1. Briefly define each of the following terms:
   a. Strategy
   b. Strategic intent
   c. Strategic vision

2. What is the connection between a company's strategy and its quest for competitive advantage?

3. List five things to look for in identifying the components of an organization's strategy.

4. Why is it appropriate to argue that good strategy-making combined with good strategy execution are valid signs of good management?

5. An organization's strategic plan consists of the actions which management plans to take in the near future. True or false. Explain and justify your answer.

6. Why does a company's strategy tend to evolve over time?

7. Is it more accurate to think of strategy as being "proactive" or as being "reactive?" Why?

8. Powerful execution of a powerful strategy is a proven recipe for winning in the marketplace. True or false. Explain your answer.

9. Explain why a company's strategy cannot be completely planned out in advance & why crafting a company's strategy cannot be a one-time, once-and-for-all managerial exercise. Why do company strategies evolve?

10. Should a company's strategy be tightly connected to its quest for competitive advantage? Why or why not? What difference does it make whether a company has a sustainable competitive advantage or not?

11. What are the three criteria for determining whether a company has a winning strategy?

2. What are the five phases of the strategy-making, strategy-executing process and what does each one involve?

3. Who is responsible for actually performing the five phases of the strategy-making, strategy-executing process?

4. What is the role of a company's CEO in the strategy-making, strategy-executing process?

5. Explain what is meant by the term "strategy." Explain in some detail why it is important for a company to have a "good" strategy?

6. What tends to be the difference between a company's strategic vision and its mission statement?

7. Why does an organization need both financial and strategic objectives?

8. Explain why the achievement of financial objectives tend to be lagging indicators of a company's performance while the achievement of strategic objectives tends to be a leading indicator of a company's future financial performance.
9. Explain why an organization needs a strategic vision. What purpose does a strategic vision serve?

10. What is the managerial value of a good strategic vision?

11. What is meant by stretch objectives? How important is it that companies establish stretch objectives?

12. What are the qualities of a "well-stated" objective? Give an example of a well-stated financial objective. Give an example of a well-stated strategic objective.

13. Which is more important to a company's long-term well-being: the achievement of strategic objectives or the achievement of financial objectives? Why?

14. Discuss the meaning of each of the following levels of strategy and indicate what managers tend to take lead responsibility for crafting the strategy at each of the four levels:
   a.) corporate strategy
   b.) business strategy
   c.) functional area strategy
   d.) operating strategy

15. Explain why a company's strategy is really a collection of strategies.

16. What is the "strategy-making hierarchy" for a diversified company? How does it differ from the hierarchy for a single business company?

17. Good strategy + good strategy execution = good management. True or false? Justify and explain your answer.

**CH 3: External Environment  Short Answer Questions**

1. What are the seven key questions which form the framework of thinking strategically about a company's industry and competitive environment?

2. Explain the meaning and significance of each of the following:
   a.) driving forces
   b.) strategic group mapping
   c.) the bargaining power of suppliers
   d.) key success factors

3. Draw the five-forces model of competition and briefly describe the relevance of each of the five forces in determining the overall strength of competitive pressures a company faces. Which of the five competitive forces is typically the strongest?

4. Identify and briefly discuss any four of the factors that influence the strength of competitive rivalry among industry's member firms.

5. Identify and briefly discuss any two of the factors that influence the strength of competition from substitute products.

6. Identify and briefly discuss any three of the factors that influence the competitive threat posed by the entry of new competitors into the industry.

7. Identify and briefly discuss any three of the factors that influence the bargaining strength and leverage of suppliers.

8. Identify and briefly discuss any three of the factors that influence the bargaining strength and leverage
9. Competitive markets are economic battlefields. True or False. Explain.

10. Not all buyers of an industry's product are likely to possess the same degree of bargaining power or leverage over the terms and conditions under which they purchase the product. True or False. Explain.

11. Identify and explain any three of the conditions that tend to make potential entry a strong competitive force.

12. Identify and briefly describe five common barriers to entering an industry.

13. Identify at least five common driving forces and briefly explain how each one can produce important changes in industry and competitive conditions.

14. In doing driving forces analysis, is it sufficient to simply identify the driving forces that are operating to alter industry and competitive conditions? Why or why not? If not, then explain what else is required for a complete driving forces assessment.

15. Describe at least three conditions that result in an industry's suppliers having strong bargaining power and thus being in position to exert strong competitive pressures?

16. Explain why low switching costs and weakly differentiated products tend to give buyers a high degree of bargaining power.

17. Identify at least three benefits of constructing a strategic group map?

18. What is the analytical value of studying competitors and trying to predict what moves rivals will make next?

19. What is the strategy-making value of identifying an industry's key success factors?

20. Can an industry be attractive to one company and unattractive to another company? Why or why not?

CH 4: Analyzing Company’s Resources   Short Answer Questions

1. Identify the five questions that form the framework of evaluating a company's resources and competitive position.

2. Briefly discuss the meaning and significance of each of the following terms:
   a.) SWOT analysis
   b.) core competence
   c.) strategic cost analysis
   d.) company value chain
   e.) industry value chain
   f.) a weighted competitive strength assessment
   g.) distinctive competence
   h.) benchmarking

3. Identify at least 5 indicators of whether a company’s present strategy is working well.

4. What are the three steps of conducting a SWOT analysis?

5. In conducting a SWOT analysis, is it enough to simply compile lists of the company's strengths,
weaknesses, opportunities, and threats? Why or why not?

6. Explain the difference between a company competence, a core competence, and a distinctive competence.

7. Why do a company's core competencies matter in crafting strategy?

8. A distinctive competence represents a competitively superior resource strength. True or false? Explain your answer.

9. A core competence represents a basis for competitive advantage. True or false? Explain your answer.

10. Draw a typical company value chain and briefly discuss its analytical value in the strategy-making process.

11. If a firm is at a cost disadvantage with rivals because its internal costs are higher than rivals, what strategic moves can it make to restore cost parity? Use the concepts of value chain analysis to support your answer.

12. Explain why a weighted competitive strength assessment is conceptually superior to an unweighted one.

13. What is benchmarking and why is it a strategically important analytical tool?

14. The ability of a company to perform competitively crucial value chain activities better than rivals is a potential source of competitive advantage. True or False? Explain and defend your answer.

15. In determining the various strategic issues that a company needs to address, managers need to consider both the results of its analysis of the company's external environment and the results of its evaluation of the company's resources and competitive position. True or False? Explain and defend your answer.

16. Why is it important for company managers to develop a "worry list" of strategic issues that they need to address? What should they consider to develop this list?

CH 5: Crafting Strategy Short Answer Questions

1. What is the difference between competitive strategy and business strategy? Why is competitive advantage an important strategy-making consideration?

2. What are the five generic competitive strategies? Briefly describe each one and identify the type of competitive advantage that each strategy is aimed at achieving.

3. Describe the strategy of striving to be the industry's overall low cost provider. What does a company have to do to achieve low-cost provider status?

4. What market conditions and circumstances make a low-cost provider strategy attractive? What are the pitfalls in pursuing a low-cost provider strategy—what can go wrong?

5. What are the pros and cons of a broad differentiation strategy?

6. What are the distinctive features of a focused low-cost strategy? How does it differ from a low-cost leadership strategy?
7. What are the distinctive features of a broad differentiation strategy? Under what circumstances is a broad differentiation strategy appealing?

8. What are the distinctive features of a best-cost provider strategy? Under what circumstances is a best-cost provider strategy appealing?

9. What are the distinctive features of a focused differentiation strategy? How is it different from a broad differentiation strategy?

10. In what market and competitive circumstances are focused low-cost and focused differentiation strategies attractive?

11. Describe the two basic cost-reducing approaches a company can take to become a low-cost provider in its industry?

12. What type of competitive advantage does a best-cost provider strategy aim at achieving? Explain what a company has to do to achieve this advantage.

13. Which one of the five generic competitive strategies is most likely to be best suited for an industry whose product is a commodity? Explain.

14. In what sorts of circumstances is it strategically advantageous to be a fast follower or "late-mover" as opposed to a first-mover?

CH 6: Supplementing Strategy Short Answer Questions

1. What are the advantages of strategic alliances and collaborative partnerships with key suppliers?

2. What are the merits of strategic alliances and collaborative partnerships for companies racing for global market leadership? Under what circumstances do they make sense? How do they contribute to competitive advantage?

3. What are the merits of strategic alliances and collaborative partnerships for companies racing to seize opportunities on the frontiers of advancing technology? Under what circumstances do they make sense? How do they contribute to competitive advantage?

4. Under what sorts of circumstances are mergers with or acquisitions of other companies a better solution than entering into partnerships or alliances with these companies? How do mergers and/or acquisitions contribute to enhancing a company’s position?

5. What are the strategic advantages and disadvantages of a vertical integration strategy? Discuss the advantages and disadvantages of both forward integration & backward integration.

6. What are the merits of outsourcing the performance of certain value chain activities as opposed to performing them in-house? Under what circumstances does outsourcing make good strategic sense?

7. Identify and briefly explain 5 types of offensive strategies.

8. What is the purpose of defensive strategy? Give at least five examples of defensive moves?

9. What are the strategic advantages of being a first-mover? What are the strategic advantages of being a follower or "late-mover"?

10. In what sorts of circumstances is it strategically advantageous to be a fast follower or "late-mover" as opposed to a first-mover?
Short Answer Questions – Chapter 8

1. Identify and briefly discuss three challenges of competing in an emerging industry.

2. Identify at least four strategic approaches or options that are well-suited for competing in an emerging industry.

3. What kinds of changes in the competitive environment occur when an industry begins to mature?

4. Identify three strategic approaches that are well-suited for this type of industry environment.

5. Identify at least two strategy elements that are well-suited for competing in rapidly growing markets.

6. Identify at least three ways that slowing market growth alters market conditions. Then identify two strategy elements that are well-suited for companies that are in an industry transitioning from rapid growth to industry maturity.

7. Identify at least two strategic approaches that are well-suited for competing in a stagnant or declining industry.

8. Companies in a stagnant or declining industry are doomed to having declining revenues and profits. True or false? Explain your answer.

9. What is the difference between a fast-exit strategy and a slow-exit strategy?

10. In what kinds of industry circumstances is an end-game strategy particularly worthy of consideration?

11. Identify at least two strategy options that are well-suited for competing in a turbulent, high-velocity market environment.

12. Identify at least three factors that cause the supply side of an industry to be fragmented. Describe three strategy options that are suitable for competing in a fragmented industry?
13. Explain why a company wanting to sustain rapid sales and earning growth needs a portfolio of strategies.

14. Explain why a company wanting to sustain rapid sales and earning growth needs a portfolio of strategies.

15. Explain why a company wanting to sustain rapid sales and earning growth needs a portfolio of strategies.

16. Explain why a company wanting to sustain rapid sales and earning growth needs a portfolio of strategies.

17. Briefly describe each of the primary competitive strategy options for companies that are industry leaders.

18. Identify and briefly discuss any three of the strategic approaches that are well-suited for runner-up companies.

19. Runner-up companies tend to be weakly positioned and less profitable than industry leaders. True or false? Explain.

20. What is a harvesting strategy all about and when does such a strategy make sense?

21. When and why is liquidation a last-resort strategic option?

22. Explain the difference between a fast-exit strategy and a slow-exit strategy for a distressed or crisis-ridden business.

**Short Answer Questions Chapter 9**

1. Briefly discuss when it makes good strategic sense for a company to consider diversification.

2. Identify and briefly discuss each of the three options for entering new businesses. Which one is the most popular in the sense of being used most frequently?
3. Identify and briefly discuss each of the three tests for determining whether diversification into a new business is likely to build shareholder value.

4. The attractiveness test is the most important test for determining whether diversification into a new business is likely to result in $1 + 1 = 3$ increases in shareholder value (as opposed to simply a $1 + 1 = 2$ type of increase). True or false? Justify and explain your answer.

5. Explain the relevance of the following as they relate to building shareholder value via diversification:
   a.) The attractiveness test
   b.) The cost-of-entry test
   c.) The better-off test.

6. What is meant by the term strategic fit? What are the advantages of pursuing strategic fit in choosing which industries to diversify into?

7. What is meant by the term resource fit as it applies to evaluating a diversified company's business lineup?

8. Carefully explain the difference between a strategy of related diversification and a strategy of unrelated diversification.

9. Identify and explain the meaning and strategic significance of each of the following terms:
   a.) Related diversification
   b.) Strategic fit
   c.) Economies of scope
   d.) Unrelated diversification
   e.) The attractiveness test (as it relates to a potential diversification move)
   f.) Divestiture
   g.) Corporate restructuring
   h.) The better-off test (as it relates to a potential diversification move)

10. Which is the better approach to diversification—a strategy of related diversification or a strategy of unrelated diversification? Explain and support your answer.

11. Discuss the pros and cons of a strategy of unrelated diversification.

12. Shareholder interests are generally best served by concentrating corporate resources on businesses that can contend for market leadership. True or false? Explain your answer.

13. What are the advantages and benefits of using an industry attractive-business strength matrix to evaluate a diversified company's lineup of businesses?

14. Explain the difference between a cash cow business and a cash hog business.

15. What does the industry attractiveness test involve in evaluating a diversified company's business lineup? Why is it relevant?

16. Identify and briefly describe the six steps involved in evaluating a diversified company's business lineup and diversification strategy.
17. What is the relevance of quantitatively measuring the competitive strength of each business in a diversified company's business portfolio and determining which business units are strongest and weakest?

18. Why is it pertinent in evaluating a diversified company's business lineup to rank a diversified company's businesses on the basis of their future performance prospects?

19. Briefly explain what is meant by each of the following terms:
   a.) a cash cow business
   b.) a cash hog business
   c.) resource fit
   d.) relative market share

20. Under what circumstances might a diversified firm choose to divest one of its businesses?

21. Under what circumstances might an already diversified company choose to enter additional businesses and broaden its diversification base?

22. Under what circumstances might an already diversified company choose to pursue corporate restructuring?

23. Why might a diversified multinational enterprise deliberately refrain from employing cross-business or cross-country subsidization tactics to try to out-compete its rivals in particular businesses or in particular country markets?

24. Identify and briefly describe at least four types of competitive advantages that can accrue to a multinational corporation pursuing related diversification.

25. A strategy of multinational diversification contains more built-in competitive advantage potential (above and beyond what is achievable through a particular business's own competitive strategy) than any other diversification strategy. True or false? Explain and support your answer.

26. Once a company has diversified into a collection of related or unrelated businesses and concludes that some strategy adjustments are needed, what are the four main strategic alternatives that it can employ to improve the performance of its overall business lineup?

**Short Answer Questions Chapter 11**

1. What are the eight principal managerial components of the strategy-implementing/strategy-executing process?

2. Identify and briefly discuss the three facets of building an organization capable of proficient strategy execution.

3. Who is involved in the strategy execution process and who is ultimately responsible for making sure that the task of implementing and executing strategy goes well?

4. Describe at least 3 traits or characteristics of a core competence—where in an organization can a core competence be found and what is involved in building and strengthening a core competence. Give three examples of a core competence.

5. Explain what is involved in building an organization capability? What steps are required? How much
time does it take? How hard is it? Support your answer.

6. Building competitively valuable core competencies, resource strengths and organizational capabilities can be a fruitful avenue to achieving sustainable competitive advantage. True or false? Explain.

7. What are the advantages of outsourcing non-critical and sometimes even critical value chain activities?

8. When it proves infeasible to outcompete rivals by crafting a superior strategy, the next best avenue to beating them out for industry leadership is to outexecute them—that is, beat them with superior strategy execution. True or false? Explain.

9. Explain the difference between a centralized and a decentralized organization structure. Which one is more likely to further the cause of good strategy execution? Why?

10. A decentralized organization structure is more likely to further the cause of good strategy execution than is a centralized organization structure. True or false? Justify your answer.

11. What is meant by empowerment of employees? How does it differ from delegation of authority? In what ways can empowerment of employees aid the cause of good strategy execution?

12. Identify and discuss the basic tenets, the chief advantages and the chief disadvantages of centralized organizational structures.

13. Identify and discuss the basic tenets, the chief advantages and the chief disadvantages of decentralized organizational structures.

14. Identify and briefly discuss/explain three of the five components of structuring a company's work effort to promote successful strategy execution.

**Short Answer Questions Chapter 12**

1. What is the role of budgets and resource allocation in successfully implementing and executing strategy? Why does a company's budget need to be closely linked to the needs of good strategy execution?

2. In creating a strategy-supportive reward structure, it is important to define jobs and assignments in terms of the results to be accomplished not just in terms of the duties to be performed. True or false? Explain and justify your answer.

3. The use of incentives and rewards is the single most powerful tool at management's disposal to win strong employee commitment to carrying out the strategic plan. True or false? Explain.

4. Give three examples of support systems that a company can install to support the execution of its strategy.

5. Explain what Six Sigma quality control programs are all about and how their use can contribute to a company's strategy execution effort.

6. What is the difference between Six Sigma DMAIC programs and Six Sigma DMADV programs?

7. Discuss how the Six Sigma process of define, measure, analyze, improve and control (DMAIC) works. What is the logic underlying the DMAIC process?
8. What three principles underlie the statistical thinking of Six Sigma quality control programs?

9. What is the value of total quality management from a strategy-executing standpoint? How does TQM differ from business process reengineering?

10. Identify and describe two ways that policies and procedures aid the task of implementing and executing strategy?

11. What action steps can managers take to build a total quality culture and instill a strong commitment to continuously improving how strategy is being executed?

12. Why does it make sense to create some job anxiety, insecurity and stress as part of a company's motivational and reward scheme for promoting competent strategy execution?

13. Discuss why it is generally undesirable for approaches to motivation, compensation and people management to avoid the use of negative consequences or punishment if performance targets are not achieved or if particular people are habitual underperformers and why striking a balance between rewards and punishment generally works better.

14. Focusing jobholders' attention and energy on what to do as opposed to what to achieve makes the work environment results-oriented. True or false? Explain your answer.

15. Give at least 3 non-monetary examples of motivation and rewards practices that have the capability to foster good strategy execution and explain how they act to produce such a result.

16. Identify at least 5 guidelines for creating an incentive compensation system that will help drive successful strategy execution.

**Short Answer Questions Chapter 13**

1. What is meant by the term corporate culture? Why is corporate culture an important factor in implementing and executing strategy?

2. How can one tell whether a company has a strong or a weak corporate culture?

3. Briefly identify 3 types of unhealthy corporate cultures.

4. Identify and briefly discuss four steps that managers can take to change a culture that is out of step with the company's strategy.

5. Give two examples of "symbolic" culture-changing actions and two examples of "substantive" culture-changing actions.

6. What is the difference between a code of ethics and a values statement? Discuss the different things that are covered in each.

7. What are the roles of a company's CEO in leading the effort to operate the company's business in an ethically principled fashion?

8. What is different and challenging about leading culture change in multinational and global companies?

9. Values and ethical standards not only must be explicitly stated but they also must be deeply ingrained
into the corporate culture. True or false? Explain.

10. The core of a company's corporate culture is a shared commitment to achieve the firm's strategic and financial objectives. True or false? Justify your answer.

11. What are the characteristics of unhealthy cultures?

12. What are the distinctive features of adaptive corporate cultures?

13. The single most visible factor that distinguishes successful culture-change efforts from failed attempts is competent leadership at the top. True or false? Explain and justify your answer.

14. What is MBWA and why is it important?

15. What are the three main things a CEO and those around the CEO should do in leading the effort to operate the company's business in an ethically principled fashion?

16. Socially-conscious strategy leaders who believe that making a profit is not enough have to insist that social and environmental metrics be made co-equal with financial and strategic objectives in evaluating company performance. True or false? Explain.

17. What indicates a company is making a sincere effort to carry its weight in being a good corporate citizen are (1) actions to do what is legally required of them and company leaders who believe strongly that making a profit is the most socially responsible thing a company can do. True or false? Justify your answer.

18. The strength of a CEO's commitment ultimately determines whether a company will genuinely strive to operate in an ethically-principled manner. True or false? Justify your answer.

19. Identify four actions that are key elements of leading the strategy execution process.

20. Identify 3 actions that senior managers need to take if they are really serious about enforcing ethical behavior.

21. Identify 4 actions that top executives can take to help instill a spirit of high achievement into the corporate culture and mobilize organizational energy behind the drive for good strategy execution and operating excellence.