

Index

- acquisitions
 and innovation, 215
 business structure for, 213–14
 due to excessive diversification, 199
 mistakes, 255
- action (in strategy implementation),
 121–22
- Adair, John, 261
- adaptation. *See* change
- AES Corporation, 246
- affordable loss principle.
See effectuation
- Airbus, 46
- Alexander, M., 200
- Allen, J., 259
- American Airlines, 40
- analysis
 competitive/competitor, 2, 42–49
 external, 8, 23, 35–57, 80–81
 internal, 57–63, 80–81
 strategic issue, 67–72
 SWOT, 6, 14, 23, 63–67, 106
- Andersen, Nils Smedegaard, 33
- Andersen Inc., 196
- Andrews, Kenneth, 5–6, 8, 12, 14, 117
- Ansoff, Igor, 4, 96, 176–77
- Apple, 44, 50, 150, 247, 260
- Arthur Andersen LLP, 114
- Asea Brown Boveri (ABB), 263
- balanced scorecard (BS), 71–72,
 170–71
- Barnard, Chester, 4
- Barney, Jay, 14–15
- Bayer mission statement, 76
- BCG business matrix, 208, 234–35
- Bear Stearns, 54
- BellSouth, 112–13
- benchmarking, 72
- Bennis, W., 263
- Biederman, P. W., 263
- bird-in-the-hand principle.
See effectuation
- Blenko, M. W., 116
- blue/red ocean strategy, 71, 149
- Boeing, 46
- Bonaparte, Napoleon, 147
- Book of Changes*, 2
- bounded rationality, 18–20.
See also rationality in decisions
- Bourgeois, L. J., 96, 98
- Bower, Joseph, 111–13, 116
- Bower–Burgelman model, 127, 128
- Brandenburger, A. M., 47
- British Petroleum, 79
- Brodwin, D., 96
- Burgelman, Robert, 122, 129, 173
- business diversification, 197–200
- Campbell, A., 200, 255–56
- Canon Inc., 210, 218
- capabilities
 dynamic, 154–55, 157
 strategic response, 159–60, 180–83
- Chambers, John, 167, 257
- Chandler, Alfred, 3–4, 6, 197
- change, 147–50, 157–62, 173, 180–83.
See also innovation and turbulence
- Chapman, C., 104
- Chr. Hansen Holding, 238–40, 246
- Christensen, Clayton, 52–53
- Cisco Systems, 167–68, 182–83, 215,
 257
- Coca-Cola, 40, 263
- Colgate Palmolive, 257–58
- Collins, Jim, 249, 259
- Collis, D. J., 212, 213
- communication, 79, 126–27, 134,
 173, 257–58, 265. *See also* nodes
 (in integrative strategy)
- competitive advantage, 13–16, 23,
 61–63
- competitive analysis, 2, 42, 46–47, 49.
See also industry analysis
- complementors. *See* competitive
 analysis

- Consolidated Gold Fields, 214
 core competencies, 209–13
 corporate culture, 35, 58, 118, 164, 173, 259
 corporate strategy model, 5–7
 crazy-quilt principle. *See* effectuation
 creative destruction (in economic growth), 117
 cycles
 life, 13
 planning, 150–54
- Darwin, Charles, 262
 D'Aveni, Richard, 53
 decision making
 issues in, 17–21
 manager execution strategies in, 111–17, 138–39
 rationality in, 74
 uncertainty in, 39, 113–14, 183
 Deepwater Horizon (oil spill), 160
 deliberate strategy, 18
 Dell Computer (Dell Inc.), 83, 148, 220, 260
 Delta Airlines, 40
 disequilibrium. *See* turbulence
 diversification
 business, 197–200
 economic trade-offs to, 201–6, 231–34
 Doz, Y. L., 229
 DuPont, 198
 dynamic capabilities, 154–55, 157
- ECCO Shoes A/S, 226
 economic crisis of 2008, 54
 economic trade-offs to diversification
 negative, 201–2, 204–5
 positive, 202–4, 231–34
 effectuation, 120
 Eisenhardt, Kathleen, 98
 emergent strategy, 18
 Enron Corporation, 78–79, 114
 entrepreneurship, .2–3, 20–21, 118–21, 250–51
 See also turbulence
 environmental analysis
 external, 8, 23, 35–57, 80–81
 internal, 57–63, 80–81
 equilibrium, 53, 114–15
- executive role
 as commander, 3–4
 in integrative strategy, 248–55
 influence of corporate values, 259–62
 influence on organizational structure, 251–55, 260–61
 responsibility to have moral impetus, 5, 261–70
 exogenous environmental conditions, 35–38
 experience (managerial), 42, 113–14, 122, 211, 254–55
 external analysis, 8, 23, 35–57, 80–81
- facts-based management.
 See rationality in decisions
 FedEx Corporation, 210
 five forces model, 40–42, 47, 53
 Flextronics, 197
 Floyd, S. W., 119
 formal organization, 4
 formulation. *See also* planning cycles
 and traditional planning process,
 benefits of, 98
 environmental analysis (external/
 internal), 29, 35–63, 80–81, 94
 flow chart, 29–30
 in corporate strategy model, 6
 mission statement, 30–35
 plan creation, 72–73
 strategic issue analysis, 67–72
 SWOT analysis, 63–67
 functional strategy, 9
- Galbraith framework, 58, 59
 game theory, 46–47
 Gap, 149
 garbage can model, 116, 138–39
 GE business matrix, 208
 Gilbert, C. G., 116
 global integration orientation, 215–17
 global strategy (multinational
 corporate), 218
 Google, 169, 247
 Goold, M., 171–72, 200, 255–56
 Grove, Andy, 48–50, 124–26, 173
- Hamel, G., 210
 Hansen, M. T., 249

294 Index

- Hanson Trust plc, 213–14
 Hart, S. L., 96–97
 Harvard Business School, 6
 Hennes & Mauritz, 226
 Hewlett-Packard Company, 33–34, 164, 214–15, 259
 history (strategic management model), 7–9
 Hofer, Charles, 7
 Honda Motor Co., 210
 horizontal integration. *See* integration
 Hrebiniak, L. G., 100
 hypercompetition, 53.
 See also innovation
- IBM, 50
 Icarus syndrome, 72
 IKEA, 260
 Imperial Tobacco Group, 214
 implementation, 6, 24, 29, 121–22
 industry analysis, 40–42.
 See also competitive analysis
 industry-specific conditions.
 See industry analysis
 Infineon Technologies, 107
 informal organization, 5
 initiatives (types of), 122–24
 innovation, 178, 215, 229–31, 247.
 See also change and hypercompetition
 institutional theory, 19
 integration, 196
 integrative strategy
 dynamic capabilities in, 154–55
 in multinational corporations, 227–32
 leadership in, 245–56
 planning cycles in, 150–54
 process perspective, 145–50, 180–81, 245–47
 response to change in, 157–62, 180–83
 strategic control, 170–80, 184–86
 strategy-making modes in, 163–69, 182–83
 Intel Corporation, 49–50, 115, 124–26, 131
 internal analysis, 23, 57–63, 80–81
 internal strengths/weaknesses.
 See SWOT analysis
- international business strategy
 European Union, 195
 multinational corporations, 218–19
 internet
 adding to corporate turbulence, 115
 global networking, 226
 issue analysis, 67–72
 Iverson, Ken, 257
- Johnson, G., 121–22
 Johnson & Johnson, 215
- kaizen* philosophy, 148
 Kaplan, R. S., 99
 key performance indicators, 72–73, 170–71
 Knight, Frank, 2
 Kodak, 54
 Kohlberg, Kravis, Roberts, 199
 KPIs. *See* key performance indicators
- Langley, A., 121–22
 Lawrence, Paul, 262–63
 Learned, E., 7
 Lechner, C., 119
 LEGO Systems, 184–86, 260
 Lehman Brothers, 54, 161, 249
 lemonade principle, 120
 life cycles, 13
 Litton Industries, 199
 LM Wind Power, 79–80
 local responsiveness orientation, 215–17
 logical incrementalism, 34–35, 97, 229. *See also* uncertainty in decision making
 long cycle. *See* planning cycles
 Luehrman, T., 109
- Maersk, 33, 75–78
 Maersk Principles of Conduct, 32–33, 75–77
- management
 dynamic capability of, 154–55, 157
 implications, 250–51, 255–56, 259–60, 265
 importance of experience in, 42, 113–14, 122, 211, 254–55
 strategic inspiration from, 121–31
 strategic issue, 177–78
 values-based, 30–34, 75–78

- Manhattan Project, 263
- Mark, Reuben, 257
- market segment. *See* segmentation
- Markides, Costas, 147
- Mars Incorporated Five Principles, 76
- matrix structures
- BCG business, 208, 234–35
 - in multinational corporations, 221–27, 236
 - TOWS, 66–67
- McDonald's Corporation, 219–20
- McKinsey 7S framework, 58, 60
- Melin, J., 121–22
- Microsoft Corporation, 40
- Mintzberg, Henry, 94, 116, 249–50, 266
- mission statements, 23, 30–35, 77–78, 126
- model
- corporate strategy, 5–7
 - five forces, 40–42, 53
 - garbage can, 116
 - six forces (of potential competitors), 48–50
 - strategic business model, 68–70, 149–50
 - strategic management, 7–16, 25–26
- Møller, Arnold Peter, 33
- Montgomery, Cynthia, 212, 213, 250
- morality, 5, 78–80, 114.
- See also* values-based management
- Motorola Inc., 44, 247–48
- multinational corporate strategy
- business strategy perspective, 193–201
 - definition of, 195
 - economic trade-offs, 201–8, 231–34
 - integrative-responsive strategy making, 227–32, 238–40
 - portfolio considerations, 196–97, 208–20, 234–35
 - structures, 221–27, 236
- multinational corporation, 194, 219
- Nalebuff, B. J., 47
- Nash equilibrium (in game theory), 46
- net present value factor. *See* NPV factor
- Nike, 260
- Noda, T., 113
- nodes (in integrative strategy), 163–69, 182–83. *See also* communication
- Nokia Corporation, 44, 247–48
- Nonaka, I., 96
- Northrop Grumman, 199
- Norton, D. P., 99
- NPV factor, 109–11
- Nucor Corporation, 69, 257–58
- Oppenheimer, J. Robert, 263
- opportunity. *See* real options
- organized anarchy. *See* turbulence
- Osterwalder, Alexander, 70
- Oticon A/S, 194
- Packard, David, 33–34
- Panasonic Corporation, 218
- patching principle, 214–15
- Penrose, Edith, 14
- Pepsi, 40
- performance
- external environment influence on, 35
 - key indicators, 72–73, 170–71
 - mission statement influence on, 32
 - multinational corporate, 204, 206
- PEST analysis, 36, 54, 55.
- See also* uncertainty in decision making
- PESTLE frame of analysis, 38
- Pfeffer, Jeffrey, 72, 266
- Pigneur, Yves, 70
- pigs-and-chicken principle. *See* scrum (adaptive project development process)
- pilot-in-the-plane principle.
- See* effectuation
- Pisapia, John, 254
- planning cycles, 150–54.
- See also* formulation
- planning horizon, 93
- Porsche, 114
- Porter, Michael, 12–14, 40–42, 48, 71, 147, 175, 199
- Prahalad, C. K., 210
- principal-agent problem, 20
- principles
- Maersk Conduct, 32–33, 75–77
 - Mars Incorporated, 76

296 Index

- prisoner's dilemma situations (in game theory), 46
 Procter & Gamble corporation, 218, 225
 profit (definition of), 2
- Quinn, J. J., 97–98, 171–72
- rationality in decisions, 8–9, 22, 74, 98, 163, 178, 245. *See also* bounded rationality
 real options, 105–11, 136
 resource-based internal analysis, 60–61, 82–83
 Rio Tinto, 196
 risk management. *See* strategic control
 rivalry among industry participants, 237
 RJR Nabisco, 199
 Royal Dutch Shell, 196
 Royal Philips Electronics, 220
 Rumelt, Richard, 197, 267
- Samsung Electronics Corporation, 44, 105, 248
 Sarasvathy, Saras, 120
 Sathe, Vijay, 118
 Schein, Edgar, 35
 Schendel, Dan, 7
 Schumpeter, Joseph, 3, 117
 Schwaber, K., 104
 scrum (adaptive project development process), 104, 134–36
 segmentation, 44–45
 Selznick, Philip, 5, 13–14
 sequential long-linked technology, 63, 83
 Sharp Corporation, 213
 short cycle. *See* planning cycles
 Simon, Herbert, 19–20, 114
 Simons, Robert, 259, 261
 six forces model (of potential competitors), 48–50
 Slyvotsky, Adrian, 68
 social capital, 55
 Sony Corporation, 105, 218, 247
 Southwest Airlines, 69, 106
 stakeholders, 31–32, 48, 55–57
 Starbucks Corporation, 225
 STEEP analysis, 36
stratēgia, 1
 strategic business model, 68–70, 149–50
 strategic control, 170–80, 184–86
 strategic decision-making issues
 agency conflicts in, 20
 based on bounded rationality, 18–20
 new environmental developments, 17–18
 population ecology perspective, 20–21
 strategic fit, 70
 strategic issue analysis, 67–72
 strategic issue management process (SIM), 177–78
 strategic leadership, 245–70
 strategic management execution process
 definition of, 91–92
 for project management, 100–5
 from managerial decisions, 111–17, 138–39
 in a habitual organization practice, 121–31
 in entrepreneurship, 118–21
 intertwined elements of, 91–94, 132–34
 when managing real options, 105–11, 136
 strategic management formulation process
 environmental analysis (external/internal), 29, 35–63, 80–81, 94
 flow chart, 29–30
 mission statement, 30–35
 plan creation, 72–73
 strategic issue analysis, 67–72
 SWOT analysis, 63–67
 strategic management implications
 acquisitions, 255–56
 basic human rights, 264
 employee loyalty, 259–60
 entrepreneurial, 250–51
 strategic management model
 history of, 7–9
 levels of strategy, 9
 process flow chart, 8
 strategic management model (generic)
 alternate view, 16–17
 elements of, 9–12
 Porter view, 12–14
 resource-based view, 14–15, 25–26
 strategic orientation multinationals, 215–21

- strategic response capabilities,
 159–60, 180–83
- strategy
 groups, 45–46
 levels, 9
 modes, 96, 163–69
 multinational corporate, 193–201,
 227–32, 238–40
 war origins of, 1–2
- strategy as practice view, 21, 121–22
- Strategy–Structure–Performance Theory, 4
- structure
 matrix, 221–27, 236
 multinational corporate, 212–15
- Sun, Master, 2
- Sutton, Robert, 72, 266
- SWOT analysis, 6, 14, 23, 63–67
- tactics (definition), 2
- Taleb, Nassim N., 39
- taper integration. *See* integration
- TDC (Danish telecommunications
 company), 154
- Teece, David, 159
- tensions (in multinational corporations),
 227, 229
- Tetra Pak, 260
- time line. *See* planning cycles *and*
 planning horizon
- time-variance factor, 109–11
- Toshiba, 218
- TOWS matrix, 66–67
- Toyota Motor Corporation, 148
- traditional planning process, 99–100.
See also formulation
- transnational strategy (multinational
 corporate), 218, 220
- turbulence, 115, 138, 230. *See also*
 change *and* entrepreneurship
 typologies. *See* model
- uncertainty in decision making,
 18–19, 113, 183. *See also* logical
 incrementalism *and* PEST analysis
- Unilever, 225
- United Drapery Stores, 214
- United Nations Global Compact, 264
- US West, 113
- value chain analysis, 13, 61–63,
 83–85, 196
- value network, 47, 50–53
- values-based management, 30–34,
 75–78. *See also* morality
- vertical integration. *See* integration
- Volkswagen, 114
- von Clausewitz, Claus, 2
- VRIO criteria, 61, 82–83
- Wal-Mart Stores, 149, 196, 260
- war (definition), 2
- war-room format. *See* strategic
 management model
- Ward, S., 104
- Waters, J. A., 94
- Wernerfelt, Birger, 14
- Whittington, R., 121–22
- Williamson, P., 229
- Zook, C., 259