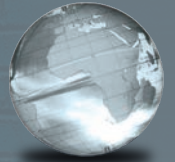


GLOBAL
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Strategic Management and Competitive Advantage

Concepts

SIXTH EDITION

Jay B. Barney • William S. Hesterly





“**V**ALUE. **R**ARITY. **I**MITABILITY. **O**RGANIZATION.”

What Is It?

This book is not just a list of concepts, models, and theories. It is the first undergraduate textbook to introduce a **theory-based, multi-chapter organizing framework** to add additional structure to the field of strategic management.

“VRIO” is a mechanism that integrates two existing theoretical frameworks: the positioning perspective and the resource-based view. It is the primary tool for accomplishing internal analysis. It stands for four questions one must ask about a resource or capability to determine its competitive potential:

1. **The Question of Value:** Does a resource enable a firm to exploit an environmental opportunity, and/or neutralize an environmental threat?
2. **The Question of Rarity:** Is a resource currently controlled by only a small number of competing firms?
3. **The Question of Imitability:** Do firms without a resource face a cost disadvantage in obtaining or developing it?
4. **The Question of Organization:** Are a firm’s other policies and procedures organized to support the exploitation of its valuable, rare, and costly-to-imitate resources?

What’s the Benefit of the VRIO Framework?

The VRIO framework is the organizational foundation of the text. **It creates a decision-making framework for students** to use in analyzing case and business situations.

Students tend to view concepts, models, and theories (in all of their coursework) as fragmented and disconnected. Strategy is no exception. This view encourages rote memorization, not real understanding. VRIO, by serving as a consistent framework, connects ideas together. This encourages real understanding, not memorization.

This understanding enables students to better analyze business cases and situations—the goal of the course.

Within each chapter, the VRIO framework makes it possible to discuss the formulation and implementation of a strategy simultaneously.

Because the VRIO framework provides a simple integrative structure, we are actually able to address issues in this book that are largely ignored elsewhere—including discussions of vertical integration, outsourcing, real options logic, and mergers and acquisitions, to name just a few.

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Jay B. Barney

The University of Utah

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Dedication

This book is dedicated to my wife, Kim, and our 11 grandchildren: Isaac, Dylanie, Audrey, Chloe, Lucas, Royal, Lincoln, Nolan, Theo, Cade, and Townes. They help me remember that no success can compensate for failure in the home.

—*Jay B. Barney*

This book is dedicated to my wife Denise and my soon to be 14 grandchildren: Ellie, Owen, Emerson, Cade, Elizabeth, Amelia, Eden, Asher, Lydia, Scarlett, Charlotte, Amos, and Claire.

—*William S. Hesterly*

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