



Instructor Resources, Chapter Features, and Case Overview

Instructor Resources

We strived to achieve four goals in preparing this package of Instructor Resources for the 6th Edition of *Essentials of Strategic Management*:

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 *Essentials of Strategic Management* contains:

- A quick look at the topical focus of the text's 10 chapters (Section 1).
- An overview of the 12 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*[™] Web-based assignment and assessment platform accompanying the 6th Edition, into your course requirements. Connect includes chapter quizzes, case assignment exercises for all 12 cases, and two learning assurance exercises for all 10 chapters of the 6th Edition. Connect offers automatic grading for all chapter quizzes and one learning assurance exercise per chapter. **Also, in this edition is a set of auto-graded exercises for all 12 cases in the text.** 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 set of Lecture Notes for each of the 10 chapters (Section 5).
- A comprehensive teaching note for each of the 12 cases in *Essentials of Strategic Management* (Section 6).

In addition to the Instructor's Manual, the support package for adopters also includes several important features that should be of interest. A 1000+ question test bank is available for printed or online exams in McGraw-Hill's EZTest Online web-based application.

Connect™ Web-based Assignment and Assessment Platform The 6th 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 one Assurance of Learning exercise for each of the 10 chapters is automatically graded.

Included in this edition is a set of auto-graded exercises for all 12 cases in the text. *The automatically graded case exercises follow the assignment questions in the case TN to fully prepare students to make meaningful contributions to class discussions of the cases. The Connect case exercises may also be used as graded assignments or a portion of graded case assignments—allowing the instructor to grade only students' recommendations for written case assignments.*

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 10 chapters. The collection includes 350+ professional-looking slides displaying core concepts, analytical procedures, key points, and all the figures in the text chapters.

Accompanying Case Videos All 12 cases have accompanying video segments that are posted on YouTube and that can be shown in conjunction with the case discussions. Suggestions for using each video are contained in the teaching note for that case.

A Comprehensive Test Bank and TestGen Software There is a 600+-question test bank, consisting of both multiple choice questions and short answer/essay questions. 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 6th Edition

The distinguishing mark of the 6th edition is its enriched and enlivened presentation of the material in each of the 10 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 6th edition retains the 10-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. Scores of new examples have been added, along with fresh Concepts and Connections illustrations, to make the content come alive 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 stand-out 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 6th 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 6th 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.*

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 business ethics, core values, social responsibility, and environmental sustainability is unsurpassed by any other leading strategy text.* Chapter 9, "Ethics, Corporate Social Responsibility, Environmental Sustainability, and Strategy," is embellished with fresh content so that it can better fulfill the important functions of (1) alerting students to the role and importance of ethical and socially responsible decision making and (2) addressing the accreditation requirements 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.
3. *The caliber of the case collection in the sixth 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 10. The 12 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.
4. *The publisher's Connect assignment and assessment platform is tightly linked to the text chapters and case lineup.* The *Connect* package for the sixth edition allows professors to assign autograded quizzes and select chapter-end Assurance of Learning Exercises to assess class members' understanding of chapter concepts. In addition, our texts have pioneered the extension of the *Connect* platform to case analysis. The autograded case exercises for each of the 12 cases in this edition are robust and extensive and will better enable students to make meaningful contributions to class discussions. The autograded *Connect* case exercises may also be used as graded assignments in the course.
5. The two cutting-edge and widely used strategy simulations—*The Business Strategy Game* and *GLOBUS*—that are optional companions to the sixth edition give you 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 introduction to the topic of strategy, focusing on the managerial actions that will determine why a company matters in the marketplace. We introduce students to the primary approaches to building competitive advantage and the key elements of business-level strategy. Following Henry Mintzberg's pioneering research, we also stress why a company's strategy is partly planned and partly reactive and why this strategy tends to evolve. The chapter also discusses why it is important for a company to have a *viable business model* that outlines the company's customer value proposition and its profit formula. This brief chapter is the perfect accompaniment to your opening-day lecture on what the course is all about and why it matters.

- Chapter 2 delves more deeply into the managerial process of actually crafting and executing a strategy—it makes a great assignment for the second day of class and provides a smooth transition into the heart of the course. The focal point of the chapter is the five-stage managerial process of crafting and executing strategy: (1) forming a strategic vision of where the company is headed and why, (2) developing strategic as well as financial objectives with which to measure the company’s progress, (3) crafting a strategy to achieve these targets and move the company toward its market destination, (4) implementing and executing the strategy, and (5) evaluating a company’s situation and performance to identify corrective adjustments that are needed. Students are introduced to such core concepts as strategic visions, mission statements and core values, the balanced scorecard, and business-level versus corporate-level strategies. There’s a robust discussion of 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 winds up with a section on how to exercise good corporate governance and examines the conditions that led to recent high-profile corporate governance failures.
- Chapter 3 sets forth the now-familiar analytical tools and concepts of industry and competitive analysis and demonstrates the importance of tailoring strategy to fit the circumstances of a company’s industry and competitive environment. The standout feature of this chapter is a presentation of Michael Porter’s “five forces model of competition” *that has long been the clearest, most straightforward discussion of any text in the field*. Chapter revisions include an improved discussion of the macro-environment, focusing on the use of the PESTEL analysis framework for assessing the *political, economic, social, technological, environmental, and legal* factors in a company’s macro-environment. New to this edition is a discussion of Michael Porter’s Framework for Competitor Analysis used for assessing a rival’s likely strategic moves.
- 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 relative cost position and customer value proposition vis-à-vis its rivals.
- Chapter 5 deals with the basic approaches used to compete successfully and gain a competitive advantage over market rivals. This discussion is framed around the five generic competitive strategies—low-cost leadership, 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 deals with the *strategy options* available to complement a company’s 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 strategy 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 that covered in the next two chapters on international and diversification strategies.
- Chapter 7 explores the full range of strategy options for competing in international markets: export strategies; licensing; franchising; establishing a subsidiary in a foreign market; and using strategic alliances and joint ventures to build competitive strength in foreign markets. There’s also a discussion of how to best tailor a company’s international strategy to cross-country differences in market conditions and buyer preferences, how to use international operations to improve overall competitiveness, the choice between multidomestic, global, and transnational strategies, and the unique characteristics of competing in emerging markets.

- Chapter 8 introduces the topic of corporate-level strategy—a topic of concern for multibusiness companies pursuing diversification. This chapter begins by explaining why successful diversification strategies must create shareholder value and lays out the three essential tests that a strategy must pass to achieve this goal (*the industry attractiveness, cost of entry, and better-off tests*). Corporate strategy topics covered in the chapter include methods of entering new businesses, related diversification, unrelated diversification, combined related and unrelated diversification approaches, and strategic options for improving the overall performance of an already diversified company. The chapter’s analytical spotlight is trained on the techniques and procedures for assessing a diversified company’s business portfolio—the relative attractiveness of the various businesses the company has diversified into, the company’s competitive strength in each of its business lines, and the *strategic fit* and *resource fit* among a diversified company’s different businesses. The chapter concludes with a brief survey of a company’s four main post-diversification strategy alternatives: (1) sticking closely with the existing business lineup, (2) broadening the diversification base, (3) divesting some businesses and retrenching to a narrower diversification base, and (4) restructuring the makeup of the company’s business lineup.
- 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*.
- Chapter 10 is anchored around a pragmatic, compelling conceptual framework: (1) building dynamic capabilities, core competencies, resources, and structure necessary for proficient strategy execution; (2) allocating ample resources to strategy-critical activities; (3) ensuring that policies and procedures facilitate rather than impede strategy execution; (4) pushing for continuous improvement in how value chain activities are performed; (5) installing information and operating systems that enable company personnel to better carry out essential activities; (6) tying rewards and incentives directly to the achievement of performance targets and good strategy execution; (7) shaping the work environment and corporate culture to fit the strategy; and (8) exerting the internal leadership needed to drive execution forward. The recurring theme throughout the chapter is that implementing and executing strategy entails figuring out the specific actions, behaviors, and conditions that are needed for a smooth strategy-supportive operation—the goal here is to ensure that students understand that the strategy-implementing/strategy executing phase is a make-it-happen-right kind of managerial exercise that leads to operating excellence and good performance.

In this latest edition, we have put our utmost effort into ensuring that the 10 chapters are consistent with the latest and best thinking of academics and practitioners in the field of strategic management and hit the bull’s-eye in topical coverage for senior- 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.

TABLE 1

A Quick Profile of the Cases in the 6th Edition of Essentials of Strategic Management

		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	Exerting strategic leadership	Making action recommendations
Case 1	Airbnb, Inc. in 2017	Y	N	S			X	X	X	X	X	X		X							X
Case 2	Costco Wholesale in 2017: Mission, Business Model, and Strategy	Y	Y	L	X	X	X	X	X	X	X	X		X	X		X	X		X	X
Case 3	Competition in the Craft Beer Industry in 2017	Y	N	S				X	X												X
Case 4	Fitbit, Inc. in 2017: Can It Revive its Strategy and Reverse Mounting Losses?	Y	N	S	X			X	X	X				X							X
Case 5	Lululemon Athletica, Inc. in 2017: Is the Company on the Path to Becoming a High Performer Again?	Y	Y	M	X		X	X	X	X	X			X							X
Case 6	Gap Inc.: Can It Develop a Strategy Connect with Consumers in 2017?	Y	N	M	X		X	X	X	X		X		X							X
Case 7	GoPro in 2017: Will Its Turnaround Strategy Restore Profitability?	Y	N	M	X		X	X	X	X		X		X							X
Case 8	Ricoh Canada	Y	N	L	X			X	X	X	X			X							X
Case 9	Mondelez International's Diversification Strategy in 2017: Has Corporate Restructuring Benefitted Shareholders?	Y	Y	L	X				X	X	X		X	X							X
Case 10	Robin Hood	Y	Y	S	X	X	X		X	X					X	X	X	X	X	X	X
Case 11	Rosen Hotels & Resorts	Y	N	M	X	X	X	X		X					X	X	X	X	X	X	X
Case 12	TOMS Shoes in 2016: An Ongoing Dedication to Social Responsibility	Y	Y	M	X		X	X	X	X	X			X							X

The Case Collection in the 6th Edition

The 12-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—about one-third are under 10 pages, yet offer plenty for students to chew on; about a third are medium-length cases; and the remaining one-third are detail-rich cases that call for more sweeping analysis.
- At least 11 of the 12 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 on four 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.
- All 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 7 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.
- Five cases deal with the strategic problems of family-owned or relatively small entrepreneurial businesses.
- Ten cases involve public companies, thus allowing students to do further research on the Internet regarding recent developments at these companies.
- All cases have recommended video segments that are posted on YouTube that can be shown in conjunction with the case discussions. The links to the YouTube videos are included in the teaching notes for the applicable cases.
- All of the 12 cases have accompanying Connect-based case preparation exercises. The exercises are based on the entire set of 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).

A grid showing the issues that are prominent in each of the 12 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 schedules of class activities in Section 4 provide further suggestions about the sequencing of case assignments and how to integrate your coverage of the 10 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 6).

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 the Appendix 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.

We believe you will find the collection of 12 cases quite appealing, eminently teachable, and very suitable for drilling students in the use of the concepts and analytical treatments in Chapters 1 through 10. With this case lineup, you should have no difficulty whatsoever assigning cases that will capture the interest of students from start to finish.

Value-Adding Student Support Materials for the 6th Edition of *Essentials of Strategic Management*

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.

Connect™ 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 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 6th Edition when you order the text-simulation package through your bookstore—this requires use of a separate ISBN (the 6th Edition bundled with either simulation has a different ISBN number than just the 6th 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).