to schedule additional 6-hour shifts IRU 00& UHDFK PLOOLRQ LQ DQXDO

- „ 6WXGHQWV VKRXOG DOVR UHFRPPHQG VWUDWHJLHV WKDW ZLOO OHYHOV RI SURGXFWLRQ 3RVVLEOH UHFRPPHQGDWLRQV LQFOXGH
 - x 6HQG H PDLOV WR &DWKROLF FKXUFKHV LQ WKH 8 6 DVNLQJ DQG WKDW SDULVK PHPEHUV EH WROG RI 00&¶V ,QWHUQHW F
 - x 3URYLGH FKXUFKHV SXUFKDVLRQJ 00& FRuHH ZLWK D VLJQ SURFRuHH XUQ 7KH VLJQ FRXOG LPSURYH DZDUHQHVV RI 00& DP
 - x 7DUJHW FRuHH VKRSV ORFDWHG LQ FRPPXQLWLHV ZLWK ODUJ
 - x 3URPRWH WKH :RPLQJ &DUPHOLWH¶V YLVLRQ RI D QHZ 0RXQ UHOLJLRXV FRQIHUHQFHV 00& PLJKW FRQVLGHU SURYLGLQJ promotional materials.
 - x 6WXGHQWV PD\ VXJJHW WKDW 0 0& REWDLQ SHUPLVVLRQ WR and parish websites.
- „ 6RPH VWXGHQWV PD\ UHFRPPHQG WKDW 00& FKDQJH LWV EXVLQGLVFXVVHG LQ \$VVLJQPHQW 4XHVWLRQ)DWKHU 'DQLHO 0DU DOORZ WKH PRQNV WR GHYHORS QHZ EOHQGV URDVWV DQG Á DQG VKLSSLQJ SHUIRUPHG E\ D FRQWUDFW PDQXIDFWXUHU VX DUUDQJHPHQW ZRXOG DOORZ 00& WR UHFHLYH UR\DOWLHV PXF VSHFLDOW\ UHWDLOH\ DFWXW & PRSRV & RLRQ & ¶R XOG UHPDLQ ODU EOHQGV URDVWV DQG ÁDYRUV ZRXOG EH GHYHORSHG E\ WKH ZRXOG JR WR VXSSRUW WKH PRQNV DQG)DWKHU 'DQLHO 0DU ¶ formula IRU D EXVLQHVV PRGHO WKDW UHOLHV RQ FRQWUDFW PDQ FXUUHQW SUR¿W IRUPXOD 6WXGHQWV VKRXOG HDVLO\ UHFRJQ UHFRUG ZRXOG KDYH WKH UHVRXUFHVYRHOXPVWRU\ SURSODRQ & FFF
- „ 6WXGHQWV VXSSRUWLQJ FRQWUDFW PDQXIDFWXULQJ PD\ DOV SURGXFHU PLJKW EH DEOH WR KHOS 0\ VWLF 0RQN & RuHH JDLQ carry the brand.
- „ Students who argue forcefully against contract manufacturing should be challenged by the instructor to FRQVLGHU WKH ORJLVWLFDO SUREOHPV VKRXOG WKH :RPLQJ & DQG PRYH 00&V RSHUDWLRQV 7KH WDIQ FKH ZDOR DOWW&DUHQ RI D JUDYHO URDG ,QERXQG DQG RXWERXQG ORJLVWLFV GXULQJ F GLýFXOW JLYHQ WKH GXUDWLRQ RI :RPLQJ¶V ZLQWHUV
- „ \$V D ¿QDO TXHVWLRQ WR WKH JURXS RI VWXGHQWV ZKR PD\ EH LI 00&¶V LQFUHDVHG YROXPH ZRXOG SUHVHQW D FRQZLFW ZLW ZRXOG WKH GHPDQGV RI RSHUDWLQJ D YHU\ VXFFHVVIXO FRuHH UHTXLUHPHQW WR VSHQG WKHLU OLYHV LQ SUD\HU DQG ZRUVK

Epilogue

0\ VWLF 0RQN & RuHH KDV DGGHG VHYHUDO QHZ EOHQGV DQG FRuHH FDVH <RX FZDQPYLWLWPRQNRuVHHHFWRH PRQDVWHU\¶V ODWHVW FRuH 7KH PRQDVWHU\ KDG DOVR HVWDEOLVKHG WKH 1HZ 0RXQW &DUPHO YLVLRQ RI FUHDWLQJ D QHZ 0RXQW &DUPHO LQ WKH 5RFN\ 0RXQ newmountcarmelfoundation.org SURYLGHV SKRWR JDOOHULHV YLGHV QHZV IRXQGDWLRQ¶V HuRUWV WR GHYHORS IXQGLQJ WR EXLOG WKH PRXQ