

# BRIEF CONTENTS

<i>Author Biography</i>	<i>xiv</i>
<i>Preface to Tenth Edition</i>	<i>xv</i>
<b>PART I INTRODUCTION</b>	<b>1</b>
1 The Concept of Strategy	3
<b>PART II THE TOOLS OF STRATEGY ANALYSIS</b>	<b>31</b>
2 Goals, Values, and Performance	33
3 Industry Analysis: The Fundamentals	59
4 Further Topics in Industry and Competitive Analysis	83
5 Analyzing Resources and Capabilities	107
6 Organization Structure and Management Systems: The Fundamentals of Strategy Implementation	131
<b>PART III BUSINESS STRATEGY AND THE QUEST FOR COMPETITIVE ADVANTAGE</b>	<b>153</b>
7 The Sources and Dimensions of Competitive Advantage	155
8 Industry Evolution and Strategic Change	189
9 Technology-Based Industries and the Management of Innovation	219
<b>PART IV CORPORATE STRATEGY</b>	<b>249</b>
10 Vertical Integration and the Scope of the Firm	251
11 Global Strategy and the Multinational Corporation	269
12 Diversification Strategy	297

<b>13 Implementing Corporate Strategy: Managing the Multibusiness Firm</b>	<b>315</b>
<b>14 External Growth Strategies: Mergers, Acquisitions, and Alliances</b>	<b>340</b>
<b>15 Current Trends in Strategic Management</b>	<b>360</b>

**CASES TO ACCOMPANY CONTEMPORARY STRATEGY  
ANALYSIS, TENTH EDITION**

<i>Glossary</i>	637
<i>Index</i>	643

# CONTENTS

<i>Author Biography</i>	<i>xiv</i>
<i>Preface to Tenth Edition</i>	<i>xv</i>
<b>PART I INTRODUCTION</b>	<b>1</b>
<b>1 The Concept of Strategy</b>	<b>3</b>
Introduction and Objectives	4
The Role of Strategy in Success	4
The Basic Framework for Strategy Analysis	9
A Brief History of Business Strategy	11
Strategy Today	14
How is Strategy Made? The Strategy Process	20
Strategic Management of Not-For-Profit Organizations	24
Summary	26
Self-Study Questions	28
Notes	28
<b>PART II THE TOOLS OF STRATEGY ANALYSIS</b>	<b>31</b>
<b>2 Goals, Values, and Performance</b>	<b>33</b>
Introduction and Objectives	34
Strategy as a Quest for Value	35
Profit, Cash Flow, and Enterprise Value	39
Putting Performance Analysis into Practice	42
Beyond Profit: Values and Corporate Social Responsibility	49
Beyond Profit: Strategy and Real Options	53
Summary	56
Self-Study Questions	57
Notes	57
<b>3 Industry Analysis: The Fundamentals</b>	<b>59</b>
Introduction and Objectives	60
From Environmental Analysis to Industry Analysis	60
Analyzing Industry Attractiveness	62
Applying Industry Analysis to Forecasting Industry Profitability	71
Using Industry Analysis to Develop Strategy	74
Defining Industries: Where to Draw the Boundaries	75
From Industry Attractiveness to Competitive Advantage: Identifying Key Success Factors	77

Summary	80
Self-Study Questions	81
Notes	81
<b>4 Further Topics in Industry and Competitive Analysis</b>	<b>83</b>
Introduction and Objectives	84
The Limits of Industry Analysis	84
Beyond the Five Forces: Complements, Ecosystems, and Business Models	86
Competitive Interaction: Game Theory and Competitor Analysis	91
Segmentation and Strategic Groups	98
Summary	103
Self-Study Questions	103
Notes	104
<b>5 Analyzing Resources and Capabilities</b>	<b>107</b>
Introduction and Objectives	108
The Role of Resources and Capabilities in Strategy Formulation	108
Identifying Resources and Capabilities	112
Appraising Resources and Capabilities	119
Developing Strategy Implications	123
Summary	128
Self-Study Questions	129
Notes	130
<b>6 Organization Structure and Management Systems: The Fundamentals of Strategy Implementation</b>	<b>131</b>
Introduction and Objectives	132
Strategy Formulation and Strategy Implementation	133
The Fundamentals of Organizing: Specialization, Cooperation, and Coordination	136
Developing Organizational Capability	139
Organization Design	142
Summary	150
Self-Study Questions	150
Notes	151
<b>PART III BUSINESS STRATEGY AND THE QUEST FOR COMPETITIVE ADVANTAGE</b>	<b>153</b>
<b>7 The Sources and Dimensions of Competitive Advantage</b>	<b>155</b>
Introduction and Objectives	156
How Is Competitive Advantage Established?	156
How Is Competitive Advantage Sustained?	162
Cost Advantage	166
Differentiation Advantage	173
Can Firms Pursue Both Cost and Differentiation Advantage?	184

Summary	185
Self-Study Questions	186
Notes	186
<b>8 Industry Evolution and Strategic Change</b>	<b>189</b>
Introduction and Objectives	190
The Industry Life Cycle	191
The Challenge of Organizational Adaptation and Strategic Change	198
Managing Strategic Change	204
Summary	215
Self-Study Questions	215
Notes	216
<b>9 Technology-Based Industries and the Management of Innovation</b>	<b>219</b>
Introduction and Objectives	220
Competitive Advantage in Technology-Intensive Industries	221
Strategies to Exploit Innovation: How and When to Enter	227
Standards, Platforms, and Network Externalities	232
Implementing Technology Strategies: Internal and External Sources of Innovation	238
Implementing Technology Strategies: Organizing for Innovation	242
Summary	245
Self-Study Questions	246
Notes	246
<b>PART IV CORPORATE STRATEGY</b>	<b>249</b>
<b>10 Vertical Integration and the Scope of the Firm</b>	<b>251</b>
Introduction and Objectives	252
Transaction Costs and the Scope of the Firm	252
The Benefits and Costs of Vertical Integration	256
Designing Vertical Relationships	263
Summary	266
Self-Study Questions	266
Notes	267
<b>11 Global Strategy and the Multinational Corporation</b>	<b>269</b>
Introduction and Objectives	270
Implications of International Competition for Industry Analysis	271
Analyzing Competitive Advantage in an International Context	273
Internationalization Decisions: Locating Production	276
Internationalization Decisions: Entering a Foreign Market	278
Multinational Strategies: Global Integration versus National Differentiation	281
Implementing International Strategy: Organizing the Multinational Corporation	287

Summary	293
Self-Study Questions	294
Notes	295
<b>12 Diversification Strategy</b>	<b>297</b>
Introduction and Objectives	298
Motives for Diversification	299
Competitive Advantage from Diversification	303
Diversification and Performance	307
The Meaning of Relatedness in Diversification	309
Summary	311
Self-Study Questions	312
Notes	312
<b>13 Implementing Corporate Strategy: Managing the Multibusiness Firm</b>	<b>315</b>
Introduction and Objectives	316
The Role of Corporate Management	316
Managing the Corporate Portfolio	317
Managing Linkages Across Businesses	319
Managing Individual Businesses	323
Managing Change in the Multibusiness Corporation	329
Governance of Multibusiness Corporations	333
Summary	337
Self-Study Questions	338
Notes	338
<b>14 External Growth Strategies: Mergers, Acquisitions, and Alliances</b>	<b>340</b>
Introduction and Objectives	341
Mergers and Acquisitions	342
Strategic Alliances	351
Summary	357
Self-Study Questions	357
Notes	358
<b>15 Current Trends in Strategic Management</b>	<b>360</b>
Introduction	361
The New Environment of Business	361
New Directions in Strategic Thinking	365
Redesigning Organizations	369
The Changing Role of Managers	371
Summary	372
Notes	373

**CASES TO ACCOMPANY CONTEMPORARY STRATEGY  
ANALYSIS, TENTH EDITION**

<b>1</b>	<b>Tough Mudder Inc.: Building Leadership in Mud Runs</b>	<b>375</b>
<b>2</b>	<b>Kering SA: Probing the Performance Gap with LVMH</b>	<b>384</b>
<b>3</b>	<b>Pot of Gold? The US Legal Marijuana Industry</b>	<b>393</b>
<b>4</b>	<b>The US Airline Industry in 2018</b>	<b>403</b>
<b>5</b>	<b>The Lithium-Ion Battery Industry</b>	<b>415</b>
<b>6</b>	<b>Walmart Inc. in 2018: The World's Biggest Retailer Faces New Challenges</b>	<b>428</b>
<b>7</b>	<b>Harley-Davidson, Inc. in 2018</b>	<b>442</b>
<b>8</b>	<b>BP: Organizational Structure and Management Systems</b>	<b>455</b>
<b>9</b>	<b>Starbucks Corporation, March 2018</b>	<b>462</b>
<b>10</b>	<b>Eastman Kodak's Quest for a Digital Future</b>	<b>475</b>
<b>11</b>	<b>The <i>New York Times</i>: Adapting to the Digital Revolution</b>	<b>492</b>
<b>12</b>	<b>Tesla: Disrupting the Auto Industry</b>	<b>503</b>
<b>13</b>	<b>Video Game Console Industry in 2018</b>	<b>515</b>
<b>14</b>	<b>Eni SpA: The Corporate Strategy of an International Energy Major</b>	<b>527</b>
<b>15</b>	<b>Zara: Super-Fast Fashion</b>	<b>546</b>
<b>16</b>	<b>Manchester City: Building a Multinational Soccer Enterprise</b>	<b>554</b>
<b>17</b>	<b>Haier Group: Internationalization Strategy</b>	<b>566</b>
<b>18</b>	<b>The Virgin Group in 2018</b>	<b>577</b>
<b>19</b>	<b>Google Is Now Alphabet—But What's the Corporate Strategy?</b>	<b>587</b>
<b>20</b>	<b>Restructuring General Electric</b>	<b>600</b>
<b>21</b>	<b>Walt Disney, 21st Century Fox, and the Challenge of New Media</b>	<b>617</b>
<b>22</b>	<b>W. L. Gore &amp; Associates: Rethinking Management</b>	<b>629</b>
	<i>Glossary</i>	<i>637</i>
	<i>Index</i>	<i>643</i>