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# Strategic Management

*A Competitive Advantage Approach,  
Concepts and Cases*

SIXTEENTH EDITION

Fred R. David • Forest R. David

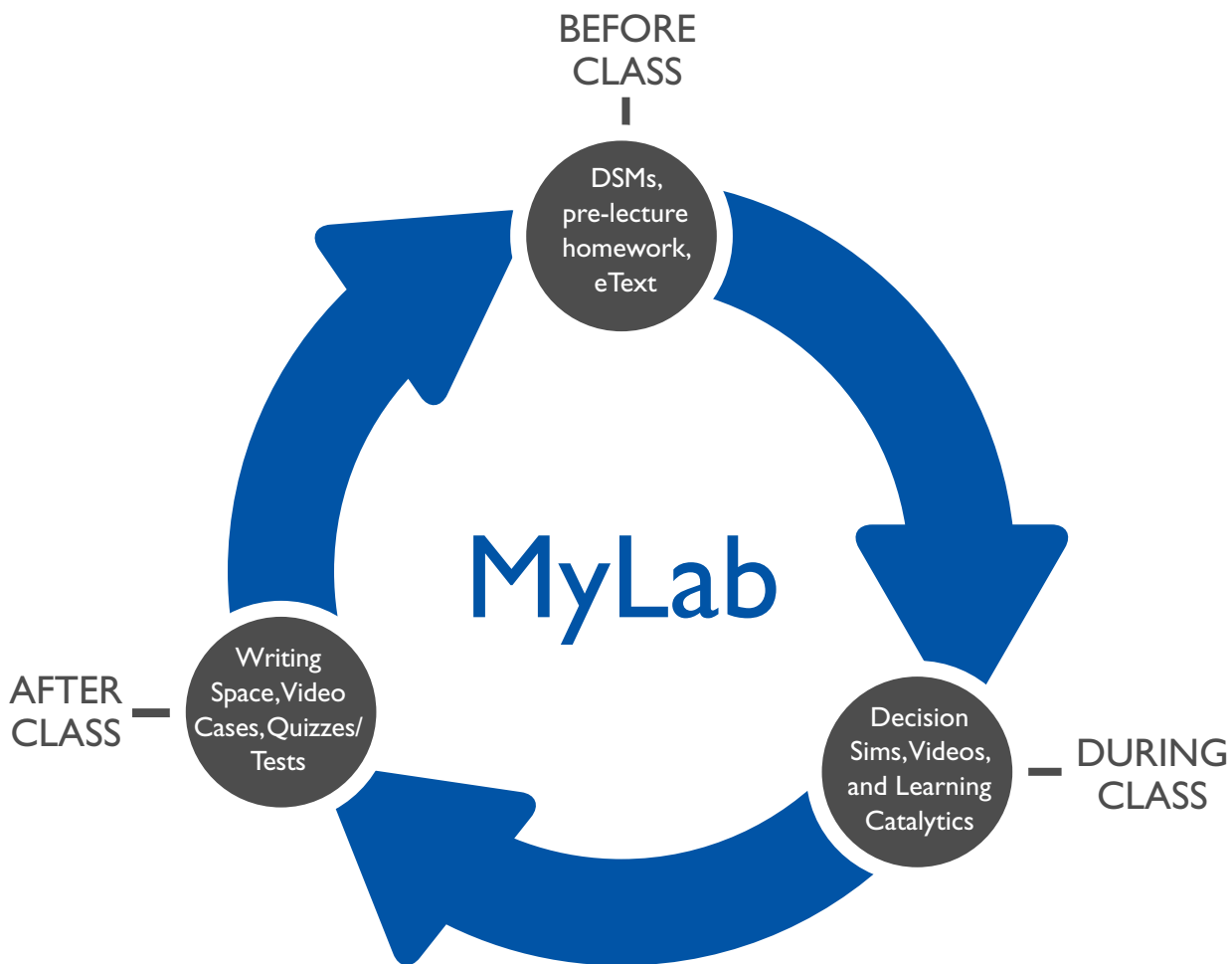


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# STRATEGIC MANAGEMENT

## Concepts and Cases

A COMPETITIVE ADVANTAGE APPROACH

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## Concepts and Cases

**A COMPETITIVE ADVANTAGE APPROACH**

**GLOBAL  
EDITION**

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29. Snyder's-Lance, Inc., 2013 648

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# Preface

## Why Adopt This Text?

This textbook is trusted across five continents to provide managers the latest skills and concepts needed to effectively formulate and efficiently implement a strategic plan—a game plan, if you will—that can lead to sustainable competitive advantage for any type of business. The Association to Advance Collegiate Schools of Business (AACSB) International increasingly advocates a more skills-oriented, practical approach in business books, which this text provides, rather than a theory-based approach. *Strategic Management Concepts and Cases: A Competitive Advantage Approach* meets all AACSB International guidelines for the strategic-management course at both the graduate and undergraduate levels, and previous editions have been used at more than 500 colleges and universities globally. We believe you will find this sixteenth edition to be the best textbook available for communicating both the excitement and value of strategic management. Concise and exceptionally well organized, this text is now available in English, Chinese, Spanish, Thai, German, Japanese, Farsi, Indonesian, Indian, Vietnamese, and Arabic. A version in Russian is being negotiated. In addition to universities, hundreds of companies, organizations, and governmental bodies use this text as a management guide.

An MBA student using this text recently wrote the following:

Dear Dr. David: I am in the midst of my MBA at Adams State University here in Colorado. I'm 7 of 12 classes in with a 4.0 average. As a result, I've been through about 14 textbooks (not to mention the 60 or so I went through for my BBA at the University of California (UC)-Berkeley. This is the first time I've written to the author of a textbook. Why? Because the David book is by far the best textbook I have ever used. It's clear. It's accurate. It's not full of opinion masquerading as fact! You, sir, are to be commended. Usually when I spend an insane amount of money on a text, I'm broke. But your text is worth every cent, and I'll keep it forever. Well done sir! Respectively, Eric Seiden, MBA Student in Littleton, Colorado (August 10, 2015)

Eric N. Sims, a professor who has used this text for his classes at Sonoma State University in California, says:

I have read many strategy books. I am going to use the David book. What I like—to steal a line from Alabama coach Nick Saban—is your book teaches “a process.” I believe at the end of your book, you can actually help a company do strategic planning. In contrast, other books teach a number of near and far concepts related to strategy.

A recent reviewer of this textbook shares his opinion:

One thing I admire most about the David text is that it follows the fundamental sequence of strategy formulation, implementation, and evaluation. There is a basic flow from vision/mission to internal/external environmental scanning, to strategy development, selection, implementation, and evaluation. This has been, and continues to be, a hallmark of the David text. Many other strategy texts are more disjointed in their presentation, and thus confusing to the student, especially at the undergraduate level.

## New to This Edition

1. This 16th edition is 40 percent new and improved from the prior edition.
2. A brand new **COHESION CASE** on Nestlé S.A. (2016) is provided. Nestlé is one of the largest and most successful food producing companies in the world, known for its innovations and effective management. Students apply strategy concepts to Nestlé at the end of each chapter through new, innovative Assurance of Learning Exercises.

3. Brand-new one-page **MINI-CASES** appear at the end of each chapter, complete with questions designed to apply chapter concepts. Provided for the first time ever in this text, the mini-cases focus on the following companies:
  - Chapter 1: Ryanair Holdings PLC
  - Chapter 2: Airbus Group SE
  - Chapter 3: Etihad Airways
  - Chapter 4: Tiger Brands
  - Chapter 5: Citizen Holdings Company
  - Chapter 6: Bank of China
  - Chapter 7: Woolworths Limited
  - Chapter 8: Hyundai Motor Company
  - Chapter 9: Tata Motors Limited
  - Chapter 10: Horizon Pharma
  - Chapter 11: Broadcom Limited
4. Original, half-page **ACADEMIC RESEARCH CAPSULES** are presented in each chapter to showcase how new strategic-management research is impacting business practice. Two capsules per chapter are provided—for the first time ever in this text.
5. At the end of each chapter are new sections titled **IMPLICATIONS FOR STRATEGISTS** and **IMPLICATIONS FOR STUDENTS** that highlight how companies can best gain and sustain competitive advantages.
6. Brand new and updated **EXEMPLARY COMPANY CAPSULES** appear at the beginning of each chapter and showcase a company that is employing strategic management exceptionally well. The capsules focus on the following companies:
  - Chapter 1: Singapore Airlines Limited
  - Chapter 2: Honda Motor Company
  - Chapter 3: Bank Audi
  - Chapter 4: Petronas
  - Chapter 5: Samsung Electronics Limited
  - Chapter 6: Vodafone
  - Chapter 7: Michelin
  - Chapter 8: Unilever
  - Chapter 9: Royal Dutch Shell
  - Chapter 10: Accenture
  - Chapter 11: BHP Billiton Limited
7. Chapter 2, Outside–USA Strategic Planning, is shortened by 30 percent but provides new coverage of cultural and conceptual strategic-management differences across countries. Doing business globally has become a necessity in most industries.
8. Chapter 3, Ethics, Social Responsibility, and Sustainability, provides extensive new coverage of ethics, workplace romance, flirting, hiring away rival firms’ employees, wildlife welfare, and sustainability. “Good ethics is good business.”
9. Chapter 5, Vision and Mission Analysis, is 60 percent new, due to current research and practice that reveals the need for “these statements to be more customer-oriented.” Unique to strategic-management texts, the sustainability discussion is strengthened in this edition to promote and encourage firms to conduct operations with respect for the environment—an important concern for consumers, companies, society, and AACSB International.
10. Twenty-four unique **ASSURANCE OF LEARNING EXERCISES** appear at the end of chapters to apply chapter concepts. The exercises prepare students for strategic-management case analysis. An additional excellent exercise for each chapter is provided in the *Chapter Instructor’s Resource Manual*.
11. More than 200 new **EXAMPLES** bring the chapters to life.
12. At the end of chapters are 33 new **REVIEW QUESTIONS** related to chapter content.
13. All the Current Readings at the end of the chapters are new, and up-to-date research and theories of seminal thinkers are included. However, practical aspects of strategic management are center stage and the trademark of this text.
14. Every sentence and paragraph has been scrutinized, modified, clarified, streamlined, updated, and improved to enhance the content and caliber of presentation.

15. An enhanced, continually updated **AUTHOR WEBSITE** ([www.strategyclub.com](http://www.strategyclub.com)) provides new author videos, case and chapter updates, sample case analyses, and the popular, **FREE EXCEL STUDENT TEMPLATE**. The template enables students to more easily develop strategic-planning matrices, tables, and analyses needed for case analysis.

## New Case Features

1. All 29 cases focus on exciting, well-known companies, effective for students to apply strategy concepts.
2. All 29 cases are undisguised, featuring real organizations in real industries using real names (nothing is fictitious in any case).
3. All 29 cases feature an organization and industry undergoing strategic change.
4. All 29 cases provide ample, excellent quantitative information, so students can prepare a defensible strategic plan.
5. All 29 cases are written in a lively, concise writing style that captures the reader's interest.
6. All 29 cases are "comprehensive," focusing on multiple business functions, rather than a single problem or issue.
7. All 29 cases provide an organizational chart and a vision and mission statement—important strategy concepts.
8. All 29 cases are supported by an excellent teacher's note, provided to professors in a new *Case Instructor's Resource Manual*.
9. All 29 cases facilitate coverage of all strategy concepts, but as revealed in the new Concepts by Cases Matrix, some cases especially exemplify some concepts, enabling professors to effectively use an assortment of cases with various chapters in the text.
10. All 29 cases have been class-tested to ensure that they are interesting, challenging, and effective for illustrating strategy concepts.
11. All 29 cases appear in no other textbooks, thus offering a truly fresh, new, up-to-date learning platform.
12. The 29 cases represent an excellent mix of firms performing really well and some performing very poorly, including 12 service-based organizations, and 17 manufacturing-based firms.
13. All 29 case companies have excellent websites in English that provide detailed financial information, history, sustainability statements, ethics statements, and press releases, so students can easily access current information to apply strategy concepts.

## Time-Tested Features

1. This text meets all AACSB International guidelines that support a practitioner orientation rather than a theory/research approach. It offers a skills-oriented process for developing a vision and mission statement; performing an external audit; conducting an internal assessment; and formulating, implementing, and evaluating strategies.
2. The author's writing style is concise, conversational, interesting, logical, lively, and supported by numerous current examples.
3. A simple, integrative strategic-management model appears in all chapters and on the inside back cover. The model is widely used by strategic-planning consultants and companies worldwide.
4. An exciting, new Cohesion Case on Nestlé S.A. (2016) follows Chapter 1 and is revisited at the end of each chapter, allowing students to apply strategic-management concepts and techniques to a real company as the text develops, thus preparing students for case analysis as the course evolves.
5. End-of-chapter Assurance of Learning Exercises apply chapter concepts and techniques in a challenging, meaningful, and enjoyable manner. Twenty-four exercises apply text material to the Cohesion Case; while others apply textual material to a college or university and some exercises send students into the business world to explore important strategy topics.

6. There is excellent pedagogy, including Learning Objectives opening each chapter as well as Key Terms, Current Readings, Discussion Questions, and Assurance of Learning Exercises ending each chapter.
7. The various strategy-formulation issues are outstanding, covering topics such as business ethics, global versus domestic operations, vision and mission, matrix analysis, partnering, joint venturing, competitive analysis, value chain analysis, governance, and matrices for assimilating and evaluating information.
8. Strategy-implementation issues are covered thoroughly and include items such as corporate culture, organizational structure, outsourcing, marketing concepts, financial analysis, business ethics, whistleblowing, bribery, pay and performance linkages, and workplace romance.
9. A systematic, analytical “process” is presented that includes nine matrices: IFEM, EFEM, CPM, SWOT, BCG, IE, GRAND, SPACE, and QSPM.
10. Both the chapter material and case material is published in color.
11. Chapters-only and e-book versions of the text are available.
12. Custom-case publishing is available whereby an instructor can combine chapters from this text with cases from a variety of sources or select any number of the 29 cases provided.
13. For the chapter material, an outstanding ancillary package includes a comprehensive *Chapter Instructor’s Resource Manual*, *Case Instructor’s Resource Manual*, Test Bank, TestGen, and Chapter PowerPoints, and vastly improved MyLab products to promote assurance of learning.

## Why Is This Text Different/Better Than Other Strategic-Management Texts?

*Strategic Management Concepts and Cases: A Competitive Advantage Approach* is by far the most practical, skills-oriented strategic management textbook on the market. This text is designed to enable students to learn “how to do strategic planning,” rather than simply memorize seminal theories in strategy. Students using this text follow an integrative model that appears in every chapter as the “process” unfolds. Students learn how to construct strategic planning matrices, such as the Strengths, Weaknesses, Opportunities, and Threats (SWOT) and the Boston Consulting Group (BCG) matrices. Readers also learn how to perform strategic-planning analyses, such as earnings-per-share/earnings-before-interest-and-taxes (EPS/EBIT) and corporate valuation. The focus throughout this text is on “learning by doing.” This overarching, differentiating aspect has been improved with every edition and has led to this text becoming perhaps the leading strategic-management text globally, now available in 10 languages. The practical, skills-oriented approach is manifested through eight specific features:

1. A Cohesion Case that appears after Chapter 1 with 24 end-of-chapter assurance of learning exercises, many that apply concepts to the Cohesion Case, thus allowing students to gain practice doing strategic planning by performing analysis. No other strategic-management textbook provides a Cohesion Case or an array of end-of-chapter exercises.
2. A strategy formulation analytical framework in Chapter 8 integrates nine widely used planning matrices (IFEM, EFEM, CPM, SWOT, BCG, IE, SPACE, GRAND, and QSPM) into three stages (Input, Matching, and Decision), which guide the strategic-planning process in all companies. Firms gather strategic information (Input), array key external with internal factors (Matching), and then make strategic decisions (Decision).
3. A far wider coverage of strategy topics than any other strategic-management textbook, for two primary reasons: (a) As firms formulate and implement strategies, a wide variety of functional business topics arise and (b) as the capstone, integrative course in nearly all Schools of Business, strategic management entails students applying functional business skills to case companies.

4. This text provides 29 comprehensive, exciting, exceptionally up-to-date cases designed to apply chapter concepts as students develop a strategic plan for the case companies. For example, every case includes (a) the company’s vision/mission statements (if the firm has one); (b) the company’s by-segment revenue breakdown (since allocating resources divisions is perhaps the key strategy decision made by firms); (c) the company’s organizational chart (since structure is a key strategy topic); and (d) the company’s financial statements so students can show the impact of a proposed strategic plan on a firm’s financial statements. Thus, the cases take a total-firm, multifunctional approach, which by definition is the nature of strategic management. In addition, this text offers end-of-chapter mini-cases to further apply chapter concepts.
5. More coverage of business ethics, social responsibility, and sustainability is provided in this text than in any other strategic-management textbook, including topics such as bribery, workplace romance, devising codes of ethics, taking a position (or not) on social issues, and wildlife welfare—topics that other textbooks do not mention, even though companies continually face strategic decisions in these areas.
6. This text offers more coverage of global/international issues than any other strategic-management textbook, including topics such as how business culture and practice vary across countries, as well as how taxes, tariffs, political stability, and economic conditions vary across countries—all framed from a strategic planning perspective.
7. The conversational, concise writing style is supported by hundreds of current examples, all aimed at arousing and maintaining the reader’s interest as the “process” unfolds from start to finish. The unique writing style is in stark contrast to some strategic-management books that seem to randomly present theory and research for the sake of discussion, rather than material being presented in a logical flow that emulates the actual practice of strategic planning among companies and organizations.
8. This text is supported by outstanding ancillaries, including author-developed manuals, and an author website at [www.strategyclub.com](http://www.strategyclub.com) that offers practical author-developed videos, templates, sample case analyses, special resources, and even a Facebook page for the text. Pearson Education also offers outstanding support materials for instructors and students. For more information, visit [www.pearsonglobaleditions.com/David](http://www.pearsonglobaleditions.com/David).

## Instructor Resources

At the Instructor Resource Center, [www.pearsonglobaleditions.com/David](http://www.pearsonglobaleditions.com/David), instructors can easily register to gain access to a variety of instructor resources available with this text in downloadable format. If assistance is needed, our dedicated technical support team is ready to help with the media supplements that accompany this text. Visit <https://support.pearson.com/getsupport/s/> for answers to frequently asked questions and toll-free user support phone numbers.

The following supplements are available with this text:

- *Case Instructor’s Resource Manual*
- *Chapter Instructor’s Resource Manual*
- **Test Bank**
- **TestGen® Computerized Test Bank**
- **PowerPoint Presentation**

## Sample of Universities Recently Using This Textbook

Abraham Baldwin Agricultural College	Amberton University
Adelphi University	American Intercontinental University—Weston
Akron Institute	American International College
Albany State University	American International Continental (AIU) University—Houston
Albertus Magnus College	American International University
Albright College	American University
Alcorn State University	Anderson University
Alvernia University	
Ambassador College	

Angelo State University  
 Aquinas College  
 Arizona State University—Polytechnic  
 Campus  
 Art Institute of California  
 Averett University  
 Avila University  
 Azusa Pacific University  
 Baker College—Flint  
 Baldwin Wallace College  
 Barry University  
 Belhaven University—Jackson  
 Bellevue University  
 Belmont Abbey College  
 Benedictine University  
 Black Hills State University  
 Bloomsburg University  
 Briar Cliff University  
 Brooklyn College  
 Broward College—Central  
 Broward College—North  
 Broward College—South  
 Bryant & Stratton—Orchard Park  
 Buena Vista University—Storm Lake  
 Caldwell College  
 California Polytechnic State University  
 California State University—Sacramento  
 California State University—San  
 Bernadino  
 California University of PA  
 Calumet College  
 Capella University  
 Carlow University  
 Carson-Newman College  
 Catawba College  
 Catholic University of America  
 Cedar Crest College  
 Central Connecticut State University  
 Central Michigan University  
 Central New Mexico Community College  
 Central Washington University  
 Chatham University  
 Chestnut Hill College  
 Chicago State University  
 Christian Brothers University  
 Clafflin University  
 Clarion University of Pennsylvania  
 Clarkson College  
 Clatsop Community College  
 Cleveland State University  
 College of William & Mary  
 Colorado State University—Pueblo  
 Columbia College  
 Columbia Southern University—Online  
 Concordia University  
 Concordia University Wisconsin  
 Curry College  
 Cuyahoga Community College  
 Daniel Webster College  
 Davis & Elkins College  
 Delaware State University  
 Delaware Technology & Community  
 College—Dover  
 Delaware Technology & Community  
 College—Wilmington  
 DePaul University—Loop Campus  
 East Stroudsburg University  
 Eastern Michigan University  
 Eastern Oregon University  
 Eastern Washington University  
 ECPI College of Technology—Charleston  
 ECPI Computer Institute  
 Elmhurst College  
 Embry-Riddle Aero University—Prescott  
 Ferrum College  
 Florida Agricultural & Mechanical  
 University  
 Florida Southern College  
 Florida State University  
 Florida Technical College—Deland  
 Florida Technical College—Kissimmee  
 Florida Technical College—Orlando  
 Fort Valley State College  
 Francis Marion University  
 Fresno Pacific University  
 Frostburg State University  
 George Fox University  
 Georgetown College  
 Georgia Southern University  
 Georgia Southwestern State University  
 Hampton University  
 Harding University  
 Harris Stowe State University  
 Herzing College—Madison  
 Herzing College—New Orleans  
 Herzing College—Winter Park  
 Herzing University—Atlanta  
 High Point University

Highline Community College	Miami-Dade College—Wolfson
Hofstra University	Michigan State University
Hood College	Mid-America Christian
Hope International University	Millersville University
Houghton College	Mississippi University for Women
Huntingdon College	Morgan State University
Indiana University Bloomington	Morrison College of Reno
Indiana Wesleyan CAPS	Mount Marty College—South Dakota
Iona College	Mount Mercy University
Iowa Lakes Community College— Emmetsburg	Mount Wachusett Community College
Jackson Community College	Mt. Hood Community College
Jackson State University	Mt. Vernon Nazarene
John Brown University	MTI Western Business College
Johnson & Wales—Charlotte	Muhlenberg College
Johnson & Wales—Colorado	Murray State University
Johnson & Wales—Miami	New England College
Johnson & Wales—Rhode Island	New Mexico State University
Johnson C. Smith University	New York University
Kalamazoo College	North Carolina Wesleyan College
Kansas State University	North Central College
Keene State College	North Central State College
Kellogg Community College	Northwest Arkansas Community College
La Salle University	Northwestern College
Lake Michigan College	Northwood University—Cedar Hill
Lebanon Valley College	Notre Dame of Maryland University
Lee University	Nyack College
Lehman College of CUNY	Oakland University
Liberty University	Ohio Dominican University
Limestone College—Gaffney	Oklahoma Christian University
Lincoln Memorial University	Oklahoma State University
Loyola College Business Center	Olivet College
Loyola College—Chennai	Oral Roberts University
Loyola University—Maryland	Pace University—Pleasantville
Lyndon State College	Park University
Madonna University	Penn State University—Abington
Manhattan College	Penn State University—Hazleton
Manhattanville College	Pensacola State College
Marian University—Indiana	Philadelphia University
Marshall University	Point Park University
Marshall University Graduate College	Prince George’s Community College
Marymount University—Arlington	Queens College of CUNY
Medgar Evers College	Richard Stockton University
Medical Careers Institute/Newport News	Rider University
Mercer University—Atlanta	Roger Williams University
Mercer University—Macon	Saint Edwards University
Miami-Dade College—Homestead	Saint Leo University
Miami-Dade College—Kendal	Saint Mary’s College
Miami-Dade College—North	Saint Mary’s College—Indiana
	Saint Xavier University

San Antonio College  
 Santa Fe College  
 Savannah State University  
 Shippensburg University  
 Siena Heights University  
 Southern Nazarene University  
 Southern New Hampshire University  
 Southern Oregon University  
 Southern University—Baton Rouge  
 Southern Wesleyan University  
 Southwest Baptist University  
 Southwest University  
 St. Bonaventure University  
 St. Francis University  
 St. Louis University  
 St. Martins University  
 Sterling College  
 Stevenson University  
 Strayer University—DC  
 Texas A&M University—Commerce  
 Texas A&M University—Texarkana  
 Texas A&M—San Antonio  
 Texas Tech University  
 The College of St. Rose  
 The Masters College  
 Tri-County Technical College  
 Trinity Christian College  
 Troy State University  
 Troy University—Dothan  
 Troy University—Main Campus  
 Troy University—Montgomery  
 University of Alabama—Birmingham  
 University of Arkansas—Fayetteville  
 University of Findlay  
 University of Houston—Clearlake  
 University of Louisiana at Monroe  
 University of Maine at Augusta  
 University of Maine—Fort Kent  
 University of Maryland  
 University of Maryland—College Park  
 University of Massachusetts—Boston  
 Harbor  
 University of Massachusetts—Dartmouth  
 University of Miami  
 University of Michigan—Flint  
 University of Minnesota—Crookston  
 University of Mobile  
 University of Montevallo  
 University of Nebraska—Omaha  
 University of Nevada Las Vegas  
 University of New Orleans  
 University of North Texas  
 University of North Texas—Dallas  
 University of Pikeville  
 University of Sioux Falls  
 University of South Florida  
 University of St. Joseph  
 University of Tampa  
 University of Texas—Pan American  
 University of The Incarnate Word  
 University of Toledo  
 Upper Iowa University  
 Valley City State University  
 Virginia Community College System  
 Virginia State University  
 Virginia Tech  
 Wagner College  
 Wake Forest University  
 Washington University  
 Webber International University  
 Webster University  
 West Chester University  
 West Liberty University  
 West Valley College  
 West Virginia Wesleyan College  
 Western Connecticut State University  
 Western Kentucky University  
 Western Michigan University  
 Western Washington University  
 William Jewell College  
 Williams Baptist College  
 Winona State University  
 Winston-Salem State University  
 WSU Vancouver



## The Case Rationale

Case analysis remains the primary learning vehicle used in most strategic-management classes, for five important reasons:

1. Analyzing cases gives students the opportunity to work in teams to evaluate the internal operations and external issues facing various organizations and to craft strategies that can lead these firms to success. Working in teams gives students practical experience in solving problems as part of a group. In the business world, important decisions are generally made within groups; strategic-management students learn to deal with overly aggressive group members as well as timid, noncontributing group members. This experience is valuable because strategic-management students are near graduation and soon enter the working world full time.
2. Analyzing cases enables students to improve their oral and written communication skills as well as their analytical and interpersonal skills by proposing and defending particular courses of action for the case companies.
3. Analyzing cases allows students to view a company, its competitors, and its industry concurrently, thus simulating the complex business world. Through case analysis, students learn how to apply concepts, evaluate situations, formulate strategies, and resolve implementation problems.
4. Analyzing cases allows students to apply concepts learned in many business courses. Students gain experience dealing with a wide range of organizational problems that impact all the business functions.
5. Analyzing cases gives students practice in applying concepts, evaluating situations, formulating a “game plan,” and resolving implementation problems in a variety of business and industry settings.

## The Case MyLab Testing Feature

The new Case MyLab Testing feature assures that the cases are excellent for testing student learning of the key strategic-management concepts, thus serving as a great mechanism for professors to achieve AACSB’s Assurance of Learning Objectives. This new testing feature simplifies grading for professors in both traditional and online class settings.

The Case MyLab testing feature includes multiple-choice questions for each case, comprised of *Basic* questions that simply test whether the student read the case before class, and *Applied* questions that test the student’s ability to apply various strategic-management concepts. In addition, there are certain *Discussion* questions for each case. This testing feature enables professors to determine, before class if desired, whether students (1) read the case in *Basic* terms, and/or (2) are able to *Apply* strategy concepts to resolve issues in the case. For example, the MyLab case *Basic* question may be: In what country is Krispy Kreme Doughnuts, Inc. headquartered? Whereas a MyLab case *Applied* question may be: What are three aspects of the organizational chart given in the Krispy Kreme Doughnuts, Inc. case that violate strategic-management guidelines?

## The New Concepts by Cases Matrix

All 29 cases facilitate coverage of all strategy concepts, but as revealed by purple cells, some cases especially exemplify some key strategy concepts. The purple cells reveal which concepts are tested with multiple-choice questions in the MyLab. The Concepts by Cases matrix enables professors to effectively utilize different cases to assure student learning of various chapter concepts. Note from the purple boxes that two, three, or four cases are used to test each strategic-management concept. This new, innovative ancillary promises to elevate the case learning method to new heights in teaching strategic management.





## Acknowledgments

Many persons have contributed time, energy, ideas, and suggestions for improving this text over many editions. The strength of this text is largely attributed to the collective wisdom, work, and experiences of strategic-management professors, researchers, students, and practitioners. Names of particular individuals whose published research is referenced in this edition are listed alphabetically in the Name Index. To all individuals involved in making this text so popular and successful, we are indebted and thankful.

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We thank the following guest writers who contributed a case(s) to this sixteenth edition:

Meredith E. David, Baylor University

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Raj Selladurai, Indiana University Northwest

Diana Tsaw, California Lutheran University

John D. Varlaro, Johnson & Wales University

Jason Willoughby, Elizabethtown Community College

We thank you, the reader, for investing the time and effort to read and study this text. It will help you formulate, implement, and evaluate strategies for any organization with which you become associated. We hope you come to share our enthusiasm for the rich subject area of strategic management and for the systematic learning approach taken in this text. We welcome and invite your suggestions, ideas, thoughts, comments, and questions regarding any part of this text or the ancillary materials. Please contact Dr. Fred R. David at the following e-mail: [freddavid9@gmail.com](mailto:freddavid9@gmail.com), or write him at the School of Business, Francis Marion University, Florence, SC 29501. We sincerely appreciate and need your input to continually improve this text in future editions. Your willingness to draw our attention to specific errors or deficiencies in coverage or exposition will especially be appreciated.

Thank you for using this text.

Fred R. David and Forest R. David

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## About the Authors

Fred R. and Forest R. David, a father–son team, have published more than 50 articles in journals such as *Academy of Management Review*, *Academy of Management Executive*, *Journal of Applied Psychology*, *Long Range Planning*, *International Journal of Management*, *Journal of Business Strategy*, and *Advanced Management Journal*. Fred and Forest’s recent article titled “Mission Statement Theory and Practice: A Content Analysis and New Direction,” published in the *International Journal of Business, Marketing, and Decision Sciences*, is changing the way organizations devise and use vision and mission statements.

Fred and Forest are coauthors of *Strategic Management: Concepts and Cases—A Competitive Advantage Approach* that has been on a two-year revision cycle since 1987, when the first edition was published. This text has been a leader in the field of strategic management for almost three decades, providing an applications, practitioner–approach to the discipline. More than 500 colleges and universities have used this textbook over the years. For seven editions of this book, Forest has been sole author of the *Case Instructor’s Resource Manual*, having developed extensive teachers’ notes (solutions) for all the cases. Forest is author of the Case MyLab and Chapter MyLab ancillaries, as well as the free Excel Student Template found on the author website ([www.strategyclub.com](http://www.strategyclub.com)).

The authors actively assist businesses globally in doing strategic planning. They have written and published more than 100 strategic–management cases. They were keynote speakers in September 2015 in Monterrey, Mexico, at the “XXII Congreso Industrial,” the largest Congress of Industrial Engineering in Latin America. They were also invited keynote speakers at the Pearson International Forum in Monterrey, Mexico, delivering a one-hour presentation to 80 Spanish-speaking management professors.

With a Ph.D. in Management from the University of South Carolina, Fred is the TranSouth Professor of Strategic Planning at Francis Marion University in Florence, South Carolina. Forest has taught strategic–management courses at Mississippi State University, Campbell University, and Francis Marion University.



**Fred R. David**



**Forest R. David**

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# STRATEGIC MANAGEMENT

## Concepts and Cases

A COMPETITIVE ADVANTAGE APPROACH

1



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