Crafting and Executing Strategy Concepts and Readings The Quest for Competitive Advantage 20th edition Thompson Solutions Manual

SKU: 9781259297076-SOLUTIONS

Crafting and Executing Strategy Concepts and Readings The Quest for Competitive Advantage 20th edition Thompson Solutio

Instructor's Manual

to accompany

Crafting & Executing STRATEGY

THE QUEST FOR COMPETITIVE ADVANTAGE

Concepts and Cases
20e

Arthur A. Thompson, Jr.
The University of Alabama

Margaret A. Peteraf
Dartmouth College

John E. Gamble
Texas A&M University – Corpus Christi

A. J. Strickland III
The University of Alabama



© 2015 by McGraw-Hill Education. This is proprietary material solely for authorized instructor use. Not authorized for sale or distribution in any manner. This document may not be copied, scanned, duplicated, forwarded, distributed, or posted on a website, in whole or part.

Crafting and Executing Strategy Concepts and Readings The Quest for Competitive Advantage 20th edition Thompson Solutio

TABLE OF CONTENTS

Section 1 **Instructor Resources, Chapter Features, and Case Overview** 1

Section 2 **Using a Strategy Simulation in Your Course: The Compelling Benefits, What's Involved, and How to Proceed** 12

Section 3 **Organizing Your Course, Deciding What the Workload Should Be, and Settling on Specific Assignments** 41

Section 4 **Sample Syllabi and Daily Course Schedules** 75

Section 5 **Lecture Notes for Chapters 1-12** 108

Chapter 1 What is Strategy and Why is it Important? 109

Chapter 2 Charting a Company's Direction: Vision and Mission, Objectives, and Strategy . . 117

Chapter 3 Evaluating a Company's External Environment 130

Chapter 4 Evaluating a Company's Resources, Capabilities, and Competitiveness 142

Chapter 5 The Five Generic Competitive Strategies – Which One to Employ? 155

Chapter 6 Strengthening a Company's Competitive Position 166

Chapter 7 Strategies for Competing in International Markets 180

Chapter 8 Corporate Strategy: Diversification and The Multibusiness Company 194

Chapter 9 Ethics, Corporate Social Responsibility, Environmental Sustainability and Strategy 212

Chapter 10 Building an Organization Capable of Good Strategy Execution 223

Chapter 11 Managing Internal Operations: Actions that Promote Good Strategy Execution 234

Chapter 12 Corporate Culture and Leadership: Keys to Good Strategy Execution 244

Section 6 **Teaching Notes** 255

Case 1 Mystic Monk Coffee 256

Case 2 Billcutterz.com: Business Model, Strategy, and The Challenges of Exponential Growth 264

Case 3 Whole Foods Market in 2014: Vision, Core Values, and Strategy 272

Case 4 Papa John's International, Inc. 290

Case 5 Under Armour's Strategy in 2014: Potent Enough to Win Market Share Away from Nike and Adidas? 308

Case 6 lululemon athletica, Inc., in 2014: Can the Company Get Back on Track? 327

Case 7 Lagunitas Brewing Company, Inc.: 2013 349

Case 8 Tiffany's Little Blue Box: Does It Have Any Strategic Significance? 361

Case 9 Panera Bread Company in 2014: Can a Slowdown in the Company's Growth Be Avoided? 384

Case 10 Chipotle Mexican Grill in 2014: Will Its Strategy Become the Model for Reinventing the Fast-Food Industry? 399

Crafting and Executing Strategy Concepts and Readings The Quest for Competitive Advantage 20th edition Thompson Solutio

TABLE OF CONTENTS

Case 11	Sirius XM Satellie Radio Inc. in 2014: On Track to Succeed After a Near-Death Experience?	413
Case 12	Sony Music Entertainment and the Evolution of the Music Industry	438
Case 13	Vera Bradley in 2014: Will the Company's Strategy Reverse its Downward Trend?	450
Case 14	J. Crew in 2014: Will Its Turnaround Strategy Improve Its Competitiveness?	459
Case 15	The United Methodist Church: Challenges to its Ministerial Mission in 2014	481
Case 16	Nucor Corporation in 2014: Combating Low-Cost Foreign Imports and Depressed Market Demand for Steel Products	486
Case 17	Tesla Motors' Strategy to Revolutionize the Global Automotive Industry	505
Case 18	Tata Motors in 2014: Its Multibrand Approach to Competing in the Global Automobile Industry	518
Case 19	Deere & Company in 2014	530
Case 20	Wal-Mart in Africa	546
Case 21	PepsiCo's Diversification Strategy in 2014	560
Case 22	The Walt Disney Company: Its Diversification Strategy in 2014	573
Case 23	Robin Hood	583
Case 24	Dilemma at Devil's Den	592
Case 25	Southwest Airlines in 2014: Culture, Values, and Operating Practices	598
Case 26	Nordstrom: Focusing on Culture of Service	616
Case 27	Employee Training & Development at Ritz-Carlton: Fostering an Exceptional Customer Service Culture.	624
Case 28	Amazon's Big Data Strategy	632
Case 29	NCAA Athletics: Are Its Amateurism and Financial Assistance Policies 2014	642
Case 30	TOMS Shoes: A Dedication to Social Responsibility.	651
Case 31	Samsung's Environmental Responsibility	656

Crafting and Executing Strategy Concepts and Readings The Quest for Competitive Advantage 20th edition Thompson Solutio

SECTION 1

Instructor Resources, Chapter Features, and Case Overview

Crafting and Executing Strategy Concepts and Readings The Quest for Competitive Advantage 20th edition Thompson Solutio

Instructor Resources

We strived to achieve four goals in preparing this package of Instructor Resources for the 20th Edition:

1. To equip you with all the resources and pedagogical tools you'll need to design and deliver a course that is on the cutting-edge and solidly in the mainstream of what students need to know about crafting and executing winning strategies.
2. To give you wide flexibility in putting together a course syllabus that you are comfortable with and proud of.
3. To give you a smorgasbord of options to draw from in keeping the nature of student assignments varied and interesting.
4. To help you deliver a course with upbeat tempo that wins enthusiastic applause from students.

We believe the contents of the package will be particularly informative and helpful to faculty members teaching the strategy course for the first time but we have also tried to embellish the content with ideas and suggestions that will prove valuable to experienced faculty looking for ways to refurbish their course offering and/or to keep student assignments varied and interesting.

A Quick Overview of the Entire Instructor Resource Package

The Instructor's Manual for *Crafting & Executing Strategy* contains:

- A quick look at the topical focus of the text's 12 chapters (Section 1).
- An overview of the 31 cases in the text, along with a grid profiling the strategic issues that come into play in each case (Section 1 and Section 3).
- A discussion of the reasons to use a strategy simulation as an integral part of your strategy course. The two web-based strategy simulations—*The Business Strategy Game* or *GLO-BUS*—that are companions to this text incorporate the very kinds of strategic thinking, strategic analysis, and strategic decision-making described in the text chapters and connect beautifully to the chapter content. The automated online nature of both simulations entails minimal administrative time and effort on the instructor's part. You will be pleasantly shocked (and pleased!!) at the minimal time it will take you to incorporate use of *GLO-BUS* or *The Business Strategy Game* and the added degree of student excitement and energy that either of these competition-based strategy simulations brings to the course—see Section 2 for more details.
- Tips and suggestions for effectively using either *GLO-BUS* or *The Business Strategy Game* in your course (covered in both Section 2 and Section 3).
- The merits of incorporating the use of the *Connect™ Management* Web-based assignment and assessment platform accompanying the 20th Edition, into your course requirements. Connect includes chapter quizzes, case assignment exercises for 17 of the 31 cases, and learning assurance exercises for all 12 chapters of the 20th Edition. Connect offers automatic grading for all chapter quizzes, and many of the case exercises and learning assurance exercises. Connect offers an easy-to-administer approach to testing and assessing individual-level student mastery of chapter concepts and case analysis (covered in Section 3).
- Ideas and suggestions on course design and course organization (Section 3 and Section 4).
- Recommendations for sequencing the case assignments and guidance about how to use the cases effectively (Section 3).
- Our recommendations regarding which cases are particularly appropriate for written case assignments and oral team presentations (Section 3).

Crafting and Executing Strategy Concepts and Readings The Quest for Competitive Advantage 20th edition Thompson Solutio

- Two sample course syllabi (Section 4).
- Five sample schedules of class activities and daily assignments for 15-week terms; 3 sample schedules of class activities for 10-week terms; 1 sample schedule of activities for a 7-week term; and 2 sample daily course schedules for 5-week terms. (Section 4).
- A set of Lecture Notes for each of the 12 chapters (Section 5).
- A comprehensive teaching note for each of the 31 cases in *Crafting & Executing Strategy* (Section 6).

In addition to the Instructor's Manual, the support package for adopters also includes several important features that should be of interest.

***Connect™ Management* Web-based Assignment and Assessment Platform** The 20th Edition package includes a robust collection of chapter quizzes, chapter learning assurance exercises, and case preparation exercises that should prove to ease instructors' grading and assessment obligations. Student understanding of chapter concepts can be assessed at the individual-level through chapter quizzes and applied learning assurance exercises that record each student's grade in a Web-based grade book. *All chapter quizzes are automatically-graded and more than one-half of the Assurance of Learning exercises for the 12 chapters are automatically graded.*

The *Connect Management* platform also includes fully autograded interactive application exercises for 17 of the 31 cases in this edition. The exercises require students to work through tutorials based upon the analysis set forth in the assignment questions for the case; these exercises have multiple components such as resource and capability analysis, financial ratio analysis, identification of a company's strategy, or analysis of the five competitive forces. The content of these case exercises is tailored to match the circumstances presented in each case, calling upon students to do whatever strategic thinking and strategic analysis is called for to arrive at pragmatic, analysis-based action recommendations for improving company performance. The entire exercise is autograded, allowing instructors to focus on grading only the students' strategic recommendations.

All students who purchase a new copy of the text are automatically provided access to Connect at no additional charge (those who have a used copy can obtain access by paying a modest fee--$20 at the time of this writing).

An Online Learning Center (OLC) The instructor section of www.mhhe.com/thompson includes the Instructor's Manual and other instructional resources. Your McGraw-Hill representative can arrange delivery of instructor support materials in a format-ready Standard Cartridge for Blackboard, WebCT and other web-based educational platforms.

PowerPoint Slides To facilitate delivery preparation of your lectures and to serve as chapter outlines, you'll have access to comprehensive PowerPoint presentations for each of the 12 chapters that the authors have developed for their own classes. The collection includes 500+ professional-looking slides displaying core concepts, analytical procedures, key points, and all the figures in the text chapters.

Accompanying Case Videos Twenty-three of the 31 cases (Billcutterz.com, Papa John's International, Whole Foods Market in 2014; Under Armour's Strategy in 2014, lululemon athletica in 2014, Lagunitas Brewing Company, Panera Bread Company in 2014, Chipotle Mexican Grill in 2014, Sirius XM, Sony Music Entertainment, J. Crew in 2014, Nucor Corporation in 2014, Tesla Motors, Tata Motors in 2014, Deere & Company in 2014, Walmart in Africa, PepsiCo's Diversification Strategy in 2014, The Walt Disney Company: Its Diversification Strategy in 2014, Southwest Airlines in 2014, Nordstrom, Amazon's Big Data Strategy, NCAA Athletics, and TOMS Shoes) have accompanying video segments that can be shown in conjunction with the case discussions. These videos can be sourced via links to YouTube postings.

Crafting and Executing Strategy Concepts and Readings The Quest for Competitive Advantage 20th edition Thompson Solutio

A Comprehensive Test Bank and EZ Test Software There is a 1100+-question test bank, consisting of both multiple choice questions and short answer/essay questions that you can use in conjunction with McGraw-Hill's EZ Test electronic testing software to create tests from chapter- or topic-specific lists. The EZ Test software enables allows instructors to add their own questions to those that appear in the test bank. The EZ Test program gives you the capability to create and print multiple versions of the test and to administer the test via the Web at www.eztestonline.com. Tests can also be exported into a course management system such as WebCT, BlackBoard, PageOut, and Apple's iQuiz.

What to Expect in the 20th Edition

The distinguishing mark of the 20th edition is its enriched and enlivened presentation of the material in each of the 12 chapters, providing an as up-to-date and engrossing discussion of the core concepts and analytical tools as you will find anywhere. As with each of our new editions, there is an accompanying lineup of exciting new cases that bring the content to life and are sure to provoke interesting classroom discussions, deepening students' understanding of the material in the process.

While this 20th edition retains the 12-chapter structure of the prior edition, every chapter—indeed every paragraph and every line—has been reexamined, refined, and refreshed. New content has been added to keep the material in line with the latest developments in the theory and practice of strategic management. In other areas, coverage has been trimmed to keep the book at a more manageable size. Scores of new examples have been added, along with 15 new Illustration Capsules, to enrich understanding of the content and to provide students with a ringside view of strategy in action. The result is a text that cuts straight to the chase in terms of what students really need to know and gives instructors a leg up on teaching that material effectively. It remains, as always, solidly mainstream and balanced, mirroring *both* the penetrating insight of academic thought and the pragmatism of real-world strategic management.

A standout feature of this text has always been the tight linkage between the con- tent of the chapters and the cases. The lineup of cases that accompany the 20th edition is outstanding in this respect—a truly appealing mix of strategically relevant and thoughtfully crafted cases, certain to engage students and sharpen their skills in applying the concepts and tools of strategic analysis. Many involve high-profile companies that the students will immediately recognize and relate to; all are framed around key strategic issues and serve to add depth and context to the topical content of the chapters. We are confident you will be impressed with how well these cases work in the classroom and the amount of student interest they will spark.

Organization, Content, and Features of the Text Chapters

Our objective in undertaking a major revision of this text was to ensure that its content was current, with respect to both scholarship and managerial practice, and presented in as clear and compelling a fashion as possible. We established five criteria for meeting this objective, namely that the final product must:

- Explain core concepts in language that students can grasp and provide first-rate examples of their relevance and use by actual companies.
- Thoroughly describe the tools of strategic analysis, how they are used, and where they fit into the managerial process of crafting and executing strategy.
- Incorporate the latest developments in the theory and practice of strategic management in every chapter to keep the content solidly in the mainstream of contemporary strategic thinking.
- Focus squarely on what every student needs to know about crafting, implementing, and executing business strategies in today's market environments.
- Provide an attractive set of contemporary cases that involve headline strategic issues and give students ample opportunity to apply what they've learned from the chapters.

Crafting and Executing Strategy Concepts and Readings The Quest for Competitive Advantage 20th edition Thompson Solutio

We believe this 20th edition measures up on all five criteria and that you'll be amply convinced that ***no other leading text does a better job of setting forth the principles of strategic management and linking these principles to both sound theory and best practices.***

Six standout features strongly differentiate this text and the accompanying instructional package from others in the field:

1. *Our integrated coverage of the two most popular perspectives on strategic management—positioning theory and resource-based theory—is unsurpassed by any other leading strategy text.* Principles and concepts from both the positioning perspective and the resource-based perspective are prominently and comprehensively integrated into our coverage of crafting both single-business and multibusiness strategies. By highlighting the relationship between a firm's resources and capabilities to the activities it conducts along its value chain, we show explicitly how these two perspectives relate to one another. Moreover, in Chapters 3 through 8 it is emphasized repeatedly that a company's strategy must be matched *not only* to its external market circumstances *but also* to its internal resources and competitive capabilities.

2. *Our coverage of cooperative strategies and the role that interorganizational activity can play in the pursuit of competitive advantage, is similarly distinguished.* The topics of strategic alliances, licensing, joint ventures, and other types of collaborative relationships are featured prominently in a number of chapters and are integrated into other material throughout the text. We show how strategies of this nature can contribute to the success of single-business companies as well as multibusiness enterprises, whether with respect to firms operating in domestic markets or those operating in the international realm.

3. *With a stand-alone chapter devoted to this topic, our coverage of business ethics, corporate social responsibility, and environmental sustainability goes well beyond that offered by any other leading strategy text.* This chapter, "Ethics, Corporate Social Responsibility, Environmental Sustainability, and Strategy" fulfills the important functions of (1) alerting students to the role and importance of ethical and socially responsible decision making and (2) addressing the accreditation requirement of the AACSB International that business ethics be visibly and thoroughly embedded in the core curriculum. Moreover, discussions of the roles of values and ethics are integrated into portions of other chapters to further reinforce why and how considerations relating to ethics, values, social responsibility, and sustainability should figure prominently into the managerial task of crafting and executing company strategies.

4. *Long known as an important differentiator of this text, the case collection in the 20th edition is truly unrivaled* from the standpoints of student appeal, teachability, and suitability for drilling students in the use of the concepts and analytical treatments in Chapters 1 through 12. The 31 cases included in this edition are the very latest, the best, and the most on target that we could find. The ample information about the cases in the Instructor's Manual makes it effortless to select a set of cases each term that will capture the interest of students from start to finish.

5. *The text is now more tightly linked to the publisher's trailblazing web-based assignment and assessment platform called Connect.*™ This will enable professors to gauge class members' prowess in accurately completing (a) selected chapter-end exercises, (b) chapter-end quizzes, and (c) the creative author-developed exercises for 17 of the cases in this edition.

6. *Two cutting-edge and widely used strategy simulations—The Business Strategy Game and GLO-BUS—are optional companions to the 20th edition.* These give you an unmatched capability to employ a text-case-simulation model of course delivery.

The following rundown summarizes the noteworthy features and topical emphasis in this new edition:

- Chapter 1 serves as a brief, general introduction to the topic of strategy, focusing on the central questions of *"What is strategy?"* and "Why *is it important?"* As such, it serves as the perfect accompaniment for your opening-day lecture on what the course is all about and why it matters. Using the newly added example of Star- bucks to drive home the concepts in this chapter, we introduce students to what we mean by "competitive advantage" and the key features of business-level strategy. Describing strategy making as a process, we

Crafting and Executing Strategy Concepts and Readings The Quest for Competitive Advantage 20th edition Thompson Solutio

explain why a company's strategy is partly planned and partly reactive and why a strategy tends to co-evolve with its environment over time. We show that a viable business model must provide both an attractive value proposition for the company's customers and a formula for making profits for the company. New to this chapter is a depiction of how the Value-Price-Cost Framework can be used to frame this discussion. We show how the mark of a winning strategy is its ability to pass three tests: (1) the *fit test* (for internal and external fit), (2) the *competitive advantage test,* and (3) the *performance test.* And we explain why good company performance depends not only upon a sound strategy but upon solid strategy execution as well.

- Chapter 2 presents a more complete overview of the strategic management process, covering topics ranging from the role of vision, mission, and values to what constitutes good corporate governance. It makes a great assignment for the second day of class and provides a smooth transition into the heart of the course. It introduces students to such core concepts as strategic versus financial objectives, the balanced scorecard, strategic intent, and business-level versus corporate-level strategies. It explains why *all managers are on a company's strategy-making, strategy-executing team* and why a company's strategic plan is a collection of strategies devised by different managers at different levels in the organizational hierarchy. The chapter concludes with a section on the role of the board of directors in the strategy-making, strategy-executing process and examines the conditions that led to recent high-profile corporate governance failures.

- The next two chapters introduce students to the two most fundamental perspectives on strategy making: the positioning view, exemplified by Michael Porter's "five forces model of competition"; and the resource-based view. Chapter 3 provides *what has long been the clearest, most straightforward discussion of the five forces framework to be found in any text on strategic management.* It also offers a set of complementary analytical tools for conducting competitive analysis and demonstrates the importance of tailoring strategy to fit the circumstances of a company's industry and competitive environment. What's new in this edition is the inclusion of the value net framework for conducting analysis of how cooperative as well as competitive moves by various parties contribute to the creation and capture of value in an industry.

- Chapter 4 presents the resource-based view of the firm, showing why resource and capability analysis is such a powerful tool for sizing up a company's competitive assets. It offers a simple framework for identifying a company's resources and capabilities and explains how the VRIN framework can be used to determine whether they can provide the company with a sustainable competitive advantage over its competitors. Other topics covered in this chapter include dynamic capabilities, SWOT analysis, value chain analysis, benchmarking, and competitive strength assessments, thus enabling a solid appraisal of a company's relative cost position and customer value proposition vis-á-vis its rivals. *An important feature of this chapter is a table showing how key financial and operating ratios are calculated and how to interpret them.* Students will find this table handy in doing the number crunching needed to evaluate whether a company's strategy is delivering good financial performance.

- Chapter 5 sets forth the basic approaches available for competing and winning in the marketplace in terms of the five generic competitive strategies—low-cost leadership, differentiation, best-cost provider, focused differentiation, and focused low cost. It describes when each of these approaches works best and what pitfalls to avoid. It explains the role of *cost drivers* and *uniqueness drivers* in reducing a company's costs and enhancing its differentiation, respectively.

- Chapter 6 focuses on *other strategic actions* a company can take to complement its competitive approach and maximize the power of its overall strategy. These include a variety of offensive or defensive competitive moves, and their timing, such as blue-ocean strategies and first-mover advantages and disadvantages. It also includes choices concerning the breadth of a company's activities (or its *scope* of operations along an industry's entire value chain), ranging from horizontal mergers and acquisitions, to vertical integration, outsourcing, and strategic alliances. This material serves to segue into the scope issues covered in the next two chapters on international and diversification strategies.

- Chapter 7 takes up the topic of how to compete in international markets. It begins with a discussion of why differing market conditions across countries must necessarily influence a company's strategic choices about how to enter and compete in foreign markets. It presents five major strategic options for expanding

Crafting and Executing Strategy Concepts and Readings The Quest for Competitive Advantage 20th edition Thompson Solutio

a company's geographic scope and competing in foreign markets: export strategies, licensing, franchising, establishing a wholly owned subsidiary via acquisition or "greenfield" venture, and alliance strategies. It includes coverage of topics such as Porter's Diamond of National Competitive Advantage, profit sanctuaries, and the choice between multidomestic, global, and transnational strategies. This chapter explains the impetus for sharing, transferring, or accessing valuable resources and capabilities across national borders in the quest for competitive advantage, connecting the material to that on the resource-based view from Chapter 4. The chapter concludes with a discussion of the unique characteristics of competing in developing-country markets.

- Chapter 8 concerns strategy making in the multibusiness company, introducing the topic of corporate-level strategy with its special focus on diversification. The first portion of this chapter describes when and why diversification makes good strategic sense, the different means of diversifying a company's business lineup, and the pros and cons of related versus unrelated diversification strategies. The second part of the chapter looks at how to evaluate the attractiveness of a diversified company's business lineup, how to decide whether it has a good diversification strategy, and what the strategic options are for improving a diversified company's future performance. The evaluative technique integrates material concerning both industry analysis and the resource-based view, in that it considers the relative attractiveness of the various industries the company has diversified into, the company's competitive strength in each of its lines of business, and the extent to which its different businesses exhibit both *strategic fit* and *resource fit.*

- Although the topic of ethics and values comes up at various points in this text- book, Chapter 9 brings more direct attention to such issues and may be used as a stand-alone assignment in either the early, middle, or late part of a course. It concerns the themes of ethical standards in business, approaches to ensuring consistent ethical standards for companies with international operations, corporate social responsibility, and environmental sustainability. The contents of this chapter are sure to give students some things to ponder, rouse lively discussion, and help to make students more *ethically aware* and conscious of *why all companies should conduct their business in a socially responsible and sustainable manner*

- The next three chapters (Chapters 10, 11, and 12) comprise a module on strategy execution that is presented in terms of a 10-step framework. Chapter 10 provides an overview of this framework and then explores the first three of these tasks: (1) staffing the organization with people capable of executing the strategy well, (2) building the organizational capabilities needed for successful strategy execution, and (3) creating an organizational structure supportive of the strategy execution process.

- Chapter 11 discusses five additional managerial actions that advance the cause of good strategy execution: (1) *allocating resources* to enable the strategy execution process, (2) ensuring that *policies and procedures* facilitate rather than impede strategy execution, (3) using *process management tools* and *best practices* to drive continuous improvement in the performance of value chain activities, (4) installing *information and operating systems* that help company personnel carry out their strategic roles, and (5) using *rewards and incentives* to encourage good strategy execution and the achievement of performance targets.

- Chapter 12 completes the framework with a consideration of the roles of corporate culture and leadership in promoting good strategy execution. The recur- ring theme throughout the final three chapters is that executing strategy involves deciding on the specific actions, behaviors, and conditions needed for a smooth strategy-supportive operation and then following through to get things done and deliver results. The goal here is to ensure that students understand that the strategy-executing phase is a *make-things-happen and make-them-happen-right* kind of managerial exercise—one that is critical for achieving operating excellence and reaching the goal of strong company performance.

In this latest edition, we have put our utmost effort into ensuring that the 12 chapters are consistent with the latest and best thinking of academics and practitioners in the field of strategic management and provide the topical coverage required for both undergraduate and MBA-level strategy courses. The ultimate test of the text, of course, is the positive pedagogical impact it has in the classroom. If this edition sets a more effective stage for your lectures and does a better job of helping you persuade students that the discipline of strategy merits their rapt attention, then it will have fulfilled its purpose.

Crafting and Executing Strategy Concepts and Readings The Quest for Competitive Advantage 20th edition Thompson Solutio

The Case Collection in the 20th Edition

The 31-case line-up in this edition is flush with interesting companies and valuable lessons for students in the art and science of crafting and executing strategy.

- There's a good blend of cases from a length perspective—21 of the 31 cases are under 15 pages, yet offer plenty for students to chew on; 5 are medium-length cases; and the remainder are detail-rich cases that call for more sweeping analysis.
- At least 28 of the 31 cases involve companies, products, or people that students will have heard of, know about from personal experience, or can easily identify with.
- The lineup includes at least 15 cases that will provide students with insight into the special demands of competing in industry environments where technological developments are an everyday event, product life cycles are short, and competitive maneuvering among rivals comes fast and furious.
- Twenty-four of the cases involve situations where company resources and competitive capabilities play as large a role in the strategy-making, strategy-executing scheme of things as industry and competitive conditions do.
- Scattered throughout the lineup are 12 cases concerning non-U.S. companies, globally competitive industries, and/or cross-cultural situations; these cases, in conjunction with the globalized content of the text chapters, provide abundant material for linking the study of strategic management tightly to the ongoing globalization of the world economy.
- Five cases deal with the strategic problems of family-owned or relatively small entrepreneurial businesses.
- Twenty-five cases involve public companies, thus allowing students to do further research on the Internet regarding recent developments at these companies.
- Twenty-three of the 31 cases (Billcutterz.com, Papa John's International, Whole Foods Market in 2014; Under Armour's Strategy in 2014, lululemon athletica in 2014, Lagunitas Brewing Company, Panera Bread Company in 2014, Chipotle Mexican Grill in 2014, Sirius XM, Sony Music Entertainment, J. Crew in 2014, Nucor Corporation in 2014, Tesla Motors, Tata Motors in 2014, Deere & Company in 2014, Walmart in Africa, PepsiCo's Diversification Strategy in 2014, The Walt Disney Company: Its Diversification Strategy in 2014, Southwest Airlines in 2014, Nordstrom, Amazon's Big Data Strategy, NCAA Athletics, and TOMS Shoes) have accompanying video segments that can be shown in conjunction with the case discussions. These videos can be sourced via links to YouTube postings, postings in the Instructor portion of the Online Learning Center for the 20th Edition (at www,mhhe.com/Thompson) or a DVD available from your McGraw-Hill sales representative. The links to the relevant YouTube videos are included in the teaching notes for the applicable cases.
- Seventeen of the 31 cases have accompanying Connect-based case preparation exercises. All of the exercises are based on the recommended assignment questions for the respective case and call upon a student to develop thoughtful, analysis-based answers (as opposed to stating seat-of-the-pants opinions). Each exercise is different, depending both on the circumstances of the case and the content of the chapters to which it is closely linked. *All of the case assignment questions related to the proper analysis of the case are automatically graded, leaving only students' strategic recommendations to be graded manually by the instructor.*

A grid showing the issues that are prominent in each of the 31 cases in this edition is presented in Table 1.

Suggestions for sequencing the case assignments can be found in Section 3 of this IM. The 11 sample course outlines and daily schedules of class activities in Section 4 provide further suggestions about the sequencing of case assignments and how to integrate your coverage of the 12 chapters, the various case assignments, and use of a strategy simulation.

Specific details about how to utilize each case (including recommended assignment questions and recommended oral team presentation assignments are contained in the teaching notes for each of the cases (the TNs appear in Section 7).

Crafting and Executing Strategy Concepts and Readings The Quest for Competitive Advantage 20th edition Thompson Solutio

TABLE 1. A Quick Profile of the Cases in the 20th Edition of Crafting and Executing Strategy

		Accompanying video (Y = yes; N = no)	Connect Case Exercise (Y = yes; N = No)	Size: Small (S), Medium (M), Large (L)	The manager's role in crafting strategy	The manager's role in executing strategy	Vision, mission, and objectives	Crafting strategy in single-business companies	Industry and competitive analysis	Company resources and capabilities	Global or multinational strategy	E-business strategy issues	Diversification strategies and the analysis of multi-business corporations	Financial conditions and financial analysis	Staffing, people management, incentives and rewards	Organizational structure, core competencies, competitive capabilities, staffing	Policies, procedures, operating systems, best practices, continuous improvement	Corporate culture issues	Ethics, values, social responsibility	Exerting strategic leadership	Making action recommendations
Case 1	Mystic Monk Coffee	N	Y	S	X		X	X	X	X		X		X	X			X		X	X
Case 2	BillCutterz.com: Business Model, Strategy, and the Challenges of Exponential Growth	Y	Y	S	X	X	X	X		X		X		X	X	X					X
Case 3	Whole Foods Market in 2014: Vision, Core Values, and Strategy	Y	Y	M	X		X	X	X	X				X	X		X	X	X	X	X
Case 4	Papa John's International, Inc.: Its Strategy in the Pizza Restaurant Industry	Y	N	M	X	X	X	X	X	X	X	X		X	X						X
Case 5	Under Armour's Strategy in 2014: Potent Enough to Win Market Share from Nike and Adidas?	Y	Y	M	X			X	X	X	X			X							X
Case 6	Lululemon Athletica, Inc. in 2014: Can the Company Get Back on Track?	Y	Y	M	X		X	X	X	X	X			X							X
Case 7	Lagunitas Brewing Company, Inc. – 2013	Y	N	S	X		X	X	X	X				X							X
Case 8	Cooper Tire & Rubber Company in 2014: Competing in a Highly Competitive Market for Replacement Tires	N	N	L	X			X	X	X				X							X
Case 9	Panera Bread Company in 2014: Can a Slowdown in the Company's Growth Be Avoided?	Y	Y	M	X	X	X	X	X	X	X			X					X		X
Case 10	Chipotle Mexican Grill in 2014: Will Its Strategy Become the Model for Reinventing the Fast Food Industry?	Y	Y	M	X		X	X	X	X				X							X
Case 11	Sirius XM Radio Inc. in 2014: On Track to Succeed after a Near-Death Experience?	Y	Y	M	X			X	X	X				X							X
Case 12	Sony Music Entertainment and the Evolution of the Music Industry	Y	N	M	X			X	X	X	X			X					X		X
Case 13	Vera Bradley in 2014: Will the Company's Strategy Reverse Its Downward Trend?	N	Y	M	X		X	X	X	X		X		X							X
Case 14	J. Crew in 2014: Will Its Turnaround Strategy Improve Its Competitiveness?	Y	N	M	X		X	X	X	X		X		X							X
Case 15	The United Methodist Church: Challenges to its Ministerial Mission in 2014	N	N	S	X		X	X	X	X	X			X							X
Case 16	Nucor Corporation in 2014: Combatting Low-Cost Foreign Imports and Depressed Market Demand for Steel Products	Y	Y	L	X	X		X	X	X	X			X							X
Case 17	Tesla Motors' Strategy to Revolutionize the Global Automotive Industry	Y	Y	M	X		X	X	X	X	X			X							X
Case 18	Tata Motors in 2014: Its Multibrand Approach to Competing in the Global Automobile Industry	Y	Y	L	X			X	X	X	X			X							X
Case 19	Deere & Company in 2014: Its International Strategy in the Agricultural, Construction, and Forestry Equipment Industry	Y	Y	L	X			X	X	X	X			X							X
Case 20	Walmart in Africa	Y	N	L	X			X	X	X	X			X							X
Case 21	PepsiCo's Diversification Strategy in 2014	Y	Y	L	X				X	X	X		X	X							X
Case 22	The Walt Disney Company: Its Diversification Strategy in 2014	Y	Y	L	X		X		X	X	X		X	X							X
Case 23	Robin Hood	N	Y	S	X	X	X		X	X					X	X	X	X	X	X	X
Case 24	Dilemma at Devil's Den	N	N	S		X									X	X	X	X	X		X
Case 25	Southwest Airlines in 2014: Culture, Values, and Operating Practices	Y	Y	L	X	X	X	X	X	X	X			X	X	X	X	X		X	X
Case 26	Nordstrom: Focusing on a Culture of Service	Y	N	M		X		X		X				X	X	X	X	X			X
Case 27	Employee Training & Development at Ritz-Carlton: Fostering an Exceptional Customer Service Culture	N	N	M		X		X						X	X		X	X			X
Case 28	Amazon's Big Data Strategy	Y	N	M		X						X		X			X				X
Case 29	NCAA Athletics: Are Its Amateurism and Financial Assistance Policies Ethical?	Y	N	S	X		X							X			X		X		X
Case 30	TOMS Shoes: A Dedication to Social Responsibility	Y	N	S	X	X	X	X	X	X				X			X	X	X	X	X
Case 31	Samsung's Environmental Responsibility: Striking the Right Note for Corporate Survival	N	N	L	X				X	X							X		X		X

Crafting and Executing Strategy Concepts and Readings The Quest for Competitive Advantage 20th edition Thompson Solutio

Sample course syllabi displaying possible case sequencing and suggested case assignments are presented in Section 4 of this volume of the IM.

It is worth mentioning at this juncture that there is a comprehensive table of financial ratios in Chapter 4 that provides the formulas and brief explanations of what each ratio reveals. Adopters of prior editions have told us that students find this table extremely helpful in guiding their analyses of the financial statements contained in the cases. You will probably want to call this table to the attention of class members and urge that they make full use of the information it contains.

Moreover, we have included a Guide to Case Analysis that appears at the end of the book, after Case 31. This brief guide—designed especially for students unfamiliar with the case method of teaching/learning—explains what a case is, why cases are a standard part of courses in strategy, how to prepare for a class discussion of a case, how to prepare a written case analysis, what is expected in an oral presentation, and the financial ratio calculations that are used to assess a company's financial condition. We suggest having students read this Guide prior to the first class discussion of a case. We believe you will find the collection of 31 cases quite appealing, eminently teachable, and very suitable for drilling students in the use of the concepts and analytical treatments in Chapters 1 through 12. With this case lineup, you should have no difficulty whatsoever assigning cases that will capture the interest of students from start to finish.

Value-Adding Student Support Materials for the 20th Edition of Crafting & Executing Strategy

The text and text website include several kinds of support materials to help students grasp the material.

Key Points Summaries At the end of each chapter is a synopsis of the core concepts, analytical tools and other key points discussed in the chapter. These chapter-end synopses help students focus on basic strategy principles, digest the messages of each chapter, and prepare for tests.

Two Sets of Chapter-End Exercises Each chapter concludes with two sets of exercises. The *Assurance of Learning Exercises* can be used as the basis for class discussion, oral presentation assignments, short written reports, and substitutes for case assignments. The *Exercises for Simulation Participants* are designed expressly for use by adopters who have incorporated use of a simulation and want to go a step further in tightly and explicitly connecting the chapter content to the simulation company their students are running. The questions in both sets of exercises (along with those Illustration Capsules that qualify as "mini-cases") can be used to round out the rest of a 75-minute class period should your lecture on a chapter last for only 50 minutes.

Online Learning Center (OLC) The following helpful aids are available to students via the publisher's OLC at www.mhhe.com/thompson:

- **Self-Graded Chapter Quizzes** The OLC contains 10-question quizzes for each chapter to allow students to measure their grasp of the material presented in each of the 12 chapters.
- **Study Questions for Assigned Cases** A set of PDF files containing study questions for each of the 31 cases in this edition are posted; the ready accessibility of these files to class members eliminates the need for you to provide study questions for assigned cases. The study questions provided to students match those appearing in the teaching notes for these cases.
- **PowerPoint Slides** There is a selection of PowerPoint slides for each of the 12 chapters.

***Connect™ Management* Web-based Assignment and Assessment Platform** Connect chapter quizzes, learning assurance exercises, and case exercises can be used as a graded component of the course, an assessment mechanism, or as an effective way to prepare students for chapter exams, in-class discussions of cases, written case assignments or oral case presentations. Whether Connect assignments are calculated into students' grades for the course or not, our robust collection of chapter quizzes, chapter learning assurance exercises, and case preparation exercises will give students valid and timely feedback about their mastery of the concepts and analytical tools presented in the text.

Crafting and Executing Strategy Concepts and Readings The Quest for Competitive Advantage 20th edition Thompson Solutio

The progress-tracking function built into the *Connect Management* system enables you to:

- View scored work immediately and track individual or group performance with assignment and grade reports.
- Access an instant view of student or class performance relative to learning objectives.
- Collect data and generate reports required by many accreditation organizations, such as AACSB.

All students who purchase a new copy of the text are automatically provided access to Connect at no additional charge (those who have a used copy can obtain access by paying a modest fee--$20 at the time of this writing).

LearnSmart and SmartBook™ LearnSmart is an adaptive study tool proven to strengthen memory recall, increase class retention, and boost grades. Students are able to study more efficiently because they are made aware of what they know and don't know. Real-time reports quickly identify the concepts that require more attention from individual students—or the entire class. SmartBook is the first and only adaptive reading experience designed to change the way students read and learn. It creates a personalized reading experience by highlighting the most impactful concepts a student needs to learn at that moment in time. As a student engages with SmartBook, the reading experience continuously adapts by highlighting content based on what the student knows and doesn't know. This ensures that the focus is on the content he or she needs to learn, while simultaneously promoting long-term retention of material. Use SmartBook's real-time reports to quickly identify the concepts that require more attention from individual students–or the entire class. The end result? Students are more engaged with course content, can better prioritize their time, and come to class ready to participate.

The Business Strategy Game and GLO-BUS Online Simulations Using one of the two companion strategy simulations is a powerful and constructive way of emotionally connecting students to the subject matter of the course. We know of no more effective and interesting way to stimulate the competitive energy of students and prepare them for the rigors of real-world business decision-making than to have them match strategic wits with classmates in running a company in head-to-head competition for global market leadership. In Section 2 of this IM, we outline why using a competition-based strategy simulation as a course centerpiece makes great sense and provide you with detailed suggestions for successfully incorporating either *The Business Strategy Game* or *GLO-BUS* in your strategic management course.

Should you decide to incorporate use one of the two simulations in your course, the simplest (and usually the cheapest) way for students to obtain the simulation is via a credit card purchase at www.bsg-online.com (if you opt to use *The Business Strategy Game*) or at www.glo-bus.com (if you opt to use *GLO-BUS*). Purchasing the simulation direct at the web site allows students to bypass paying sometimes hefty bookstore markups (a savings that can amount to $10-$15). The second way for students to register for the simulation is by using a pre-paid access code that comes bundled with the 20th Edition when you order the text-simulation package through your bookstore—this requires use of a separate ISBN (the 20th Edition bundled with either simulation has a different ISBN number than just the 20th Edition ordered alone. Your McGraw-Hill rep can provide you with the correct ISBN for ordering the combination text-simulation package through your bookstore(s).

Crafting and Executing Strategy Concepts and Readings The Quest for Competitive Advantage 20th edition Thompson Solutio

SECTION 2

Using a Strategy Simulation in Your Course: What's Involved, The Compelling Benefits, and How to Proceed

Crafting and Executing Strategy Concepts and Readings The Quest for Competitive Advantage 20th edition Thompson Solutio

For some years now, growing numbers of strategy instructors at business schools worldwide have been transitioning from a purely text-cases course structure to a more robust and energizing text-cases-simulation course structure. Incorporating a competition-based strategy simulation has the strong appeal of providing class members with *an immediate and engaging opportunity to apply the concepts and analytical tools covered in the chapters and have hands-on involvement in crafting and executing a strategy for a virtual company they have been assigned to manage*.

Two of the world's most widely-used and pedagogically effective online strategy simulations, *The Business Strategy Game* and *GLO-BUS*, are optional companions for this text.

- *The Business Strategy Game* is the world's most popular strategy simulation, having been used by 2,500 instructors in courses involving over 700,000 students at 1050+ university campuses in 66+ countries.
- *GLO-BUS*, a somewhat simpler strategy simulation introduced in 2004, has been used by 1,450+ instructors in courses involving over 180,000 students at 640 + university campuses in 48+ countries.

Arthur Thompson, an author of this text, is a co-author of both *The Business Strategy Game* and *GLO-BUS* and painstakingly designed both simulations to provide instructors with an appealing and proven means of:

- Getting class members personally engaged in thinking strategically and applying the chapter content,
- Giving students valuable practice in synthesizing a variety of decisions (relating to production, pricing and marketing, social responsibility/citizenship, and finance) into an overall strategy and competitive approach that produces good financial and strategic results.

The role of the "Exercises for Simulation Participants," found at the end of each of the 12 chapters, is to provide clear guidance to class members in applying the concepts, analytical tools, and strategy options covered in the chapters to the issues and decisions that they have to wrestle with in managing their simulation company.

How the Strategy Simulations Work

In both *The Business Strategy Game (BSG) and GLO-BUS,* 1 to 5 class members are assigned to run a company that competes head-to-head against companies run by other class members.

- In *BSG*, team members run athletic footwear companies that produce and market both branded and private-label footwear.
- In *GLO-BUS*, team members operate digital camera companies that design, assemble, and market entry-level digital cameras and upscale, multi-featured cameras.

In both simulations, companies compete in a global market arena, selling their products in four geographic regions—Europe-Africa, North America, Asia-Pacific, and Latin America. Each management team is called upon to craft a strategy for their company and make decisions relating to production capacity, plant operations, workforce compensation, marketing, social responsibility/citizenship, and finance.

Company co-managers are held accountable for their decision-making. ***Each company's performance is scored on the basis of earnings per share, return on equity investment, stock price, credit rating, and image rating***. Rankings of company performance, along with a wealth of industry and company statistics, are available to company co-managers after each decision round to use in making strategy adjustments and entering decisions for the next competitive round. You can be certain that the market environment, strategic issues, and operating challenges that company co-managers must contend with in running their simulation company are ***very tightly linked*** to the concepts, analytical tools, and strategy options they encounter in the text chapters (this is something you can quickly confirm by skimming through some of the Exercises for Simulation Participants that appear at the end of each chapter).

Crafting and Executing Strategy Concepts and Readings The Quest for Competitive Advantage 20th edition Thompson Solutio

We suggest that you schedule 1 or 2 practice rounds and anywhere from 4 to 10 regular (scored) decision rounds (6 to 10 rounds are better than 3-5 rounds). Each decision round represents a year of company operations and will entail roughly two hours of time for company co-managers to complete. ***Decision rounds can be scheduled weekly, bi-weekly, or at whatever intervals instructors wish.*** Sample schedules for courses of varying length and numbers of class meetings are provided.

When the instructor-specified deadline for a decision round arrives, the simulation server automatically accesses the saved decision entries of each company, determines the competitiveness and buyer appeal of each company's product offering relative to the offerings of rival companies, and then allocates sales and market shares, geographic region by geographic region, based on:

- ***how each company's prices compare against the prices of rival brands,***
- ***how each company's product quality compares against the quality of rival brands,***
- ***how each company's product line breadth and selection compares to those of rival companies,***
- ***how each company's advertising effort compares to rivals' advertising, and so on for a total of 11 competitive factors that determine unit sales and market shares in each of the four geographic regions***.

The competitiveness and overall buyer appeal of each company's product offering *in comparison to the product offerings of rival companies* is all-decisive—this algorithmic feature is what makes *BSG* and *GLO-BUS* "competition-based" strategy simulations. Once each company's sales and market shares are awarded based on the competitiveness of its respective overall product offering vis-à-vis rival companies, the various company and industry reports detailing the outcomes of the decision round are then generated. Company co-managers and instructors can access the results of the decision round 15-20 minutes after the decision deadline established by the instructor.

Rest assured that both simulations were meticulously designed to be instructor-friendly. You'll be pleasantly surprised—and we think quite pleased—at how little time it takes to gear up for and to administer an automated online simulation like *The Business Strategy Game* or *GLO-BUS.*

This remainder of this section provides you with information about the two strategy simulations and offers suggestions for successfully using either *BSG* or *GLO-BUS* in your course. Here is a quick reference guide to the contents of this section:

Page

The Teaching/Learning Benefits of Using a Strategy Simulation in Your Course 15
How Much Time Will it Take to Learn About and Conduct Either One of the Simulations for Your Course? 17
A Birds-eye View of *The Business Strategy Game* 19
A Birds-eye View of *GLO-BUS* 23
Special *BSG/GLO-BUS* Features and Noteworthy Extras 26
Which Simulation Makes the Most Sense for Your Course? 31
The 4-Step Course Setup Procedure 34
How Do Class Members Register and Gain Full Access to the Simulation Web Site? 35
How Much Should a Simulation Exercise Count in the Total Course Grade? 36
How Company Performances are Scored—A Balanced Scorecard Approach 37
What to Do If You Opt to Use Either of the Companion Simulations 39

Crafting and Executing Strategy Concepts and Readings The Quest for Competitive Advantage 20th edition Thompson Solutio

The Teaching/Learning Benefits of Using a Strategy Simulation in Your Course

There are ***three exceptionally important teaching/learning benefits*** associated with using a competition-based simulation in strategy courses taken by seniors and MBA students:

1. ***The three-pronged text-case-simulation course delivery model delivers significantly more teaching-learning power than the traditional text-case delivery model. Having class members run a company in head-to-head competition against companies managed by other class members provides a truly powerful learning experience that engages students in the subject matter of the course and helps achieve course learning objectives.*** This added learning power of a strategy simulation stems from three things:

   - ***Using both case analysis and a competition-based strategy simulation to drive home the lessons that class members are expected to learn is far more pedagogically powerful and lasting than relying solely on case analysis alone.*** Both cases and strategy simulations drill students in thinking strategically and applying what they read in your text, thus helping them connect theory with practice and gradually building better business judgment. What cases do that a simulation cannot is give class members broad exposure to a variety of companies and industry situations and insight into the kinds of strategy-related problems real-world managers face. But what a competition-based strategy simulation does far better than case analysis is thrust class members squarely into ***an active, hands-on managerial role*** where they are totally responsible for assessing market conditions, determining how to respond to the actions of competitors, forging a long-term direction and strategy for their company, and making all kinds of operating decisions. Because company co-managers are held fully accountable for their decisions and their company's performance, ***they are strongly motivated*** to dig deeply into company operations, probe for ways to be more cost-efficient and competitive, and ferret out strategic moves and decisions calculated to boost company performance. ***Such diligent and purposeful actions on the part of company co-managers translate into a productive learning experience with strong retention of the lessons learned and higher achievement of course learning objectives.***

   - The achievement of course learning objectives is further enhanced because of the extremely tight connection between the issues and decisions that company managers face in running their *BSG* or *GLO-BUS* company and the concepts, analytical tools, and strategy options they encounter in the 12 chapters of the 20th edition. Having class members use ***an interactive "learn-by-doing" tool*** to apply and experiment with the chapter content, while at the same time honing their business and decision-making skills, generates solid learning results.

   - Since it doesn't take long for a spirited rivalry to emerge among the management teams of competing companies and for co-managers to become emotionally invested in figuring out what strategic moves to make to out-compete rivals, class members become ***more receptive to reading the text chapters, listening to your lectures, and wrestling with assigned cases***—partly in the hope they will come across ideas and approaches that will help their company outperform rivals and partly because they begin to see the practical relevance of the subject matter and the value of taking the course.

   To provide you with quantitative evidence of the boost in learning power and achievement of course objectives that occurs with using *The Business Strategy Game* or *GLO-BUS*, there is a built-in Learning Assurance Report showing how well each class member performs on 9 skills/learning measures versus tens of thousands of students worldwide that have completed the simulation in the past 12 months. There is a second built-in Learning Assurance Report for *The Business Strategy Game* showing how well each class member performed on a post-simulation exam consisting of 40 multiple choice questions covering most all strategy-related facets of the simulation; each class member's score is also calculated as a percentile of the scores earned by all students worldwide who completed the simulation and took the 40-question post-simulation exam in the past 12 months. Hence, you can use either or both of these two baseline measures of how well your class performed on *The Business Strategy Game* simulation exercise. A post-simulation exam for the *GLO-BUS* simulation is expected to be introduced in January 2016.

Crafting and Executing Strategy Concepts and Readings The Quest for Competitive Advantage 20th edition Thompson Solutio

2. ***The competitive nature of a strategy simulation arouses positive energy and steps up the whole tempo of the course by a notch or two.***

   - The healthy rivalry that emerges among the management teams of competing companies stirs competitive juices and spurs class members to fully exercise their strategic wits, analytical skills, and decision-making prowess—much more so than occurs with case assignments. ***Nothing energizes a class quicker or better than concerted efforts on the part of class members to gain a high industry ranking and avoid the perilous consequences of getting outcompeted by other members of the class.*** It is hard to duplicate the excitement and hallway chatter that occurs when the results of the latest decision round become available and co-managers renew their quest for strategic moves and actions that will strengthen company performance. At the same time, class members become ***more receptive to reading the text chapters, listening to your lectures, and wrestling with assigned cases***—partly in the hope they will come across ideas and approaches that will help their company outperform rivals and partly because they begin to see the practical relevance of the subject matter and the value of taking the course.

   - ***Participating in a competition-based strategy simulation is an unusually stimulating and enjoyable way for class members to learn***. As soon as your students start to say "Wow! Not only is this fun but I am learning a lot," ***which they will***, you have won the battle of engaging students in the subject matter and moved the value of taking your course to a much higher plateau in the business school curriculum. This translates into ***a livelier, richer learning experience from a student perspective and better instructor-course evaluations.***

3. ***Use of a fully automated online simulation reduces the time instructors spend on course preparation, course administration, and grading.***

   - Since the simulation exercise involves a 20 to 30-hour workload for student-teams (roughly 2 hours per decision round times 10-12 rounds, plus optional assignments), simulation adopters often compensate by trimming the number of assigned cases from, say, 10 to 12 to perhaps 4 to 6, which significantly reduces the time instructors spend reading cases, studying teaching notes, and otherwise getting ready to lead class discussion of a case or grade oral team presentations. The cases-for-simulation tradeoff is a sound one because class members will learn as much or more from their experience managing their simulation company and retain it longer, as compared to the learning gleaned from covering 4 to 6 more cases.

   - Course preparation time is further cut because you can use several class days to have students meet in the computer lab to work on upcoming decision rounds or a 3-year strategic plan (in lieu of lecturing on a chapter or covering an additional assigned case). Lab sessions provide a splendid opportunity for you to visit with teams, observe the interplay among co-managers, and view the caliber of the learning experience that is going on.

   - Use of a simulation gives you leeway to eliminate at least one assignment that entails considerable grading on your part. Grading one less written case or essay exam or other written assignment saves enormous time. With *BSG* and *GLO-BUS*, grading is effortless and takes only minutes. Once you enter percentage grading weights for each simulation activity in your online grade book, an overall numerical grade is automatically calculated for each class member.

   - The speed and ease with which you can conduct a fully-automated strategy simulation for your course frees time for other activities. Plus, every task can be performed from an office or home PC that has an Internet connection and an Internet browser.

Instructors who have used state-of-the-art simulations in their strategy courses quickly become enthusiastic converts because the added spark to the course and student excitement surfaces rapidly and the resulting teaching/learning benefits are undeniable. Moreover, the word about the effectiveness of using a top-notch strategy simulation seems to be spreading. Recent market data indicates that an estimated 2,000 instructors worldwide are now using strategy simulations in courses taken by 130,000+ students annually and that the number of students participating in simulations is growing ~5-10% annually.

Crafting and Executing Strategy Concepts and Readings The Quest for Competitive Advantage 20th edition Thompson Solutio

How Much Time Will it Take to Learn About and Conduct Either One of the Simulations for Your Course?

One of the biggest factors probably weighing on your mind if you are contemplating being a first-time user is "how much time will it take me to learn about *The Business Strategy Game* or *GLO-BUS,* conduct the simulation exercise for my course, and assign grades on the simulation exercise?" Here are some honest estimates of what you can expect:

- It will take perhaps 30 minutes for you to explore the 4-page ***Quick Guide to Getting Started*** for instructors that speeds the gear-up process—this online guide will have you up and running the simulation for your class in about an hour, plus it has built-in links to additional information if you want to know more about particular facets of the simulation. You might also want to skim through the *Participant's Guide* if you want to explore what running a company is all about from a student perspective—but this can be deferred until later if you wish. It will, of course, take a couple of hours to really digest the contents of both the Quick Guide and the Participant's Guide.

- To launch either one of the simulations for your course, you must complete a simple Course Setup procedure that entails deciding what size management teams you want (anywhere between 1 and 5 persons), specifying the number of companies you want to create (which is a function of expected class size and how many people you want to co-manage each company), selecting dates/times for each decision round to be completed, indicating which optional assignments you want company co-managers to complete (the quizzes, strategic plans, peer evaluations, and company presentation exercise), and distributing company registration codes and/or registration procedures to class members. Recommendations for handling each of the options are provided in the Quick Guide to Getting Started (and on-screen guidance is also provided during the Course Setup procedure). It will take you about 30 minutes or so to complete the simple and straightforward Course Setup procedure (each step has accompanying explanations to guide you through the process) and about 15 minutes each time thereafter (most of which entails specifying which of the built-in assignments you want to include for your class and the deadlines for completing each assignment.

- It will take you 15-20 minutes to familiarize yourself with the Class Presentation PowerPoint slides that can be used to introduce the features and mechanics of the simulation to class members.

- You will get very few questions from class members about "how things work." Site navigation is simple and quickly learned. There is a Participant's Guide that gets students started. There are brief ***Video Tutorials for every decision screen and every page of every report***. Any time company co-managers are puzzled about something or want to know more about some aspect of company operations, they can get the answers by clicking on the Help button and reading the ***Help pages that accompany every decision screen and every page of every report***. The Help sections provide detailed explanations of (a) the information on each decision entry screen and all relevant cause-effect relationships, (b) the information on each page of the Industry Reports, (c) the numbers presented in the Company Reports, and (d) analytical guidance and decision-making tips. If a few of your students seem to be full of questions, it's because they are coming to you for hand-holding and not taking the time to watch the video tutorials and/or to read and absorb the comprehensive information in the Help sections.

  Special Note: ***Team members running the same company who are logged-in simultaneously on different computers at different locations have two tremendously valuable functional capabilities:***

  - ***They can click a button to work collaboratively in viewing reports and making decision entries.*** When in "Collaboration Mode," each team member sees the same screen at the same time as all other team members who are logged-in and have joined Collaboration Mode. If one team member chooses to view a particular decision screen, that same screen appears on the monitors for all team members engaged in collaboration. Each team member controls their own color-coded mouse pointer (with their first-name appearing in a color-coded box linked to their mouse pointer) and can make a decision entry or move the mouse to point to particular on-screen items.

Crafting and Executing Strategy Concepts and Readings The Quest for Competitive Advantage 20th edition Thompson Solutio

- ***They can click a second button to talk to one another (using the built-in real time VOIP audio chat feature).*** Chat capability among team members work in the Collaboration Mode enables team members to debate and discuss the merits of alternative decision entries and strategies. In effect, they can have an online meeting to conveniently and effectively collaborate in running their simulation company (as opposed to meeting face-to-face and gathering around a single computer).

- Instructors have capability to use their own computers to join any company's online meeting. They can not only talk to the managers of a company but also enter Collaboration Mode (highly recommended because all attendees are then viewing the same screen). Each instructor that enters Collaboration Mode with company team members has a red-colored mouse pointer linked to a red box labeled Instructor.

- ***Once the Course Setup routine is completed, class members are registered, and the decision rounds are underway, everything occurs automatically until the exercise is complete. At this juncture, it's your call on how much time to spend in overseeing the simulation and monitoring what is going on—***you can simply be an interested observer or play a more active, hands-on role. Expect to spend no more than 10-20 minutes per decision round if you just want to provide encouragement, review the scoreboard of company performances on your Instructor Center web page, solicit feedback from co-managers about how things are going, and deal with special problems—like moving co-managers to another team if there's conflict among team members or adjusting the dates for decision deadlines for whatever reason.

  If you want to follow the competition more closely, you can spend 15-20 minutes after each decision round browsing the industry report (which shows the details of each company's performance and provides assorted financial and operating statistics) and the special Administrator's Report (which provides a quick, convenient summary of select decisions and outcomes for each company that will keep you abreast of "what's happening").

  Should you opt to be even more proactive and intimately involved, then after each decision round you can hold a 5 to 10-minute "in-class debriefing" on what's happening in the industry (using information you've gleaned from the industry report and the Administrator's Report). Because there is tight connection between the issues that co-managers face in running their companies and the chapter content in this text (and most every other mainstream strategy text), there is ample opportunity—if you are so inclined—to use the happenings and managerial challenges class members encounter in the simulation as examples for your lectures. You can also opt to issue special news flashes altering certain costs or import tariffs, and you may wish to offer to coach the co-managers of troubled companies on how to achieve better company performance.

- When all the decision rounds are completed, you will have to spend perhaps 30 minutes assigning grades (maybe longer if your class has 40+ students and you elect to peruse each class member's peer evaluations and/or activity log). Your online grade book automatically records and reports performance scores for all companies for all decision rounds and also contains each co-manager's scores for all assignments (quizzes, strategic plans, and peer evaluations). Once you enter weights for each of the assignments, final scores for each class member are automatically calculated. You will have to decide whether to scale the scores or not. If you want to examine data pertaining to each co-manager's use of the simulation website as part of the grade assignment process, there's an activity log that reports the frequency and length of log-ons, how many times decision entries were saved to the server each decision round, and how many times each set of reports was viewed each decision round.

Crafting and Executing Strategy Concepts and Readings The Quest for Competitive Advantage 20th edition Thompson Solutio

A Birds-Eye View of *The Business Strategy Game*

The Business Strategy Game (*BSG*) is modeled to mirror the global athletic footwear industry (where the longtime industry leaders are Nike and Adidas-Reebok). Athletic footwear makes an excellent setting for a simulation because it is a product that students are intimately familiar with and the workings of the industry can easily be grasped by students—conditions which greatly enhance the effectiveness of a simulation from a teaching/learning perspective. The global athletic footwear industry is particularly suitable for a strategy simulation because the product is used worldwide, there's competition among companies from several continents, production is concentrated in low-cost locations, and the real-world marketplace is populated with companies employing a variety of competitive approaches and business strategies.

Using a strategy simulation with a global industry setting is especially desirable because globalization of the marketplace is an ever-widening reality and global strategy issues are a standard part of the strategic management course. Plus, of course, *accreditation standards for business school programs routinely require that the core curriculum include international business topics and the managerial challenges of operating in a globally competitive marketplace.*

Company Operations

Companies begin the simulation producing branded and private-label footwear in two plants, one in North America and one in Asia. Both plants can be operated at overtime to boost annual capacity by 20%. Management has the option to establish production facilities in Latin America and Europe-Africa as the simulation proceeds, either by constructing new plants or buying previously-constructed plants that have been sold by competing companies. At management's direction, a company's design staff can come up with more footwear models, new features, and stylish new designs to keep the company's branded product line fresh and in keeping with the latest fashion. Private-label footwear must be produced to the specifications of chain footwear retailers with private label brands.

Each company markets its brand of athletic footwear to footwear retailers worldwide and to individuals buying online at the company's web site. If a company has more production capacity than is needed to meet the demand for its branded footwear, it can enter into competitive bidding for contracts to produce footwear sold under the private-label brands of large chain retailers. Company co-managers exercise control over production costs based on the styling and quality they opt to manufacture, plant location (wages and incentive compensation vary from region to region), the use of best practices and six sigma programs to reduce the production of defective footwear and to boost worker productivity, and compensation practices.

All newly-produced footwear is shipped in bulk containers to one of four regional distribution centers (North America, Latin America, Asia-Pacific, and Europe-Africa). All incoming orders from internet customers and retailers in a geographic region are filled from footwear inventories in that same regional distribution center. Since internet and retailer orders cannot be filled from inventories in a distribution center in another region (because of prohibitively high shipping and distribution costs), company co-managers have to be careful to match shipments from plants to the expected internet and retailer demand in each geographic region. Costs at the four regional distribution centers are a function of inventory storage costs, packing and shipping fees, import tariffs paid on incoming pairs shipped from foreign plants, and exchange rate impacts.

Many countries have import tariffs on footwear produced at plants outside their geographic region; at the start of the simulation, import tariffs average $4 per pair in Europe-Africa, $6 per pair in Latin America, and $8 in the Asia-Pacific region. However, the Free Trade Treaty of the Americas allows tariff-free movement of footwear between all the countries of North America and Latin America. The countries of North America, which strongly support free trade policies worldwide, currently have no import tariffs on footwear made in either Europe-Africa or Asia-Pacific. Instructors have the option to alter tariffs as the game progresses.

Crafting and Executing Strategy Concepts and Readings The Quest for Competitive Advantage 20th edition Thompson Solutio

In running their footwear companies, the challenge for each management team is to craft and execute a competitive strategy that results in a respected brand image, keeps their company in contention for global market leadership, and produces good financial performance as measured by earnings per share, return on equity investment, stock price appreciation, and credit rating.

All companies begin the exercise with equal sales volume, global market share, revenues, profits, costs, product quality and performance, brand recognition, and so on. Global demand for athletic footwear grows at the rate of 7-9% annually for the first five years and 5-7% annually for the second five years. However, market growth rates vary by geographic region, and growth rates are also affected by the aggressiveness with which companies go after additional sales by making their product offerings more appealing.

The Decisions That Company Managers Have to Make

In *BSG*, company co-managers make up to 53 types of decisions each period, spread across the functional spectrum as follows:

- Production operations (up to 10 decisions for each plant, with a maximum of 4 plants)
- Upgrading plants and expanding/reducing plant capacity (up to 6 decisions per plant)
- Worker compensation and training (3 decisions per plant)
- Shipping and inventory management (up to 8 decisions each plant/geographic area)
- Pricing and marketing (up to 10 decisions in each of 4 geographic regions)
- Bids to sign celebrities (2 decision entries per bid)
- Corporate social responsibility and citizenship (up to 6 decision entries)
- Financing of company operations (up to 8 decision entries)

Experience confirms that having this many decisions is right on the money—enough to keep company co-managers engaged and challenged but not too many to confuse and overwhelm.

On-Screen Support Calculations

Each time co-managers make a decision entry, an assortment of on-screen calculations instantly shows the projected effects on unit sales, revenues, market shares, total profit, earnings per share, ROE, unit costs, and other operating outcomes. All of these on-screen calculations help co-managers evaluate the relative merits of one decision entry versus another. Company managers can try out as many different decision combinations as they wish in stitching the separate decisions into a cohesive whole that is projected to produce good company performance.

If company co-managers want additional help/assistance in making decision entries, they can watch the ***2-4 minute video tutorials for each decision screen*** and/or consult the ***comprehensive Help sections*** that explain cause-effect relationships, provide tips and suggestions, explain how the numbers in the company and industry reports are calculated, and otherwise inform company co-managers how things work.

The Quest for a Winning Strategy

All companies begin the exercise with equal sales volume, global market share, revenues, profits, costs, product quality and performance, brand recognition, and so on. Global demand for athletic footwear grows at the rate of 7-9% annually for the first five years and 5-7% annually for the second five years. However, market growth rates vary by geographic region, and growth rates are also affected by the aggressiveness with which companies go after additional sales by making their product offerings more appealing.

Crafting and Executing Strategy Concepts and Readings The Quest for Competitive Advantage 20th edition Thompson Solutio

Each company typically seeks to enhance its performance, outcompete rivals, and build competitive advantage by engaging in a variety strategic actions to make its footwear offering more appealing to buyers—these actions can include any or all of the following: selling its footwear at more attractive prices, offering a bigger selection of footwear styles and models, having more appealing footwear styling and quality, outspending rivals on advertising, offering bigger mail-in rebates, outbidding rivals in signing celebrities to endorse its brand, providing more merchandising and promotional support to retailers, employing shorter shipping and delivery times, and engaging in more aggressive promotion of online purchases at its Web site. More specifically, competition in the market segments for branded footwear (and thus how many pairs of footwear each company will sell in each segment of the footwear market) is based on 11 factors with varying weights and impacts:

- How each company's wholesale selling price for its branded footwear compares against the corresponding industry-wide average prices being charged in each geographic region.
- How each company's footwear styling and quality compares against that of rival brands.
- How each company's advertising expenditures compare against the industry-wide average advertising expenditures.
- How each company's mail-in rebate offers compare against the industry-wide average rebates.
- How each company's advertising expenditures compare against the industry-wide average advertising expenditures.
- How the number of models/styles in each company's branded footwear offerings compare against the industry-wide average number of models.
- How the numbers of retailers carrying a company's brand of footwear compares against the average number of retailers carrying various brands.
- How the number and appeal of the celebrities a company has contracted with to endorse its footwear compares against the overall celebrity appeals of endorsers of rival brands.
- How the length of each company's shipping and delivery times on retailers' orders compare against those of rival companies.
- The comparative amount (relative to rival brands) of merchandising and promotional support that a company offers to its retailers relative to the average amounts offered industry-wide.
- The relative aggressiveness with which a company promotes online purchases at its website.
- The extent to which the buyers of a company's brand of footwear remain loyal to repurchasing that same brand.

Any and all competitive strategy options—low-cost leadership, differentiation, best-cost provider, focused low-cost, and focused differentiation—***are viable choices for pursuing better company performance and competitive advantage in the branded footwear segment***. ***There's no built-in bias favoring any one strategy and no "secret set of strategic moves or decision combinations" that are sure to result in a company becoming the industry leader.*** A company can try to gain an edge over rivals in the branded footwear segment with more advertising or a wider selection of models or more appealing styling/quality or bigger rebates or securing more appealing celebrity endorsements, and so on. It can focus sales efforts on one or two geographic regions or strive to build strong market positions in all four geographic regions. It can pursue essentially the same branded strategy worldwide or craft slightly or very different strategies for each of the four geographic regions. It can put more or less emphasis on selling branded shoes to footwear retailers as opposed to selling to individual consumers at the company's Web site. ***Most any well-conceived, well-executed competitive approach in branded footwear is capable of succeeding, provided it is not overpowered by the opposing strategies of competitors or defeated by the presence of too many copycat strategies that dilute its effectiveness.***

Crafting and Executing Strategy Concepts and Readings The Quest for Competitive Advantage 20th edition Thompson Solutio

However, vigorous price competition prevails in the private-label segment. For obvious reasons, chain retailers prefer to source their requirements for private-label footwear from companies offering the best (lowest prices). Companies desirous of winning a contract to supply private-label footwear to chain retailers across the world must first agree to produce shoes that meet globally-set buyer specifications for quality and variety of models/styles. Then they must be successful in bidding against rival companies for contracts. Companies offering to supply specified quantities of private-label footwear with lower price bids are awarded contracts over companies that bid higher prices. A low-cost, low-price strategy is thus mandatory in the private-label segment if a company expects to be profitable (but this does not require pursuing the same strategy in the branded segment).

How the Outcomes are Determined

Instructors specify a deadline (date and time) for company co-managers to complete for each decision round and other related assignments. Instructors have the flexibility to change the deadlines at any time for any reason. Decision rounds can be scheduled once per week, twice per week, daily, or even twice daily, depending on how you want to conduct the exercise. You will be able to peruse sample decision schedules when you are settling on the times and dates for the deadlines.

When the instructor-specified deadline for a decision round arrives, the *BSG* algorithms allocate sales and market shares to the competing companies, region by region. How many branded pairs a company sells in a geographic region is governed by:

- how its branded footwear price compares against the prices of rival brands,
- how its footwear styling and quality compares against those of rival brands,
- how its advertising effort matches up against the advertising efforts of its rivals, and so on for each competitive factor.

For instance, a company's branded footwear price in a region is determined to be more competitive the further it is below the average price in that region charged by all companies and less competitive the further it is above the regional average. A company's styling/quality is determined to be more competitive the further its styling/quality rating is above the average styling/quality rating of all companies competing in the region and less competitive the further its rating is below the industry average in the region. ***The overall competitiveness of a company's product offering in a region is a function of its combined competitive standing across all competitive factors.*** For example, a company can offset the adverse impact of an above average price with above-average product performance and quality and/or above-average advertising and/or a wider selection of models/styles. The greater the differences in the overall competitiveness of the branded product offerings of rival companies, the bigger the differences in their resulting sales volumes and market shares. Conversely, the smaller the overall competitive differences in the offerings of rival companies, the smaller the differences in sales volumes and market shares. This algorithmic approach is what makes *BSG* a "competition-based" strategy simulation and why ***the sales and market share outcomes for each decision round are always unique to the particular strategies and decision combinations employed by the competing companies***.

Once branded sales volumes and market shares are awarded based on the strength or weakness of each company's overall competitive effort and the outcomes of the bidding to supply private-label footwear are determined, then each company's performance is calculated and all the various company and industry reports are generated.

The scoring of each company's performance is based on a balanced scorecard that includes brand image, earnings per share (EPS), return on equity investment (ROE), stock price appreciation, and credit rating.

The results of the decision round are available to class members and the instructor about 15-20 minutes after the deadline passes.

> **Special Note:** The cause-effect relationships and underlying algorithms in *The Business Strategy Game* are based on sound business and economic principles and are closely matched to the real-world athletic footwear market. The "real-world" character of the competitive environment and company operations that

Crafting and Executing Strategy Concepts and Readings The Quest for Competitive Advantage 20th edition Thompson Solutio

have been designed into *The Business Strategy Game* allows company co-managers to think rationally and logically as they go about the tasks of diagnosing and responding to the competitive moves of rival companies, making strategy choices and adjustments, and deciding how to manage their athletic footwear company. The thesis is that the more *BSG* mirrors real-world market conditions and real-world managerial decision-making, the more pedagogical value it has. Why? Because tight linkages between the functioning of *BSG* and "the real world" provide class members with an ***authentic*** learning experience, a ***bona fide*** means of building their skills in analyzing markets and the actions of competitors, and a ***true-to-life*** way to practice making business-like decisions and applying the knowledge they have gained in business school.

Time Requirements for Company Co-Managers

Data from our servers indicates that ***each company team spends an average of about 2.5 hours working on each decision round***. The first couple of decision rounds take longer not only because co-managers have to explore the menus, familiarize themselves with the information on the screens, and absorb the relevance of the calculations shown whenever new decisions are entered but also because it takes time for them to establish a working relationship with one another and debate what sort of long-term direction and strategy to pursue.

The total workload for each team of students/participants ends up between 20 and 30 hours, given an average of 2 hours per decision round, 9 to 12 decision rounds (including practice rounds), and the time needed to complete optional assignments (quizzes, strategic plans, company presentation, and peer evaluations). As discussed earlier, you can offset the hours students spend on the simulation by trimming the number of case assignments, eliminating a written case assignment (which can take students 10-15 hours to prepare), and perhaps allocating one or more regularly-scheduled class periods to having class members meet in a computer lab to work on their decisions or do the 3-Year Strategic Plan assignment.

It will consume part of a class period to introduce class members to the simulation and get things under way. Thereafter, the simulation becomes an ***out-of-class group exercise*** where co-managers spend most of their time working as a team on a PC (in a computer lab or at a co-manager's place of residence).

All activity for *The Business Strategy Game* takes place at www.bsg-online.com.

A Birds-Eye View of *Glo-Bus*

The industry setting for *GLO-BUS* is the digital camera industry. Global market demand grows at the rate of 8-10% annually for the first five years and 4-6% annually for the second five years. Retail sales of digital cameras are seasonal, with about 20 percent of consumer demand coming in each of the first three quarters of each calendar year and 40 percent coming during the big fourth-quarter retailing season.

Company Operations

Companies produce entry-level and multi-featured cameras in a Taiwan assembly facility and ship finished goods directly to camera retailers in North America, Asia-Pacific, Europe-Africa, and Latin America. All cameras are assembled as retail orders come in and shipped immediately upon completion of the assembly process—companies maintain no finished goods inventories and all parts and components are delivered on a just-in-time basis (which eliminates the need to track inventories and simplifies the accounting for plant operations and costs).

Company co-managers determine the quality and performance features designed into the entry-level and multi-featured cameras that are produced. They impact production costs by raising/lowering camera quality and performance, adjusting work force compensation, spending more/less on worker training, lengthening/shortening warranties offered (which affects warranty costs), and how efficiently they manage the camera assembly process. They have the option to assemble all cameras in-house or to outsource a portion of the needed production to outside contractors.

Crafting and Executing Strategy Concepts and Readings The Quest for Competitive Advantage 20th edition Thompson Solutio

Because retailers place orders for cameras roughly 90 days in advance of expected sales, camera makers assemble and ship enough cameras in Quarter 1 to match expected retail sales in Quarter 2; they assemble and ship enough cameras in Quarter 2 to match expected retail sales in Quarter 3; and so on through Quarter 4—a condition that forces company managers to schedule camera assembly in a seasonal pattern that matches the seasonal demand of retailers and digital camera buyers.

The Decisions That Company Managers Have to Make

Each decision round, company co-managers make some 50 types of decision covering five operating areas:

- R&D, camera components, and camera performance (up to 10 decisions)
- Production operations and worker compensation (up to 15 decisions for a single assembly plant)
- Pricing and marketing (up to 15 decisions in each geographic region)
- Corporate social responsibility and citizenship (as many as 6 decisions)
- Financing of company operations (as many as 4 decisions).

On-Screen Support Calculations

Each time co-managers make a decision entry, an assortment of on-screen calculations instantly shows the projected effects on unit sales, revenues, market shares, total profit, earnings per share, ROE, costs, and other operating outcomes. Where appropriate, there are separate supporting calculations for the entry-level and multi-featured camera lines. All of these on-screen calculations help co-managers evaluate the relative merits of one decision entry versus another. Company managers can try out as many different decision combinations as they wish in stitching the separate decisions into a cohesive whole that is projected to produce good company performance.

Just as with *The Business Strategy Game*, there are video tutorials and comprehensive Help sections.

The Quest for a Winning Strategy

All companies begin the *GLO-BUS* exercise on the same footing from a global perspective—with equal sales volume, global market share, revenues, profits, costs, product quality and performance, brand recognition, and so on. ***But there is a fundamental difference in the competitive positions of rival companies that adds a realistic competitive dynamic***—the percentages of cameras sold in the four geographic regions vary from company to company. ***Each company starts out with 40% of annual sales in one region, 30% of sales in a second region, 20% in a third region, and 10% in the fourth region.*** Starting the contest for global market leadership at a point where rival companies have different market shares in different geographic regions introduces an element of competitive reality.

Competition in each of the two product market segments (entry-level and multi-featured digital cameras) is based on 11 factors:

- How each company's wholesale selling price for its entry-level and multi-featured cameras compare against the corresponding industry-wide average prices being charged in each geographic region.
- How each company's camera performance and quality compares against industry-wide camera performance/quality.
- How each company's number of quarterly sales promotions compares against the industry-wide average number of quarterly sales promotions.

Crafting and Executing Strategy Concepts and Readings The Quest for Competitive Advantage 20th edition Thompson Solutio

- How the length (in weeks) of each company's quarterly sales promotions compare against the average length of quarterly sales promotions industry-wide.
- How the size of each company's quarterly promotional discounts compare against the average size of the promotional discount industry-wide.
- How each company's advertising expenditures compare against industry-wide average advertising expenditures.
- How the number of camera models in each company's camera line compares against the industry-wide average number of models.
- How the size of the camera retailer network carrying a company's camera brand compares against the average retailer network industry-wide.
- How the amount/caliber of technical support a company provides to camera buyers compares against the amount/caliber of technical support provided industry-wide.
- How the length of each company's camera warranties compare against the warranty periods of rival companies.
- How well a company's reputation among camera retailers and camera buyers compares against the reputations of rival camera companies.

Each company typically seeks to enhance its performance and build competitive advantage via its own custom-tailored competitive strategy based on more attractive pricing, greater advertising, a wider selection of camera models, more appealing camera performance/quality, longer warranties and/or more aggressive sales promotion campaigns. As with BSG, ***all the various generic competitive strategy options***—low-cost leadership, differentiation, best-cost provider, focused low-cost, and focused differentiation—***are viable choices for pursuing competitive advantage and good company performance***. A company can have a strategy aimed at being the clear market leader in either entry-level cameras or multi-featured cameras or both. It can focus on one or two geographic regions or strive to build strong market positions in all four geographic regions. It can pursue essentially the same strategy worldwide or craft customized strategies for the Europe-Africa, Asia-Pacific, Latin America, and North America markets. Just as with *The Business Strategy Game*, ***most any well-conceived, well-executed competitive approach is capable of succeeding, provided it is not overpowered by the strategies of competitors or defeated by the presence of too many copycat strategies that dilute its effectiveness.***

How the Outcomes Are Determined

When the instructor-specified deadline for a decision round arrives, the *GLO-BUS* algorithms allocate sales and market shares in the entry-level and multi-featured segments to the competing companies, region by region. The factors governing how many entry-level and multi-featured cameras a company sells in each geographic region are:

- how its price compares against the prices of rival brands,
- how its camera performance and quality compares against rival footwear brands,
- how its advertising effort compares, and so on for all the competitive factors that determine units sold.

For instance, a company's entry-level camera price in a region is determined to be more competitive the further it is *below* the average price in that region charged by all companies and less competitive the further it is *above* the regional average. A company's entry-level camera performance and quality is determined to be more competitive the further its performance/quality rating is above the average performance/quality rating of all companies competing in the region and less competitive the further its rating is below the regional average. ***The overall competitiveness of a company's product offering in a region is a function of its combined competitive***

Crafting and Executing Strategy Concepts and Readings The Quest for Competitive Advantage 20th edition Thompson Solutio

standing across all competitive factors. For example, a company can offset the adverse impact of an above average price with above-average camera performance and quality, more advertising, and/or longer warranties.

The greater the differences in the overall competitiveness of the camera offerings of rival companies, the bigger the differences in their resulting sales volumes and market shares. Conversely, the smaller the overall competitive differences in the camera offerings of rival companies, the smaller the differences in sales volumes and market shares. This algorithmic approach is what makes *GLO-BUS* a "competition-based" strategy simulation and accounts for why ***the sales and market share outcomes for each decision round are always unique to the particular strategies and decision combinations employed by the competing companies***.

Once sales and market shares are awarded, the company and industry reports are then generated and all ***the results become available 15-20 minutes after the decision deadline passes.***

Company performance is judged on five criteria: earnings per share, return on equity investment (ROE), stock price, credit rating and brand image.

All activity for *GLO-BUS* occurs at www.glo-bus.com.

> **Special Note:** The time required of company co-managers to complete each decision round in *GLO-BUS* is typically about 15- to 30-minutes less than for *The Business Strategy Game* because (a) there are only 8 market segments (versus 12 in *BSG*), (b) co-managers have only one plant to operate (versus as many as 4 in *BSG*), (c) newly-assembled cameras are shipped directly to camera retailers, eliminating the need to manage finished goods inventories and operate distribution centers, and (d) sales forecasting is simpler. Guidance about which simulation might be best for your course is provided later in this section.

Special *BSG/GLO-BUS* Features and Noteworthy Extras

The Internet delivery and user-friendly designs of both *BSG* and *GLO-BUS* make them incredibly easy to administer, even for first-time users. And ***the menus and controls for BSG and GLO-BUS are so similar that you can readily switch between the two simulations or use one in your undergraduate class and the other in an MBA class.*** If you have not yet used either of the two simulations, you may find the following of particular interest:

- ***There is a 17:17-minute video overview that introduces class members to the simulation, takes them of a tour of the website menus and accompanying screens, and helps get them off to a successful start. There is also a 16:24-minute orientation video for instructors.***

- ***Instructors who are considering use of BSG can attend any of the 15 or so author-conducted webinar/demos scheduled throughout each year—the demos run 60 to 75-minutes and allow ample time for Q&A.***

- ***In the course of running their company (making decision entries and viewing reports), class members have one-click access to 2-5 minute video tutorials for each decision entry screen and each page of all reports. In addition, they have one-click access to "Help" sections*** containing detailed explanations of (a) the information on each decision entry screen and all relevant cause-effect relationships, (b) the information on each page of the Industry Reports, and (c) the numbers presented in the Company Reports. The Help pages for each decision entry screen also contain tips and suggestions for making wise decision entries. The ***video tutorials and full-blown Help page discussions allow company co-managers to figure things out for themselves***, thereby relieving instructors of having to answer questions about "how things work".

- ***It is quick and easy to set up either simulation for your course.*** The Course Setup Procedure is done online and takes about 15 or so minutes. There is a 4-page Getting Started Guide for first-time adopters that guides you through the steps to set up the simulation for your course, describes the administrative tasks, explains the scoring, and provides suggestions for using the simulation effectively. If and when you need more details about some aspect of the simulation, the accompanying Instructor's Guide provides comprehensive

Crafting and Executing Strategy Concepts and Readings The Quest for Competitive Advantage 20th edition Thompson Solutio

explanations and guidance. Once the straight-forward Course Setup Procedure is completed, no other administrative actions on your part are required beyond that of moving participants to a different team (should the need arise), keeping tabs on the outcomes of the decision rounds and how well the companies are doing (to whatever extent desired), setting the grading weights for various simulation-related assignments, and using the automatically calculated numerical averages to determine the overall grades to assign class members on the simulation exercise.

- ***An online Instructor Center serves as your hub for conducting all administrative activities and monitoring the results of the company decisions***. The Instructor Center is the page you are sent to when you enter your user name and password to log-in. ***Every function and feature that you need for using the simulation in your course is on the Instructor Center page or accessible from it. An online grade book provides you with a numerical score indicating each company's and each participant's performance on each phase of the simulation***. Once you enter percentage weights to put on each performance measure, overall scores are automatically calculated (which you can scale or not as you see fit).

- ***There are no cumbersome software downloads or necessary program installations for computer lab personnel.*** Both participants and instructors conduct all activities online (at www.bsg-online.com for *The Business Strategy Game* and at www.glo-bus.com for *GLO-BUS*). ***All materials are delivered digitally via the Internet to class members and instructors.***

  - ***Students gain full access to everything needed during the course of the simulation immediately upon registering***.

  - Likewise, instructors gain full access to all materials online through the website immediately upon creating an Instructor Account at the website home-page.

- ***Class members and instructors have anywhere, anytime access*** to the simulation website on any Windows-based PC or Apple Mac connected to the Internet, provided the PC has a Web browser (such as Internet Explorer or Chrome or Firefox or Safari). In the case of *The Business Strategy Game*, the simulation author team has just completed a major project to deliver the student and instructor report interface in HTML5 that enables automatic sizing of screens for all brands of desktops, laptops, tablets, and smartphones, speeds up page-to-page navigation and printing, and eliminates the previous need for a Flash Player plug-in. Making the BSG software work seamlessly on desktops, laptops, tablets, and smartphones without any need for supporting apps or software downloads (other than a web browser) is a major leap forward. This new HTML5 version went live in August 2014 and is currently up and running for all new BSG simulations. In the case of GLO-BUS users an Adobe Flash Player plug-in (version 10.3 or later) is required. Users of PCs without the needed version of Flash already installed will be automatically directed to the Flash site where the latest version can be downloaded and installed free of charge in a couple of minutes. An HTML5 version of GLO-BUS will be introduced in January 2016. ***As long as site users have a live internet connection, they will have 24/7/365 access to the BSG and GLO-BUS web sites.***

- ***Co-managers of a company (team members) who are logged-on simultaneously can use the built-in Collaboration Mode and Audio Mode capabilities, as well as on-screen messaging, to collaborate when working online at the same time from different locations.***

  - When in "Collaboration Mode," each team member sees the same screen at the same time as all other team members who are logged-in and have joined Collaboration Mode. If one team member chooses to view a particular decision screen, that same screen appears on the monitors for all team members engaged in collaboration.

  - Each team member controls their own color-coded mouse pointer (with their first-name appearing in a color-coded box linked to their mouse pointer) and can make a decision entry or move the mouse to point to particular on-screen items.

  - A decision entry change made by one team member is seen by all, in real time, and all team members can immediately view the on-screen calculations that result from the new decision entry.

Crafting and Executing Strategy Concepts and Readings The Quest for Competitive Advantage 20th edition Thompson Solutio

- If one team member wishes to view a report page and clicks on the menu link to the desired report, that same report page will immediately appear for the other team members engaged in collaboration.
- Use of Audio Mode capability requires that each team member to work from a computer with a built-in microphone (if they want to be heard by their team members) and speakers (so that they may hear their teammates) or else have a headset with a microphone that they can plug into their desktop or laptop. A headset is recommended for best results, but most laptops now are equipped with a built-in microphone and speakers that will support use of our new voice chat feature.
- ***Instructors have built-in capability to join the online meetings of any company directly through the instructor account.*** Instructors who wish not only to talk but also enter Collaboration (highly recommended because all attendees are then viewing the same screen) have a red-colored mouse pointer linked to a red box labeled Instructor. The ability of instructors and company co-managers to have an online meeting at a mutually agreeable time is often more convenient than scheduling face-to-face meetings during an instructor's office hours.

- ***The built-in Collaboration and Audio Mode features make both simulations highly suitable for use in distance-learning or online courses*** (and are currently being used in many such courses).
- ***Everything that class members will need during the course of the simulation, including the Participant's Guide, is delivered at the Web site***—students can read the Participant's Guide and other accompanying content on their monitors or make print outs, as they prefer.
- ***The deadlines for each decision round and other related assignments are set and totally controlled by the instructor (and can be changed at any time for any reason).*** Decision rounds can be scheduled once per week, twice per week, daily, or even twice daily, depending on how you want to conduct the exercise.
- ***Sample course outlines for integrating BSG or GLO-BUS into your strategy course can be found in Section 4 of this Instructor's Manual and also online at the simulation Web sites.*** There are sample outlines for semester-long courses, 10-week or quarter-long courses and 5-week courses; each course outline consists of suggested activities and assignments for each and every class meeting.
- ***The management teams for each company can range from 1 to 5 co-managers, and the number of companies competing head-to-head in a single market group or "industry" can range from 4 to 12***. If you have a large class and need more than 12 companies, the Course Setup procedure makes it simple to create two or more industries for your class. In a small class, there can be no fewer than 4 company teams—two-person teams will work just fine. (For classes with fewer than 8 students, please call us at 205-722-9149 or e-mail us at athompso@cba.ua.edu to discuss how best to proceed.)
- ***The entries that co-managers make each decision round are saved directly to the BSG or GLO-BUS server; once the deadline passes, the decisions of all companies are then "processed" automatically. Complete results are available 15-20 minutes after the decision deadline.***
- ***Participants and instructors are notified via e-mail when the decision outcomes are ready.*** Company co-managers learn the details of "what happened" in a 7-page Industry Report, a 1-page Competitive Intelligence report for each geographic region *that includes strategic group maps and bulleted lists of competitive strengths and weaknesses*, and a 5-page set of Company Reports (income statement, balance sheet, cash flow statement, and assorted sales, cost, and operating statistics).
- ***A "scoreboard of company performance" incorporates two performance measures***: (1) how well each company meets "investor expectations" on earnings per share, return on shareholders' equity (ROE), stock price appreciation, credit rating, and image rating and (2) how well each company stacks up against the "best-in-industry performer" on each of these same 5 measures.
- You have ***the option to assign two "open-book" multiple choice tests of 20 questions***. Quiz 1 covers the contents of the *Participant's Guide*. Quiz 2 checks understanding of key aspects of company operations and

Crafting and Executing Strategy Concepts and Readings The Quest for Competitive Advantage 20th edition Thompson Solutio

knowledge of the options for improving company performance. The self-scoring quizzes are taken online, with scores reported instantaneously to participants and recorded in your online grade book.

- There is ***a built-in 3-year strategic plan feature*** that entails having each company's management team (1) articulate a strategic vision for their company (in a few sentences), (2) set performance targets for EPS, ROE, stock price appreciation, credit rating, and image rating for each of the next three years, (3) state the competitive strategy the company will pursue, (4) cite data showing that the chosen strategy either is currently on track or requires further managerial actions, and (5) develop a projected income statement for the each of the next three years based upon expected unit sales, revenues, costs, and profits. ***Each company's strategic plan is automatically graded on a scale of 1 to 100***, with points being earned for meeting or beating the performance targets that were established. The scores are recorded in your online grade book.

- ***At the conclusion of the simulation, you have the option to have each company management team prepare a slide presentation reviewing their company's performance and strategy***. A Company Presentation link in each co-manager's Corporate Lobby provides explicit slide-by slide suggestions of what to cover in the presentation. The software allows co-managers to copy bar charts showing their company's revenues, earnings per share, ROE, stock price, credit rating and image rating during the course of the simulation directly onto slides in less than five minutes.

- There is ***a comprehensive 12-question peer evaluation form*** that co-managers can complete to help you gauge the caliber of effort each co-manager has put into the exercise. ***Peer evaluations are automatically scored on a scale of 1 to 100***, and the scores are recorded in your online grade book.

- *There is* ***an Activity Log that provides an informative summary of each co-manager's use of various parts of the website***—the frequency and length of log-ons, how many times decision entries were saved to the server each decision round, and how many times each set of reports was viewed each decision round. The combined information from the peer evaluations and the Activity Log provide good evidence about whether a co-manager was a strong or weak contributor.

- ***A Learning Assurance Report provides you with solid empirical data concerning how well your students performed versus other students playing the simulation worldwide over the past 12 months.*** The report measures 9 areas of student proficiency, business know-how, and decision-making skill, and provides potent benchmark evidence valid for gauging the extent to which your school's academic curriculum is delivering the desired degree of student learning as concerns accreditation standards. The LAR is useful in two very important respects. One, it provides you with a clear overview of how well your students rank relative to students at other schools worldwide who have gone through this competition-based simulation exercise over the past 12 months. Two, because the report provides highly credible evidence regarding the caliber of business proficiency and decision-making prowess of your students, it can be used to help assess whether your school's academic curriculum in business is providing students with the desired degree of business understanding and decision-making acumen. Professors, department chairs, and deans at many business schools worldwide are engaged in developing ongoing evidence of whether their academic programs meet the Assurance of Learning Standards now being applied by the Association to Advance Collegiate Schools of Business (AACSB); a prime goal of this Learning Assurance Report is to contribute significantly to this effort.

  A second Learning Assurance Report was introduced for *The Business Strategy Game* in January 2015. This Learning Assurance Report is based on each student's responses to 40 multiple-choice questions covering many strategy-related aspects of the simulation; class members should be able to answer these questions based on their experiences, understanding, and familiarity with operating their BSG company and with using the information in the reports they receive about the results of each decision round. This second LAR shows not only each class member's score on the 40-question test (out of a possible 100 points) but also their percentile ranking vis-à-vis all other students worldwide who took this test in the past 12 months. We expect to introduce a similar exam for GLO-BUS in January 2016. The primary purpose of this second LAR is to provide further evidence of compliance with AACSB standards, but it also can be used to measure what ***individual students*** have learned from the simulation and count as part of their overall grade on the simulation exercise—the other LAR is based on a combination of team performance and individual performance. This same type of Learning Assurance Report will be available for the GLO-BUS simulation in January 2016.

Crafting and Executing Strategy Concepts and Readings The Quest for Competitive Advantage 20th edition Thompson Solutio

- There is ***a weekly ranking of the best-performing companies worldwide*** posted on the homepage—all co-managers and instructors whose companies appear in the rankings are automatically notified by e-mail. You can browse through the latest rankings by clicking on the icon in the center of the homepage.

- ***The co-managers of the overall best-performing company in your class are automatically e-mailed an "Industry Champion" certificate suitable for framing*** when the simulation ends. This certificate serves to document an award or achievement that each co-manager of a champion company can put on their résumé.

- ***The co-managers of each industry-winning company playing the two simulations across the world are invited to participate in the "Best Strategy Invitational."*** The BSIs for *GLO-BUS* and *The Business Strategy Game* are held three times each year—in late April/early May, in August, and in late November/early December. Those teams that accept the invitation are divided into industries of 11-12 companies and compete for a period of 10 decision rounds for "Global Industry Championships." All participants who complete the competition receive frame-able certificates and the industry winners get a "Grand Champion" certificate. Receipt of these certificates also merits a line on a student's résumé.

Comprehensive support, question-answering, and problem-solving is provided to all adopters of the two simulations by co-authors Greg Stappenbeck and Art Thompson— just use the tech support link in the Instructor Center to send an e-mail, call us at 205-722-9149, or send an e-mail to athompso@cba.ua.edu to learn more about either simulation. We will be glad to provide you with a personal tour of either or both of the Web sites (while you are on your PC) and walk you through the many features that are built into the simulations. If there are multiple instructors at your school who teach the course, we will be happy to set up a Web teleconference for you and your colleagues, give you a guided tour of the Web site, and answer whatever questions you may have. Throughout the year, the simulation authors also conduct over 30 webinars for *BSG* and *GLO-BUS* whereby we demo both the student and instructor portions of the website and respond to questions from the attendees—you can view the dates for updates for these webinars and sign up for a webinar by clicking on the link "Signup for Webinar/Demo that appears in the box entitled New Instructors on the simulation homepages—www.bsg-online.com and www.glo-bus.com.

If you have any interest in using one of the strategy simulations, please go to www.bsg-online.com and/or www.glo-bus.com, register as an Instructor, and gain full access to the Web sites and all of the materials you will need to conduct the simulation. Once you register (there's no obligation), you'll be able to access the videos for both the student and instructor portions of the website, the *Instructor's Guide* and the *Participant's Guide* for the simulations, explore the Instructor Center menus on your own, and complete the Course Setup procedure (which is necessary in order to get everything ready for students to register, should you decide to use the simulation in an upcoming course).

The simulation authors are more than happy to give personal assistance to new and ongoing users any time questions or problems arise.

For those who are worried about "bugs" or flaws, rest assured that both simulations are well past the stage where software "glitches" and system malfunctions are still being ironed out. The Web site and related software have long since been thoroughly "de-bugged." There is a staff that monitors and maintains the functioning of the two Web sites 24/7/365—if a user can get connection to the Internet, then the chances of the system being "down" are virtually nil.

Adopters of the 20th edition of Crafting and Executing Strategy: The Quest for Competitive Advantage who also want to incorporate use of one of the two simulation supplements can either have students register at the simulation website via a credit card or you can instruct your bookstores to order the "book-simulation package"—the publisher has a special ISBN number for new copies of the 20th Edition that contain a special card shrink-wrapped with each copy; printed on the enclosed card is a pre-paid access code that student can use to register for either simulation and gain full access to the student portion of the Web site. Please consult with your McGraw-Hill sales representative for details about the bundled book-simulation package. However, be aware that ***bookstore markups on the book-simulation package often result in a $10-$15 higher student cost for the simulation than will registering via credit card at the website***.

Crafting and Executing Strategy Concepts and Readings The Quest for Competitive Advantage 20th edition Thompson Solutio

Which Simulation Makes the Most Sense for Your Course?

Both *The Business Strategy Game* and *GLO-BUS* are suitable for either senior-level or MBA-level courses. Whether to use *The Business Strategy Game* or go with *GLO-BUS* is really a matter of preference, how much time you are comfortable with having class members spend working on the simulation exercise, and the degree to which the faculty believe that there should be a clear distinction between the content and rigor of a senior-level course in strategy and the MBA-level course in strategy.

The time that class members will spend on *GLO-BUS* typically works out to be a bit less than for *The Business Strategy Game*. With *GLO-BUS*, you can expect that class members will spend an average of 1½-2 hours per decision. With BSG, it will take company co-managers about 2¼-2½ hours per decision. Company co-managers can speed through their *GLO-BUS* decision-making a bit quicker than in *BSG* because all production of digital cameras takes place in a single plant and there are no finished goods inventories (newly-assembled cameras are built-to-order and shipped directly to retailers).

The Business Strategy Game is a bit more robust because company co-managers have the option to build and operate up to four plants (one in each geographic region of the world), they must operate four distribution centers (1 in each geographic region) and manage the finished goods inventories in these centers, companies compete in 12 market segments (versus 8 in *GLO-BUS*), and sales forecasting is a bit more elaborate. Both simulations have 2 built-in quizzes, strategic plan assignments, company presentation capabilities, and peer evaluations (each of which can be required or skipped as you see fit). See Table 1 for comparisons of the two simulations.

TABLE 1 A Comparison of *Glo-Bus* versus *The Business Strategy Game*

	GLO-BUS	*The Business Strategy Game*
Industry setting	Digital camera industry	Athletic footwear industry
Market scope	**Worldwide.** Production occurs at a single plant and sales are made to retailers in 4 major geographic regions • North America • Latin America • Europe-Africa • Asia Pacific	**Worldwide.** Both production and sales activities can be pursued in any or all of 4 major geographic segments • North America • Latin America • Europe-Africa • Asia Pacific
Number of market segments	8 • 4 segments for entry-level camera sales to retailers in each geographic region • 4 geographic segments for multi-featured camera sales to retailers in each geographic region	12 • 4 segments for branded footwear sales to retailers in each geographic region • 4 segments for online sales of footwear direct to consumers in each geographic region • 4 segments for private-label footwear sales to chain retailers in each region
Number of decision variables	• Character and performance of the camera line (up to 10 decision entries each for entry-level and multi-featured cameras) • Production operations and worker compensation (up to 15 decision entries) • Pricing and marketing (up to 15 decision entries in 4 areas) • Financing of company operations (up to 4 decision entries) • Social responsibility and citizenship (as many as 6 decision entries)	• Production (up to 13 decision entries each plant, with a maximum of 4 plants) • HR/compensation (up to 3 decisions each plant) • Shipping (up to 8 decisions each plant) • Pricing and marketing (up to10 decision entries in 4 regions) • Internet marketing (up to 3 decision entries in 4 regions) • Financing of company operations (up to 8 decision entries) • Social responsibility and citizenship (as many as 6 decision entries)

Crafting and Executing Strategy Concepts and Readings The Quest for Competitive Advantage 20th edition Thompson Solutio

Competitive variables used to determine market share	• Price • Performance/quality rating • Number of quarterly sales promotions • Length of promotions in weeks • Promotional discounts • Advertising • Number of camera models • Size of dealer network • Warranty period • Technical support • All sales and market share differences are the direct result of differing competitive efforts among rival companies	• Price • Number of models/styles • Styling/quality rating • Advertising • Size of retailer network • Celebrity endorsements • Delivery time • Retailer support • Mail-in rebates • Shipping charges (Internet sales only) All sales and market share differences are the direct result of differing competitive efforts among rival companies
Time frame of decisions	One year, with an instructor-triggered option to update as many as 8 of the 50 decisions quarterly	One year
Measures on which company performance is judged (all company scores are automatically recorded in instructor's online grade book for each decision period)	• Earnings per share • Return on shareholders' equity • Stock price • Credit rating • Image rating	• Earnings per share • Return on shareholders' equity • Stock price • Credit rating • Image rating
Scoring standards	Choice of • Investor Expectations (benchmarked against industry growth) • Best-in-Industry • A combination of both, with instructors determining the weights for each (50-50 is recommended)	Choice of • Investor Expectations (benchmarked against industry growth) • Best-in-Industry • A combination of both, with instructors determining the weights for each (50-50 is recommended)
Degree of complexity	Moderate Less complex than BSG because all production is in a single plant and there are no finished goods inventories (newly-assembled cameras are built-to-order and shipped directly to retailers)	More robust/"complex" than GLO-BUS because • Companies can operate up to four plants (one in each geographic area) and plant operations are a bit more involved • Shipments are made to company distribution centers and there are finished goods inventories to manage • There are 12 market segments instead of 8 • Players have to develop make a sales forecast based on their competitive strategy and the expected competitive efforts of rivals
Time required to make a complete decision	About 1.75 to 2.0 hours per decision (once players gain familiarity with software and reports)	2.0 to 2.5 hours per decision (once players gain familiarity with software and reports)

Crafting and Executing Strategy Concepts and Readings The Quest for Competitive Advantage 20th edition Thompson Solutio

Industry reports (automatically provided to all participants at website within 15 minutes following each decision deadline)	A 6-page report that includes • Complete scoreboard of company performances on all five performance measures (3 pages) • Selected industry statistics • Financial statistics for each company • Benchmarking statistics A 1-page competitive intelligence report for each geographic region that shows • Each company's publicly visible competitive effort (prices, advertising, warranties, etc.) • Strategic group maps of competitors in the entry-level and multi-featured camera segments • A list of the company's competitive strengths and weaknesses in that region	A 7-page report that includes • Complete scoreboard of company performances on all five performance measures (3 pages) • Selected industry statistics • Financial statistics for each company • Benchmarking statistics • Status of celebrity endorsements A 1-page competitive intelligence report for each geographic region that shows • Each company's publicly visible competitive effort (prices, models, advertising, rebates, etc.) • Strategic group maps of competitors in the branded footwear segment • A list of the company's competitive strengths and weaknesses in that region
Company reports (automatically provided to all participants at website within 15 minutes following each decision deadline)	A 6-page report that includes • An income statement • A balance sheet • A cash flow statement • Production operations • Sales and costs in each geographic area	A 5-page report that includes • An income statement • A balance sheet • A cash flow statement • Plant operations statistics • Distribution and warehousing statistics • Branded and private-label sales statistics • Detailed marketing and administrative costs
Participant's manual (delivered online)	25 pages	33 pages

Usage data confirms that you can have a successful experience with either simulation in both senior and MBA courses. We have adopters who are using *GLO-BUS* on an ongoing basis for undergraduate courses and for graduate courses. Likewise, we have adopters who are using *BSG* on an ongoing basis for undergraduate courses and for graduate courses. Here are our thoughts about which simulation to use:

- If you want the simulation to count only about 20% of the course grade and keep the simulation workload down to a "minimum," then *GLO-BUS* is perhaps the better choice.
- *GLO-BUS* is definitely the better choice for courses ***below*** the senior-level.
- If you want the simulation to be a truly major part of the course (and count 25-30% of the course grade), then our recommendation would be to use *The Business Strategy Game*.
- We see little reason for you to be concerned that the slightly longer decision times for *BSG* mean that it is "too much" for or "above the heads" of senior-level undergraduates. During the past 5 years, *BSG* has been used for undergraduate courses at well over 1000 campuses worldwide. You can peruse the schools of the best-performing companies worldwide by clicking on the Top 25 icons in the middle section of the homepages for the two simulations (www.bsg-online.com and www.glo-bus.com)—these listings will let you confirm for yourself that the best-performing companies involve a wide diversity of schools/campuses.
- *The Business Strategy Game* is definitely the better choice for an MBA-level class. (Our data indicates that *BSG* is used for graduate-level courses far more frequently than is *GLO-BUS*.)

Crafting and Executing Strategy Concepts and Readings The Quest for Competitive Advantage 20th edition Thompson Solutio

- If many of your school's undergraduate students also go on to be part of your school's MBA program (thus making it desirable to provide them with a differentiated strategy simulation experience in the undergraduate versus the graduate courses), then we definitely recommend using *GLO-BUS* for the undergraduate strategy class and *BSG* for the MBA strategy class. This is especially true if it is school policy is to maintain a clear-cut distinction between the content and rigor of the senior-level course and the MBA-level course.

- Since the instructor-related aspects of conducting the two simulations are virtually identical (in the sense that the course setup procedures, menus, and administrative tasks are virtually mirror images of one another), you will have no problem in using both simulations at the same time if you teach both the undergraduate course and MBA course in the same term. We made a point of designing the Instructor Centers for *BSG* and *GLO-BUS* to be as much alike as possible—moreover, the quiz features, the scoring of company performance, the strategic plan feature and scoring, the company presentation feature, and the peer evaluation form are also very close to identical.

- Either simulation can be used for executive courses; participants will definitely be able to make a complete decision in half a day—one in the morning and one in the afternoon. But if the time available for decisions is constrained to less than half a day (say, 2½ hours or maybe less), then we recommend use of *GLO-BUS.*

The 4-Step Course Setup Procedure

Setting up either of the two simulations for your course entails:

1. Specifying a Course/Section ID and indicating the whether the participants will be primarily undergraduates, graduate students, corporate trainees, or "other."

2. Specifying the number of companies you want to create for your class members to run—a minimum of 4 companies and a maximum of 12 companies can compete head-to-head in a single group or "industry." You can assign 1 to 5 class members to run each company (assigning 3-4 persons to manage each company is recommended). If you need more than one industry for your course (because you want to divide the class into more than 12 company teams), you have the option to do so.

3. Using the built-in calendar to specify deadlines for the practice and regular (scored) decision rounds—you can have either 1 or 2 practice rounds and anywhere from 4 to 10 decision rounds that are scored and used in calculating individual grades for the simulation exercise. You will also need to indicate whether you want to have students (a) complete either or both of the two optional quizzes, (b) do one of two 3-year strategic plans for their company, (c) prepare a PowerPoint presentation about their company's performance and operations at the conclusion of the simulation exercise, and (d) complete Peer Evaluations of their co-managers. ***You always have the option to come back to this screen for scheduling decision rounds and other assignments later and make changes in the assignments and/or the deadline dates.*** Our recommendations for handling these optional assignments are presented inside the Course Setup procedure and are discussed in more detail in the *Quick Guide for Getting Started* and in the IMs for the simulations.

4. Generating and printing the company registration codes that you will need to give each class member to use in registering for the simulation. ***You must give each class member on each team/company the appropriate company registration code prior to having them register because this code is used to (1) enroll the student in your class, (2) designate the student as a co-manager of the assigned company, (3) restrict a co-manager's access to only the industry and company you assigned them, and (4) enter the student's name in your online grade book.*** When students register, they will be asked to enter the company registration code you provide them—***class members cannot register without the registration code for their particular industry and company***.

That's all there is to it. You'll find that you can complete the Course Setup routine in no more than 30 minutes the first time you use the simulation. Once you have used been through the Course Setup routine and become comfortable with how you want to administer the exercise, it should take no more than 15 minutes in succeeding terms to have everything ready to go.

Crafting and Executing Strategy Concepts and Readings The Quest for Competitive Advantage 20th edition Thompson Solutio

You'll need to remember to take a printout of the company registration codes to class and make sure each student is given the appropriate code for their assigned company. A good procedure is to give each class member a copy of the printout of the company registration codes and have them circle the code for the company they have been assigned to manage. Each different company goes by a letter of the alphabet (A, B, C, etc.). Each co-manager of Company A will need the registration code ending in the letter A to complete the registration process; each co-manager of Company B will need the code ending in B, and so on. If you have 6 companies, then the corresponding company letters appearing at the each of each code number will be A, B, C, D, E, and F. ***Once co-managers register, they can create a name for their company that begins with their corresponding company letter.***

How Do Class Members Register and Gain Full Access to the Simulation Web Site?

When class members complete the registration process at either www.bsg-online.com or www.glo-bus.com, they gain instant access to the Web site, ability to view/print the *Participant's Guide*, and full navigation privileges to everything needed to run their company and complete the various optional assignments. For co-managers to register, you will first have to provide them with their Company Registration Code in the manner just discussed in the prior section. Registration is accomplished in one of three ways:

1. ***Credit Card Registration***—When a student creates a user account, the registration fee plus applicable sales taxes can be paid online by credit card (Visa, MasterCard, or American Express) during the registration process. (Credit card payment is currently used by about 75% of all registrants.) ***Rest assured that the Web site for credit card payment is fully secured; credit card registrants will receive a receipt confirming their payment.***

2. ***Prepaid Access***—If you adopt a McGraw-Hill text or create a custom McGraw-Hill text for your course, you have the option of "packaging" prepaid use of *The Business Strategy Game* or *GLO-BUS* with your text. A bundled text-simulation package is ordered through your local book store using a special ISBN code provided by McGraw-Hill. When your book store places an order for the text-simulation bundle, McGraw-Hill will shrink-wrap a Prepaid Access Code card for the simulation with the new or custom text and ship it to your book store where class members purchase the text-simulation package in the normal manner. Class members then register online using the Prepaid Access Code printed on the card. About 20 percent of all registrants use a prepaid access code. To obtain the special ISBN for the text-simulation package and place a bookstore order, please contact your local McGraw-Hill account representative for details or e-mail Anke Weekes, McGraw-Hill Executive Marketing Manager (Anke_Weekes@McGraw-Hill.com). However, you should be aware that aggressive bookstore markups often result in class members paying the book store as much as $10-$15 more for the simulation in a combination text-simulation package than they would pay via credit card at the Web site.

3. ***Direct-Billing***—If your college/university includes the cost of text books and other course materials in the tuition fee for the course (and a McGraw-Hill text-simulation package has not been ordered for your course), then you or an appropriate school official can obtain Prepaid Access Codes for student registration (one for each class member) directly from McGraw-Hill for which McGraw-Hill can direct-bill your department/college/university. For your convenience, we can supply you or your school with the desired number of Prepaid Access Codes within minutes of receiving a request (before McGraw-Hill even sends an invoice). For more information on this option, please e-mail CustomerService@bsg-online.com or call Greg Stappenbeck at (205) 722-9149.

If some of your students do not have a credit card or a Prepaid Access Code, the easiest way for them to register is to arrange to use a friend's or co-manager's credit card and reimburse them directly with cash or a check.

Crafting and Executing Strategy Concepts and Readings The Quest for Competitive Advantage 20th edition Thompson Solutio

The Corporate Lobby Web Page for Company Co-Managers. Upon completing the registration process, company co-managers are immediately transferred to their company's "Corporate Lobby" page. Each time they log-on at the simulation home page (by entering their user name and password), they are also sent directly to their Corporate Lobby page. The Corporate Lobby is the gateway or hub that co-managers use to ***access all needed information and work on all assigned tasks.***

Company co-managers have 24/7/365 access to their Corporate Lobby page from any Windows-based or Apple Mac PC connected to the Internet, so long as the PC is equipped with Internet Explorer or Firefox or Safari and Flash 10.0 (or later)—users of PCs without the needed version of Flash already installed will be automatically directed to the Flash site where the latest version can be downloaded and installed free of charge in a few minutes. ***As long as class members have a live internet connection, they will have 24/7/365 access to the BSG and GLO-BUS web sites.*** The speed for participants using dial-up modems is quite satisfactory.

Each company's Corporate Lobby prominently displays the last date and time of every co-manager's log-in. If ***some or all co-managers are logged in simultaneously from different locations*** (or from adjacent PCs in a PC lab), ***co-managers at different locations can use the built-in chat box that is on every screen or telephone to stay in close communication*** and collaborate on their decision entries. If any one co-manager opts to save decision entries to the server, then all other co-managers that are also logged on, then the other co-managers that are logged on are instantly notified and given the option to override their own entries by importing the newly-saved entries onto their PC screens—this, along with the chat boxes that appear on every screen, greatly facilitates use of either simulation for distance-learning or online courses where company co-managers may not find it easy to meet face-to-face.

How Much Should The Simulation Exercise Count in the Total Course Grade?

Whether class members take the simulation exercise seriously hinges in large part on whether you make their performance count enough in the overall course grade to get their attention. As a general rule, we recommend having performance on the simulation count *at least* 20% of the overall course grade and probably no more than 40% of the total grade. If it counts less than 20%, then class member effort is weakened to an undesirable extent and some of the learning potential slips through the cracks. If it counts more than 40%, then the simulation exercise may take something away from the emphasis you want to give to other aspects of the course.

However, growing numbers of users are making an online strategy simulation the *dominant centerpiece* of their courses (particularly in online and distance learning courses where case analysis is difficult to use effectively). When the simulation functions as the primary part of the course (aside from the content of the chapters in the textbook you have adopted), then counting the simulation as 50-60% (or more) of the final grade is reasonable, given that you can use the quizzes, one or two 3-year strategic plan assignments, the post-simulation exam of 40 multiple-choice questions, and perhaps an end-of-simulation presentation to an invited panel of 3 or 4 persons (who act as a company board of directors) as a substitute for assigning students a larger number of cases to analyze.

Crafting and Executing Strategy Concepts and Readings The Quest for Competitive Advantage 20th edition Thompson Solutio

How Company Performances are Scored—A Balanced Scorecard Approach

Each company's performance is tracked annually against 5 performance measures which, taken together, constitute a "balanced scorecard" set of performance measures (the balanced scorecard concept is discussed in Chapter 2 of this text). Given the nature of growing market demand, board members and shareholders/investors expect the company's new management team to meet or beat the following performance standards:

- *Grow earnings per share at least X% annually.* (The target rate of growth in EPS is different for *BSG* versus *GLO-BUS.*)
- *Maintain a return on equity investment (ROE) of 15% or more annually*. All companies start the simulation with an ROE above 15%.
- *Maintain a B+ or higher credit rating*. All companies start the simulation with a B+ credit rating.
- *Achieve an "image rating" of 70 or higher*. All companies start the simulation with an image rating of 70. A company's image rating is a function of (1) the quality of its product offerings, (2) its market shares in each of the 4 geographic regions of the world market, and (3) the degree to which it conducts its operations in a socially responsible manner and strives to be a good corporate citizen.
- *Achieve stock price gains averaging about X% annually*. The expected stock price gains are definitely within reach if the company meets or beats the annual EPS targets and pays a rising dividend to shareholders. ***Each company's stock price is a function of EPS growth, ROE, credit rating, dividend per share growth, and management's ability to consistently deliver good results (as measured by the percentage of these 5 performance targets that each company achieves over the course of the simulation exercise).***

The default weight placed on each of the five performance targets is 20%. The five 20% weights translate into 20 points out of 100 for each of the 5 performance measures, with the sum of the points adding to a total of 100 points. There is an option on your Administrative Menu for each "industry" that allows you to alter these weights however you see fit. **The scoring weights are reported to students on their scoreboard of company performance; hence, they always know what the weights are.**

Using the assigned weights (or corresponding number of points out of 100), each company's performance on the 5 measures is tracked annually and company performance scores are calculated from two different angles: the *"investor expectations" standard* and the *"best-in-industry" standard*.

1. **The Investor Expectations Standard.** The investor expectations standard involves calculating an *annual* "Investor Expectation Score" based on each company's success in meeting or beating the five expected performance targets each year. There is also a Game-to-Date or "all-years" Investor Expectation Score that shows each company's success in achieving or exceeding the expected performance targets over *all years* of the exercise completed so far. Meeting each expected performance target is worth some number of points based on the scoring weight selected by the instructor (the default scoring weights are 20% or 20 points for each of the five performance measures). For example, if the scoring weight for EPS is 20% or 20 points, meeting the EPS target earns a score of 20 on the EPS performance measure. Beating a target results in a bonus award of 0.5% for each 1% the annual target is exceeded (up to a maximum bonus of 20%). Thus, if achieving the EPS target is worth 20 points, a company can earn a score of 24 points by beating the annual EPS target by 40% or more. Failure to achieve a target results in a score equal to a percentage of that target's point total (based on its weight out of 100 points). For instance, if your company earns $1.33 per share of common stock at a time when the EPS target is $2.67 and achieving the $2.67 EPS target is worth 20 points, then your company's score on the EPS target would be 10 points (50% of the 20 points awarded for meeting the EPS target). Exactly meeting each of the 5 performance targets results in an Investor Expectation Score of 100. With potential point bonuses of up to 20% for exceeding each performance target, it is possible to earn an Investor Expectation Score of 120.

Crafting and Executing Strategy Concepts and Readings The Quest for Competitive Advantage 20th edition Thompson Solutio

2. **The Best-in-Industry Standard.** The best-in-industry scoring standard is based on how each company's performance compares to the industry's best performer on earnings per share, return on equity (ROE), stock price, and image rating and to the ultimate credit rating of A+. After each decision round, each company's performance on EPS, ROE, Stock Price, and Image Rating is arrayed from highest to lowest. The best-in-industry performer on each of these 4 measures earns a perfect score (the full number of points for that measure as determined by the instructor-chosen weights)—provided the industry leader's performance on that measure equals or exceeds the performance target established by company Boards of Directors). Each remaining company earns a fraction of the points earned by the best-in-industry performer that is equal to its performance (on EPS, ROE, stock price, and image rating) divided by the performance of the industry-leading company (on EPS, ROE, stock price, and image rating). For instance, if ROE is given a weight of 20 points, an industry-leading ROE performance of 25% gets a score of 20 points and a company with an ROE of 20% (which is 80% as good as the leader's 25%) gets a score of 16 points (80% of 20 points). Likewise, if EPS is given a weight of 20 points, an industry-leading EPS performance of $5.00 gets a score of 20 points and a company with an EPS of $2.00 (which is 40% as good as the leader's $5.00) gets a score of 8 points (40% of 20 points). The procedure for assigning best-in-industry scores for credit rating is a bit different. Each credit rating from A+ to C− carries a certain number of points that scales down from the maximum number of points for an A+ credit rating to 1 point for a C− rating. Each company's combined point total on the five performance measures is its score on the best-in-industry standard. Each company receives an annual best-in-industry score and a best-in-industry score for all years completed. In order to receive a score of 100, a company must (1) be the best-in-industry performer on EPS, ROE, stock price, and image rating, (2) achieve the targets for EPS, ROE, stock price and image rating set by the company's Board of Directors, and (3) have an A+ credit rating.

After each decision round, you will be able to review every company's performance scores on both the investor expectations standard and the best-in-industry standard for each year completed, along with an overall "game-to-date" (G-T-D) score for each standard. Each company will also receive annual and game-to-date Overall Scores that are determined by combining the Investor Expectation Score and the Best-in-Industry Score into a single score using whatever weighting you chose (50-50 is recommended). after each decision round, all company co-managers can view or print a complete Company Scoreboard showing each company's performance on every aspect of the scoring, including all the scoring weights. The Help sections for each page of the 3-page Company Scoreboard provide detailed, easy-to-understand explanations of the scoring so company co-managers should encounter no "mystery" factor about how the scoring works or where each company stands in the industry performance rankings.

Concluding Comment on How Company Performances are Scored

Company co-managers are provided an array of information that makes it easy for them to track the performance of their company and all other companies over time. Both students and instructors always have plenty of information to gauge exactly how well every company in the industry is performing. It is always clear which companies are in the ranks of the industry leaders and which companies are being out-competed and outperformed.

One very important point about the scoring methodology warrants emphasis: ***it is a company's overall score that matters*** (how close a company's score is to 100-120 in the case of the Investor Expectations Standard and how close it is to 100 in the case of the Best-in-Industry Standard), not whether a company is in first or third or fifth or tenth place. ***Some company must necessarily be in last place, but what is truly telling is whether it is in last place with a score of 85 (which clearly signals a strong performance and a deservedly good grade) or in last place with a score of 17 (which clearly signals an abysmal performance and possibly a very disappointing grade).*** The scoring method for the two simulations has the considerable advantage of ***not*** "requiring" that some companies always receive low scores. Scores are based entirely on (1) whether companies achieve the benchmark performances that investors expect for EPS, ROE, credit rating, stock price appreciation, and image and (2) whether the race to be the market leader is very close from the first place company to the last place company or whether there is quite a wide disparity in the caliber of performances (with the bottom-performing companies turning in truly bad results).

Crafting and Executing Strategy Concepts and Readings The Quest for Competitive Advantage 20th edition Thompson Solutio

As a general rule, we think that companies with an overall performance score of 90 or above should get an A. Companies with an overall performance score of 80-89 should get a B (or better if there are no companies with scores of 90 or more). Companies with an overall performance score of 70-79 above should typically get a C (or maybe better, depending on how many teams have higher scores). You may find it desirable to scale the scores if competition turns out to be so fierce or cutthroat that most all companies in the industry fail to earn good profits and meet investors' performance expectations. If one or more companies have truly low performance scores relative to the other companies, we leave it up to you to decide what sort of scale to apply and thus how much to raise their grade. You'll find that there's plenty of information provided to you in your online grade book to decide what grades to assign. In most of our classes, we end up scaling the performance scores of companies with scores below 70, but there is usually at least one company (and often more) that end up with a score above 90 and thus clearly merit a grade of A (thus there is little need for scaling the final company scores on the upper end of the spectrum).

What to Do If You Opt to Use Either of the Companion Simulations

The preceding discussion is intended to give you some detailed information about the two companion simulations, how they work, and what value they add to a first course in strategy for seniors and MBA students.

If you are persuaded that using either *BSG* or *GLO-BUS* in your course would make a positive contribution, then (if you have not already done so), you should go to www.bsg-online.com or www.glo-bus.com (or both) and create an instructor account. This account gives you full access to the all the materials and information needed to run the simulations in your class. Once you have created an account, we recommend that you do three things:

1. ***Click on the Quick Guide to Getting Started link that appears on the left side of your Instructor Center page/ screen and spend a few minutes exploring the Guide's 4 pages*** (and any of the built-in links to additional information and explanations that are of interest). The 4-page *Getting Started* guide, which is designed expressly for first-time users, cuts the "gear-up time dramatically and will have you ready to conduct the simulation for an upcoming class in about an hour if you are willing to following our recommendations about what size management teams to have, whether to require completion of Quiz 1 and Quiz 2, whether to assign a 3-year strategic plan and an end-of-simulation company presentation, and whether to have company co-managers do peer evaluations. Because the Quick Guide has built-in links to additional information and more extensive explanations of how things work, it also functions as an online Instructor's Guide. Or, if you prefer, you can just print the complete Instructor's Guide, spend time digesting the first 20 pages, and decide for yourself what size teams to use and what uses to make of the optional quizzes, strategic plan assignments, company presentation, and peer evaluations—the remainder of the full Instructor's Guide can be read/skimmed later at your convenience.

   We believe that the information in the *Getting Started G*uide and/or the full *Instructor's Guide* will prove to be valuable and useful in successfully conducting a strategy simulation in your course—they contain all the wisdom that we have accumulated over the thirty-five years we have used a competition-based strategy simulation in our senior and MBA courses here at The University of Alabama.

2. ***Click on the Participant's Guide link and print a copy***. The Participant's Guide is what class members will need to read and digest before starting to enter decisions and operating their simulation company. It sets forth all the market and company circumstances, explains how things work, and sets the stage for how company co-managers need to proceed. If you will take a few minutes to skim/read through this Guide, then you will have a very good grasp of what the simulation is all about and the value-added experience it delivers to your students.

Crafting and Executing Strategy Concepts and Readings The Quest for Competitive Advantage 20th edition Thompson Solutio

3. ***Sign up for one of our upcoming webinars for faculty*** that involve author-conducted tours of the web site, explanations of how things work, and Q&A. These tours, which involve about an hour, are conducted by one (sometimes two) of the simulation co-authors.

    - If you are located in the U.S. or Canada, you can view the schedule of future web conferences and sign up by going to the homepage for either simulation, clicking on the Instructor Tour link, and then clicking on the button on the right side of the screen labeled "Signup for Webinar/Demo." If attending one of these web conferences proves problematic or inconvenient for you, then by all means please call Art Thompson or Greg Stappenbeck at 205-722-9149 or e-mail us at athompso@cba.ua.edu and we will arrange a personal Webinar/Demo at a time that works best for you.

    - If you are located outside the U.S. or Canada, then we can schedule a special web conference using VOIP technology (which eliminates the need for expensive long distance telephone charges)—this technology is every bit as effective in providing you with a personalized tour of the web site, explaining how things work, and answering any questions or resolving any concerns you might have. Just send an e-mail to athompso@cba.ua.edu if you would like to set up a VOIP-enabled web conference.

Moreover, you can rest assured that the simulation co-authors will be only a phone call or e-mail away throughout the term, as you conduct the simulation. Do not hesitate to contact us at any time. Greg Stappenbeck, who is a co-creator of both simulations, is also the lead tech support person. The simplest way to reach us is to click on the Technical Support link in the Instructor Support box on the left side of the Instructor Center page. It provides a telephone number and an e-mail message system. We reply to all e-mails as quickly as we possibly can—usually within a few hours. Alternatively, call us at 205-722-9149 or send an e-mail to greg@bsg-online.com or athompso@cba.ua.edu.

We will be most happy to answer whatever questions you have, provide advice and guidance, and otherwise be responsive to whatever issues and concerns you may have.

Crafting and Executing Strategy Concepts and Readings The Quest for Competitive Advantage 20th edition Thompson Solutio

SECTION 3

Organizing Your Course, Deciding What the Workload Should Be, and Settling on Specific Assignments

Crafting and Executing Strategy Concepts and Readings The Quest for Competitive Advantage 20th edition Thompson Solutio

The Role and Objectives of Courses in Strategy

The cornerstones of courses in strategic management involve looking at the job of managing through strategic eyes and drilling students in the whys and hows of utilizing the tools and techniques of strategic analysis to craft, implement, and execute company strategies. The central theme of the strategic management course is that a company's chances for sustained success are greatly improved when managers (1) develop an astute, timely strategic "game plan" for running the company and then (2) implement and execute the strategic plan with great proficiency.

The content portion of the course should explain what it means to think strategically about a company's situation and it should instruct the student in the formal tools and techniques of strategic analysis, crafting a strategy, and then executing it successfully. The skills-building portion of the course, built around case analysis and strategy simulations like *GLO-BUS* and *The Business Strategy Game*, drills students in the applications of key concepts and analytical weaponry, helps develop their ability to do strategic thinking, forces them to exercise business judgment, and gives them a modest but valuable dose of experience in making strategy-related decisions.

The ground that has to be covered content-wise is expansive and moderately rigorous in terms of core concepts and analytical tools, yet the subject matter is full of energy and practical relevance. During the term, instructors are obliged to drive home what the roles and tasks of the strategist are, to introduce students to what strategy means, to lead them through the ins and outs of crafting and executing a strategic plan, and to get them into the habit of automatically reviewing a firm's situation and re-appraising the need for strategy revision.

The overriding pedagogical objectives are to sharpen students' abilities to "think strategically," to evaluate a company's situation from the perspective of its competitiveness and performance prospects, and to draw sound conclusions about what actions a company's management needs to take in light of all the relevant circumstances. Accomplishing these objectives entails introducing students to how an enterprise must in fact deal with all of the complexities and constraints of the business environment in which it operates, why none of these can be assumed away or ignored, and how situational factors impact strategic decisions. It means pushing students to grapple with many determining factors at once and forcing them to weigh how they shape what actions need to be taken from the perspective of the total enterprise. It means drilling students thoroughly in the tools of strategy analysis and exercising them in the managerial tasks of sizing up a company's competitive position in the marketplace. It means systematically exposing them to the rigors of industry and competitive analysis, to the process of evaluating a company's resources and competitive capabilities, to the ins and outs of crafting an attractive strategic plan, and to the varied managerial and leadership tasks associated with implementing and executing the chosen strategy as well as circumstances permit. It means deliberately putting them in managerial shoes and forcing them to make decisions (in an ethical and socially responsible manner!) and concoct concrete action plans capable of producing good results. The excitement and fun of it all comes from seeing the lights turn on in students' eyes and the "a-ha, now I get it" results that signal the lessons of the course are being driven home.

In the midst of all this, another major purpose of the course is being served: helping students synthesize and integrate much of the knowledge gained in the core business curriculum. Unlike most other required business courses, strategic management is a big picture course. Virtually all other business courses are narrower in scope and somewhat specialized—principles of accounting, corporate finance, principles of marketing, and so on. Some concern the "hard side" and others the "soft side" of managing. Some relate to important concepts and information, while others involve skills-building. But none can match courses in strategy in covering so much of the spectrum of managing. Weighing the ins and outs of crafting, implementing, and executing company strategies forces a total enterprise perspective, demands that many internal and external situational considerations be dealt with at once, and calls for judgments about how all the relevant factors add up. This trait is what makes strategic management an integrative, capstone course.

Crafting and Executing Strategy Concepts and Readings The Quest for Competitive Advantage 20th edition Thompson Solutio

Suggested Course Objectives

We see courses in crafting and executing strategy as having eight very relevant objectives:

1. To develop students' capacity to think strategically about a company, its present business position, its long-term direction, its resources and competitive capabilities, the caliber of its present strategy, and its opportunities for gaining sustainable competitive advantage.
2. To build students' skills in conducting strategic analysis in a variety of industries and competitive situations and, especially, to provide them with a stronger understanding of the competitive challenges of a global market environment.
3. To give students hands-on experience in crafting business strategy, reasoning carefully about strategic options, using what-if analysis to evaluate action alternatives, and making sound strategic decisions.
4. To acquaint students with the managerial tasks associated with implementing and executing company strategies, drill them in the range of actions managers can take to promote competent strategy execution, and give them some confidence in being able to function effectively as part of a company's strategy-implementing team.
5. To integrate the knowledge gained in earlier core courses in the business school curriculum, show students how the various pieces of the business puzzle fit together, and demonstrate why the different parts of a business need to be managed in strategic harmony for a company to operate in winning fashion.
6. To develop students' powers of managerial judgment, build their skills in assessing business risk, and improve their ability to create results-oriented action plans.
7. To have students become more proficient in using personal computers to do managerial analysis and managerial work.
8. To make students more conscious about the importance of exemplary ethical principles, sound personal and company values, and socially responsible management practices.

Structuring Your Course

Just as there are "many ways to skin a cat," there are many ways to structure a good course in strategic management. Aside from just the core text and cases which you plan to use, you will have to decide:

1. Whether to include *GLO-BUS* or *The Business Strategy Game* as an integral part of your course. Using one of the two companion simulations is a powerful and constructive way of emotionally connecting students to the subject matter of the course. There is no more effective and interesting way to stimulate the competitive energy of students and prepare them for the rigors of real-world business decision-making than to have them match strategic wits with classmates in running a company in head-to-head competition for global market leadership. The simplest (and usually the cheapest) way for students to obtain the simulation is via a secured credit card transaction at www.bsg-online.com (if you opt to use *The Business Strategy Game*) or at www.glo-bus.com (if you opt to use *GLO-BUS*).
2. Whether to use outside readings and, if so, what readings to assign.
3. What balance to strike between lectures on concepts/techniques, class discussion of cases, and a "learn by doing" strategy simulation. Our suggestions for weighting various possible assignments are offered several pages below.
4. What use you wish to make of written case assignments.
5. Whether to require class members to do an oral team presentation of an assigned case.

Crafting and Executing Strategy Concepts and Readings The Quest for Competitive Advantage 20th edition Thompson Solutio

6. What use to make of the chapter-end Assurance of Learning Exercises and Exercises for Simulation Participants.

7. Whether to use the Connect—it contains automatically graded and recorded chapter-end quizzes, Assurance of Learning exercises, and exercises for selected cases.

8. Whether to encourage/require students to complete the chapter self-tests at the Web site for the text (www.mhhe.com/thompson).

9. What sort of examinations to use.

If you are a veteran in teaching the course, you undoubtedly have some experience in what works for you and which pieces of the overall text package are most intriguing. But if you are wrestling with teaching the course for the first time or are looking for new ways to design your course, you may find some of the following thoughts and suggestions helpful in selecting a comfortable, suitable approach.

Deciding on an Appropriate Workload

The "standard" senior-level and MBA course in strategic management these days seems to involve:

1. Covering all or most of the text chapters.

2. Discussing a subset of the cases in the text—somewhere between 5 and 15.

3. Assigning one or more written cases and/or an oral team presentation.

4. Use of a strategy simulation. (We believe over two-thirds of strategy courses in the U.S. these days entail having students play a simulation game—and the percentage seems to be growing, both domestically and internationally. The rapidity with which the standard pedagogy of strategy courses has changed from a two-pronged approach of relying on text chapters and cases to drive home the lessons of crafting and executing strategy to a three-pronged standard of relying on text chapters, cases, and a simulation exercise is powerful testimony to the effectiveness of simulations. In the early 1990s, we believe fewer than 25% of the senior-level and MBA courses in strategy incorporated use of a simulation.)

5. Having one or more in-class examinations over the text chapters.

These combine to make a full course, with plenty of topics to cover and ample assignments to keep students busy.

So why add more? Specifically, should use of the new Connect platform that incorporates chapter-end quizzes, selected Assurance of Learning exercises, and selected case exercises be voluntary or mandatory? Should you assign certain of the chapter-end Assurance of Learning Exercises in lieu of one or two cases? We think it is difficult to argue against students completing chapter self-tests (either those posted in the Online Learning Center or those included in the new Connect Assignment and Learning Assessment platform) prior to taking an exam on chapter material. Also, we have designed chapter-end Assurance of Learning Exercises that are attractive vehicles for class discussion or student reports and that can be used for assessment purposes. And there are 17 Connect-based case exercises that you can use to measure how well class members are able to use and apply core concepts and the tools of strategic analysis in assessing a company's situation, identifying issues that company managers need to address, and proposing pragmatic action recommendations. The assignment questions included in the 17 exercises lead students through a proper analysis of the case and are automatically graded. Each exercise also includes open-ended questions for strategic recommendations that must be instructor-graded), thus facilitating their usefulness for learning assessment purposes as well. So there's ample reason to make use of the 17 case exercises built into the Connect supplement for 20e.

We would value your comments on the usefulness of the Connect exercises for 20e. Do they add real value? What would make them better?

Crafting and Executing Strategy Concepts and Readings The Quest for Competitive Advantage 20th edition Thompson Solutio

Why Incorporating a Strategy Simulation Makes Sense

Insofar as use of a simulation is concerned, we believe—based on our own experiences and the mushrooming use of simulations in strategy courses worldwide—that ***incorporating a simulation as a course centerpiece definitely adds major value***. As was discussed at some length in Section 2 of this IM, a strategy simulation steps up the tempo of the course a notch, emotionally involves students in the subject matter, and gives them ***much-needed hands-on practice*** in (a) applying what they have read in the 12 chapters and (b) making sound business decisions and being held accountable for the results they produce.

Competition-based strategy simulation games give students every bit as much valuable practice as do cases in thinking strategically, diagnosing market and competitive circumstances, appraising a company's competitiveness and financial performance, and coming up with concrete actions to improve a company's market position and performance. What a simulation does that a case cannot is give students immediate and incontrovertible feedback of the caliber of their decisions to improve a company's performance—in light of competitive circumstances and the company's product offering, costs, and other situational circumstances. Since in the course of playing a simulation, students have to live with the financial results of their decisions, simulations are powerful devices for teaching students the importance of responsible, results-oriented decision-making. In contrast, in analyzing cases and making action recommendations for the company being studied, there little way to provide students with credible feedback on their caliber of their action recommendations /decisions beyond that of telling them what's happened at the company since the case was written. We think this is why professors of strategy at many business schools have concluded that supplementing coverage of the text chapters with use of ***both cases and a strategy simulation is more pedagogically powerful than just relying on traditional case assignments alone.***

You can be fairly confident that if you incorporate use of *GLO-BUS* or *The Business Strategy Game* the challenges and excitement of a competition-based strategy simulation will get most students' competitive juices flowing and make their task of learning about crafting and executing winning strategies more enjoyable. Most students find the "learn by doing" nature of a simulation more engaging. They become more emotionally and personally involved in the subject matter because they are active participants, along with their co-managers, in crafting and executing strategy for a company in which they have a stake—the decisions they make and the results these decisions produce affect their grade! Their company becomes "real" to students and takes on a life of its own as the simulation unfolds—and it doesn't take long for students to establish a healthy rivalry with other companies run by their class members that they must compete with head-on in the marketplace. Because the competition in the simulation typically gets very personal, most students become immersed in what's going on in their industry—as compared to the more impersonal engagement that occurs when they are assigned a case to analyze.

While incorporating the simulation will consume part of a class period to get things under way, the actual playing of the game is an *out-of-class group exercise* done mostly sitting around a personal computer (company team members will need to spend 1½ to 2½ hours preparing each decision, usually more for the first couple of decisions until students gain command of the software and the procedures).

Use of either *GLO-BUS* or *The Business Strategy Game* is likely to add net time to the course requirements from a student perspective. To adjust for these time requirements, you may want to have the simulation substitute for a written case assignment or a couple of class discussions of cases or an hour exam or some combination of these.

Again, should you decide to incorporate one of the two simulations in your course, the simplest (and usually the cheapest) way for students to obtain the simulation is via a secured credit card transaction at www.bsg-online.com (if you opt to use *The Business Strategy Game*) or at www.glo-bus.com (if you opt to use *GLO-BUS*). Purchasing the simulation direct at the simulation web site allows students to bypass paying sometimes hefty bookstore markups (a savings that can amount to $10-$15). The second way for students to register for the simulation is by using a pre-paid access code that comes bundled with the 20th Edition when you order the combination text-simulation package through your bookstore—this requires use of a separate ISBN (the 20th Edition bundled with either simulation has a different ISBN number than just the 20th Edition ordered alone). Your McGraw-Hill rep can provide you with the correct ISBN for ordering the text-simulation package.

Crafting and Executing Strategy Concepts and Readings The Quest for Competitive Advantage 20th edition Thompson Solutio

Suggestions for Using the Connect™ Management Web-based Assignment and Assessment Platform Accompanying the 20th Edition

The mushrooming popularity of McGraw-Hill's innovative Connect™ Management Web-based Assignment and Assessment Platform among text adopters is a solid reason to consider incorporating use of Connect in your own course offering. All students who purchase a new copy of the text are automatically provided access to Connect at no additional charge (those who have a used copy can obtain access by paying a modest fee--$20 at the time of this writing).

The Connect-Based Chapter-end Quizzes. One element of Connect for the 20th edition involves automatically-graded and recorded chapter-end quizzes consisting of 20 to 25 multiple choice questions. Having students complete these quizzes following your coverage of each chapter is strongly recommended, not only as a prod to push students to gain better command of the chapter material but also to assess class member learning and the achievement of course objectives. If you prefer not to require use of Connect, then there is an alternative 10-question self-scoring quiz for each of the 12 text chapters posted in the "Student Edition" section of the Online Learning Center at the publisher's website for the text (www.mhhe.com/thompson).

For students to realize the maximum benefit from the online chapter self-tests and for you to see the difference in their command of the core concepts and ability to use the analytical tools to analyze assigned cases, we recommend that you ***strongly encourage students to work through the online chapter tests immediately after reading each chapter*** (rather than waiting until just before the hour exam over the chapters). It is easy to check the automatically graded and recorded scores for the chapter-end quizzes on Connect. If students complete the quizzes at the Online Learning Center, you can have students e-mail you the results of their test scores—as a way of checking whether they took the test and monitoring how well they scored.

The sample course syllabi and the 11 sample schedules of assignments and activities in Section 4 of this IM illustrate ways to make the chapter-end quizzes a part of your course syllabus.

The Connect-Based Learning Assurance Exercises. The authors of the text have developed two Connect-based learning assurance exercises for each of the 12 chapters of the 20th edition. All of the exercises is based on an end-of-chapter Assurance of Learning Exercise that requires students to demonstrate understanding and proper application of chapter concepts. The exercises include (1) 3 to 6 assignment questions that assess students' abilities to accurately apply chapter concepts and analytic tools. Students should be able to complete the Connect-Based exercises for a chapter in about 20 minutes.

Topics included in the Connect-Based Learning Assurance Exercises for the various chapters include:

- Identifying and critiquing a company's business strategy
- Assessing the effectiveness of managerial oversight on the part of a company's board of directors
- Drawing a strategic group map and assessing the positions of the companies/strategic groups
- Calculating financial ratios and doing other number-crunching to determine a company's financial performance and the strength of its balance sheet
- Determining the strengths of a low-cost provider strategy and gain command of the major avenues for securing a cost-based advantage
- Evaluating the advantages and disadvantages of extending the company's scope of operations via vertical integration
- Assessing the merits of utilizing strategic alliances to enter and compete in international markets
- Evaluating the strategic fit potential among the value chain activities of a diversified company's lineup of businesses

Crafting and Executing Strategy Concepts and Readings The Quest for Competitive Advantage 20th edition Thompson Solutio

- Assessing how companies balance duties to engage in socially responsible and sustainable business practices with economic responsibilities to shareholders
- Identifying and critiquing the policies, practices, principles, and approaches management is using to implement and execute the company's strategy
- Determining if and why a company's system of incentives and rewards promotes adept strategy execution and operating excellence
- Identifying the key features of a company's corporate culture and assessing if and why a company's culture aids in the drive for proficient strategy execution and operating excellence

Each chapter includes one exercise that is automatically graded and open-ended assignment questions that require students to discuss their analysis of the exercise material.

Chapter Learning Assurance Exercises are intended to improve student understanding of chapter concepts and their mastery of the application of tools of strategic analysis. The Connect-Based Learning Assurance Exercises may be scored and used as a graded component for the course or the exercises may be used for individual-level assessment purposes only. Whether used as part of course pedagogy or for accrediting body assessment purposes, the Connect-Based Learning Assurance Exercises are an easy-to-administer approach to collect individual-level measures of student performance.

The table below lists the chapter and source content, learning objective linkage, topic, and auto-grading features of each Connect-Based chapter Learning Assurance Exercise.

Chapter and Source Content for Exercise	Learning Objectives Covered	Exercise Title/Topic	Automatic Grading
Ch. 1: Assurance of Learning Exercise 1	LO 4, LO 6	What is Strategy and Why is it Important?	Yes
Ch. 1: Assurance of Learning Exercise 3	LO 1, LO 2, LO 3	Strategy and a Company's Business Model	No
Ch. 2: Assurance of Learning Exercise 1	LO 1	Strategic Vision	No
Ch. 2: Assurance of Learning Exercise 5	LO 5	Corporate Governance	Yes
Ch. 3: Assurance of Learning Exercise 1	LO 2	Competitive Forces Model	Yes
Ch. 3: Assurance of Learning Exercise 2	LO 3	Strategic Group Mapping	No
Ch. 4: Assurance of Learning Exercise1	LO 1	Ratio Analysis	Yes
Ch. 4: Assurance of Learning Exercise 3	LO 4	Company Value Chain	No
Ch. 5: Assurance of Learning Exercise 2	LO 2	Low-Cost Provider Strategy	Yes
Ch. 5: Assurance of Learning Exercise 4	LO 3	Differentiation Strategy	No
Ch. 6: Assurance of Learning Exercise 1	LO 1, LO 2, LO 3	Strategic Moves	No
Ch. 6: Assurance of Learning Exercise 2	LO 4	Vertical Integration Strategy	Yes
Ch. 7: Assurance of Learning Exercise 2	LO 1, LO 3	Cross Border Alliances	No
Ch. 7: Assurance of Learning Exercise 3	LO 2, LO 4	Strategic Choices in International Markets	Yes
Ch. 8: Assurance of Learning Exercise 1	LO 1, LO 2, LO 3, LO 4	Strategic Fit and Diversification in Related Businesses	No
Ch. 8: Assurance of Learning Exercise 3	LO 1, LO 2, LO 3, LO 4, LO 5	Analyzing a Company's Diversification Strategy	Yes
Ch. 9: Assurance of Learning Exercise 3	LO 4	Corporate Social Responsibility	Yes
Ch. 9: Assurance of Learning Exercise 4	LO 2	Environmental Sustainability	No
Ch. 10: Assurance of Learning Exercise 1	LO 1	Key Components of the Strategy Execution Process	No
Ch. 10: Assurance of Learning Exercise 2	LO 2	Staffing the Organization	Yes
Ch. 11: Assurance of Learning Exercise 3	LO 3	Six Sigma	No
Ch. 11: Assurance of Learning Exercise 6	LO 5	Incentives and Motivational Practices	Yes
Ch. 12: Assurance of Learning Exercises 1 and 2	LO 1, LO 2	Corporate Culture and Strategy Execution	No
Ch. 12: Assurance of Learning Exercise 3	LO 1, LO 2	Corporate Culture	Yes

Crafting and Executing Strategy Concepts and Readings The Quest for Competitive Advantage 20th edition Thompson Solutio

The Connect-Based Case Exercises. The 20th Edition includes Connect case exercises for 17 of the 31 cases in the text. All of the exercises reflect the recommended assignment questions for the respective case and call upon a student to develop thoughtful, analysis-based recommendations to address strategic issues disclosed through their analysis (as opposed to stating seat-of-the-pants opinions). Students are able to complete autograded assignment questions related to the proper analysis of the case and submit strategic recommendations that are instructor-graded. Each exercise is different, depending both on the circumstances of the case and the content of the chapters to which it is closely linked. The exercises relate to such things as

- Identifying and critiquing a company's strategic vision or objectives or strategy
- Doing a five-forces analysis
- Identifying driving forces (industry dynamics) and evaluating their impact
- Drawing a strategic group map and assessing the positions of the companies/strategic groups
- Identifying key success factors
- Doing a SWOT analysis
- Doing a competitive strength analysis
- Calculating financial ratios and doing other number-crunching to determine a company's financial performance and the strength of its balance sheet
- Evaluating the performance potential of a diversified company's lineup of businesses
- Identifying and critiquing the policies, practices, principles, and approaches management is using to implement and execute the company's strategy
- Assessing whether a company's stated core values are cosmetic or genuine
- Identifying the strategic issues/problems that company management needs to address

The driving concept underlying the creation and use of these exercises has been to facilitate student learning, put students on the path to sound strategic thinking and proper use of the concepts and tools of strategic analysis, and make it quick and easy for you to assess student performance on assigned cases.

The exercises can typically be completed in 30 to 60 minutes, assuming a student has done a conscientious job of reading the case and absorbing the information. You'll find that some of the case exercises are suitable for use as substitutes for a written case analysis, with a portion of the exercise being automatically graded and a portion requiring instructor grading.

> **Special Note:** Because, the Connect-based case exercises call upon students to develop answers to questions that are largely identical to some of same assignment questions presented in the Teaching Note we provide for the case, the content of the Teaching Outline and Analysis section of each TN serves as your "answer guide" to the questions posed to students in each of the Connect case exercises.

Crafting and Executing Strategy Concepts and Readings The Quest for Competitive Advantage 20th edition Thompson Solutio

Having class members complete some or many of the Connect-based case exercises serves several teaching/learning purposes and has multiple benefits:

- The nature and content of a case exercise signals students that they need to do more than come to class having read an assigned case (this is particularly beneficial if the case assignments for your course are a student's first encounter with the case method of teaching/learning). There is no way that students can score well on the case exercises without doing some serious thinking and putting forth effort; guessing at the answers or relying on seat-of-the-pants opinions won't get them very far.
- The exercises are yet another means of drilling students in how to apply the chapter content in managerial situations and helping them bridge the gap between theory and practice. We think a good argument can be made that the learning potential of an assigned case is more likely to be fully achieved by having students use an interactive tool that "tutors" them in the process of (a) thinking strategically, (b) using the concepts and methods of strategic analysis to evaluate a company, and (c) arriving at analysis-based action recommendations.
- Students that do a conscientious job of completing the Connect exercise for a case will be better prepared to make meaningful contributions to the class discussion of that case, as opposed to merely giving off-the-cuff opinions. Letting students know that you fully expect them to come to class truly well-prepared in terms of developing solid answers to the assignment questions will put more students in position to give meaningful, content-filled answers to the questions you pose in class.

The table below lists cases included in the 20th Edition with Connect exercises.

Case Number/Title
Case 1: Mystic Monk Coffee
Case 2: BillCutterz.com: Business Model, Strategy, and the Challenges of Exponential Growth
Case 3: Whole Foods Market in 2014: Vision, Core Values, and Strategy
Case 5: Under Armour's Strategy in 2014: Potent Enough to Win Market Share from Nike and Adidas?
Case 6: Lululemon Athletica, Inc. in 2014: Can the Company Get Back on Track?
Case 9: Panera Bread Company in 2014: Can a Slowdown in the Company's Growth Be Avoided?
Case 10: Chipotle Mexican Grill in 2014: Will Its Strategy Become the Model for Reinventing the Fast Food Industry?
Case 11: Sirius XM Radio Inc. in 2014: On Track to Succeed after a Near-Death Experience?
Case 13: Vera Bradley in 2014: Will the Company's Strategy Reverse Its Downward Trend?
Case 16: Nucor Corporation in 2014: Combatting Low-Cost Foreign Imports and Depressed Market Demand for Steel Products
Case 17: Tesla Motors' Strategy to Revolutionize the Global Automotive Industry
Case 18: Tata Motors in 2014: Its Multibrand Approach to Competing in the Global Automobile Industry
Case 19: Deere & Company in 2014: Its International Strategy in the Agricultural, Construction, and Forestry Equipment Industry
Case 21: PepsiCo's Diversification Strategy in 2014
Case 22: The Walt Disney Company: Its Diversification Strategy in 2014
Case 23: Robin Hood
Case 25: Southwest Airlines in 2014: Culture, Values, and Operating Practices

Crafting and Executing Strategy Concepts and Readings The Quest for Competitive Advantage 20th edition Thompson Solutio

Suggestions for Examinations over the 12 Text Chapters

We suggest having two exams covering the text material and perhaps having a comprehensive final (although our preference is to use a comprehensive case as a final exam as opposed to a comprehensive final covering the content of just the 12 chapters). If you opt for two chapter-related exams, we recommend that the first one cover Chapters 1-7 and that the second one cover Chapters 8-12. If the number of class periods is too short for two exams, a single exam covering all 12 chapters is the next best option—it can be given at the end of the course or shortly after your lectures on all the assigned chapters.

We prefer giving a test on the assigned chapters immediately following the conclusion of the lectures and before covering most of the related cases so that you can be assured that students have sufficient acquaintance with the concepts and analytical tools covered in the chapters and concepts to apply them in the course of preparing and discussing the cases. The sample course outlines in Section 4 indicate possible locations in the class schedule where exams on the chapters fit in.

There's a test bank of 900+ multiple choice and short-answer/essay questions you can choose from in making out exams. The full test bank is in both this volume of the IM. The EZ Test companion software enables you to quickly setup an online exam or print out a test master.

Suggested Weights in Determining Final Grades in the Course

If you are a veteran in teaching strategy, then you have no doubt arrived at a scheme for weighting all the various assignments in determining each student's final grade in the course. And the scheme necessarily varies with the number of written case assignments, the number of exams, whether you are using a simulation, the weight you put on class participation, and whether you have students do oral team presentations.

In the table below, we offer some suggestions for weighting various possible assignments:

Assignment/Activity	Weighting of Assignment/Activity				
	Option 1	Option 2	Option 3	Option 4	Option 5
Exam over Chapters 1-7	10%	10.0%	15%	12.5%	—
Exam over Chapters 8-12	10%	10.0%	15%	12.5%	—
Written Case Report #1	15%	12.5%	15%	12.5%	20%
Written Case Report #2	—	12.5%	15%	—	—
Oral Team Presentation	15%	15.0%	15%	—	20%
Company Performance on Simulation Exercise	35%	25.0%	—	30.0%	25%
Participation in Class Discussion of Assigned Cases	15%	15.0%	10%	15.0%	15%
In-class Written Case for Final Exam (2½–4 hours)	—	—	15%	17.5%	—
Final Exam over All 12 Chapters	—	—	—	—	20%
Total	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**

Crafting and Executing Strategy Concepts and Readings The Quest for Competitive Advantage 20th edition Thompson Solutio

Tips and Suggestions for Effectively Incorporating Either the *Business Strategy Game* or *GLO-BUS* in Your Course

Both *The Business Strategy Game* and *GLO-BUS* are suitable for either senior-level or MBA-level courses. Which to use is really a matter of preference and the degree to which the faculty believe that there should be a clear distinction between the content and rigor of a senior-level course in strategy and the MBA-level course in strategy:

- If you want students to spend an average of 1-2 hours per decision, then we believe *GLO-BUS* is the best choice. If you want the simulation to be a truly major part of the course and serve as the main assignment for the class beyond the text chapters, then *The Business Strategy Game* is perhaps the better choice—especially for a MBA class—because it has more robust production and distribution operations and allows students to formulate somewhat more complex strategies. Both simulations have a 3-year strategic plan module (which can be made a requirement or left optional or ignored altogether).

- If school policy is to maintain a clear-cut distinction between the content and rigor of the senior-level course and the MBA-level course then it probably makes sense to use *GLO-BUS* in one course (probably the senior-level course) and *BSG* in the other course (the MBA course)

- If many of your school's undergraduate students also go on to be part of your school's MBA program (thus making it desirable to provide them with a differentiated simulation experience in the two courses), then it probably makes sense to use *GLO-BUS* in one course (again probably the senior-level course) and *BSG* in the other course (again the MBA course)

However, adopters have used both *GLO-BUS* and *The Business Strategy Game* for senior and MBA courses—with apparent success at both levels. We firmly believe you can have a successful experience with either simulation in either senior or MBA courses.

What Decision Schedule to Use. We suggest that you consider one of the three following types of decision schedules:

- One decision weekly throughout the term (with a total of 1 or 2 practice decision rounds and 7-10 regular or scored decision rounds). This decision round schedule makes the simulation a standard part of the course load and spreads the work load of the simulation evenly across the whole term. We have used a 1-per-week decision round schedule at The University of Alabama for over 30 years, and it is the most popular schedule used by adopters of the two simulations.

- Two decisions weekly the last 5-6 weeks of the term (with a total of 1 or 2 practice decisions and 8-10 regular decisions). The advantage of this schedule is that students will have covered a number of the chapters (ideally through Chapter 7), be familiar with many of the concepts, analytical tools, and competitive strategy options, and have had some experience in analyzing some cases. Somewhere near mid-term of the course, it can thus be assumed that students have a fairly solid foundation for beginning an exercise which will give them opportunity to use and apply all that they have learned and will later encounter in the course.

- Daily decisions the last two weeks of the term (which is an ideal schedule for concluding the course and perhaps using the simulation as a final exam for the course). A variation of this schedule is to have decisions twice daily for the last week of the term. However, you show always have at least a 3-hour interval between decisions to give students ample time to review the industry and company reports and develop their strategy and decisions for the next decision round.

In setting up a complete assignment schedule for the simulation, you will also need to decide whether to require completion of Quiz 1 and Quiz 2 (requiring both quizzes is very highly recommended), what times/dates to establish as deadlines for completion of the quizzes, whether to require completion of one or two strategic plans (at least one is highly recommended), what deadlines to establish for completion of any strategic plans you require, and whether to require completion of the peer evaluation (very highly recommended) at the end of the simulation.

However, you have complete freedom to set up any decision/assignment schedule that you wish—and further to change the decision/assignment schedule at any time for any reason.

Crafting and Executing Strategy Concepts and Readings The Quest for Competitive Advantage 20th edition Thompson Solutio

How Much Should the Simulation Count in the Course Grade? Whether students take the simulation exercise seriously hinges in large part on whether you make performance on the simulation count enough in the overall course grade to get their attention. As a general rule, we recommend having performance on the simulation count *at least* 20% of the overall course grade and probably no more than 40% of the total grade. If it counts less than 20%, then student effort is weakened to an undesirable extent and some of the learning potential slips through the cracks. If it counts more than 40%, then the game may take something away from the emphasis you want to give to other aspects of the course.

However, we have growing numbers of users who are making the simulation the *dominant centerpiece* of the course (particularly in online and distance learning courses where case analysis is difficult to use effectively). When *BSG* functions as the primary part of the course (aside from the text chapters), then counting the simulation as 50-60% (or more) of the final grade is reasonable, given that you can use the quizzes, one or two 3-year strategic plan assignments, and perhaps an end-of-simulation presentation to an invited panel of 3 or 4 persons (who act as a company board of directors) as a substitute for assigning students a larger number of cases to analyze.

A related grading issue is how much each of the various assignments within *The Business Strategy Game* or *GLO-BUS* should be weighted. You have full control over these weights and can change them at your pleasure by entering different weights at the top of the columns of your online "Individual Grade Book." A table of suggested weights is presented below:

Performance Measures	Option 1	Option 2	Option 3	Option 4	Option 5
Overall company performance on the 5 scoring measures	85.0%	80.0%	75.0%	75.0%	70.0%
Quiz 1 (which is relatively easy and only tests whether they have read the Participant's Guide)	2.5%	3.0%	2.5%	2.5%	2.5%
Quiz 2 (harder questions covering important elements of the simulation and testing understanding of the numbers)	7.5%	7.0%	4.0%	5.0%	5.0%
Performance on strategic plan #1	N.R.	5.0%	3.5%	2.5%	2.5%
Performance on strategic plan #2	N.R.	N.R.	N.R.	5.0%	5.0%
Company presentation	N.R.	N.R.	10.0%	5.0%	7.5%
Peer evaluations done by co-managers	5.0%	5.0%	5.0%	5.0%	7.5%
	100.0%	**100.0%**	**100.0%**	**100.0%**	**100.0%**

N.R. = not a required assignment

We suggest caution in placing less than a 70% weight on overall company performance, since lower weights weaken student incentive to be diligent in making decisions, doing the requisite analysis and strategic thinking, and going all out to try to boost their company's performance.

We believe it makes sense to place a significantly higher weight on Quiz 2 as opposed to Quiz 1, because Quiz 2 is harder and tests individual understanding of important topics.

We also think it is best to weight a second strategic plan higher than the first plan because (1) students are more knowledgeable about how to do a good plan the second time around, (2) they have more experience in appraising the impact of changing market conditions, and (3) they should now be seasoned veterans in setting performance targets and trying to meet or beat them.

Crafting and Executing Strategy Concepts and Readings The Quest for Competitive Advantage 20th edition Thompson Solutio

Using the "Exercises for Simulation Participants" at the End of Each Chapter. One of the biggest teaching/learning benefits of using *a strategy simulation like BSG or GLO-BUS* in your course is the array of opportunities it presents for class members to *immediately* utilize the concepts and analytical tools covered in the text chapters in running their simulation company. There are extensive and tight ties between the issues/challenges that company co-managers face in running their company and the content of the 12 chapters in the 20th Edition.

To provide a powerful means for you to tie the chapter content to the simulation exercise, we created a set of "Exercises for Simulation Participants" that appear at the end of each chapter. You can use these exercises to accomplish three things:

1. Prod class members in their role as company co-managers to do some quality strategic thinking about their company's situation and the industry circumstances in which their company is operating.

2. Point each company's management team directly to ways of using specific concepts and tools of strategic analysis to improve their decision-making and to improve their company's performance.

3. Speed the process whereby your students bridge the gap between theory and practice—the faster and more completely that class members come to recognize the practical managerial value of strategic concepts and analytical tools covered in the text chapters the better.

It is, of course, entirely optional whether to make extensive or selective use of these exercises (or ignore them altogether). In our strategic management classes, we have found the exercises to be particularly productive in steering class members to do a more insightful job of assessing industry and competitive conditions, evaluating their company's competitiveness, and otherwise being wiser and more analytical in managing their simulation company. We recommend that you give serious consideration to using at least some of these exercises because they will stimulate the thinking and analysis of company-co-managers in a very positive way and because they will "force" company co-managers to wrestle with things that should contribute to better decision-making and company performance.

Some of the questions/exercises can be posed to the class as a whole for open discussion and debate (perhaps as vehicles for concluding your lectures on the chapter material). But a substantial number of the exercises are best used for written assignments because the answers involve competitively sensitive analysis and thinking that company co-managers will not want to share with other class members who are managing rival companies. As a general rule, class members should be asked to prepare their answers to the italicized questions on a team basis rather than individually; having company co-managers collaborate in preparing their answers is an effective means of building consensus among company co-managers

Other "Getting Started" Considerations If You Use One of the Strategy Simulations. Enumerated below are our recommendations concerning the team size, number of companies, number of decision rounds, use of quizzes, use of the 3-year strategic plan feature, scoring, and peer evaluation requirements—all of which are part of the "Course Set-up" procedure that you will be asked to complete in order to get the simulation ready to go in your course:

1. *Try to assign teams of 2, 3, or 4 co-managers per company.* Two- or 3-person teams are optimum in an MBA class; ***3-person teams are probably the optimum size in an undergraduate class***, with 4-person teams being a very acceptable second option. The pros and cons of various team sizes are discussed at length in Section 2 of this manual.

   The software for both simulations is programmed to allow a maximum of 12 companies to compete head-to-head in a single "industry." If your class size is above 36 and thus too big to have 12 companies with 3 co-managers each, we suggest that you consider dividing the class into 2 industries (or groups of competing companies) so as to keep from having a large number of 4-5 person teams. With automated processing, it is really no bigger administrative burden to set up your class with 2 or more competing groups of companies than it is to have the whole class in a single group or industry.

Crafting and Executing Strategy Concepts and Readings The Quest for Competitive Advantage 20th edition Thompson Solutio

If you have other group activities in your class, then you should consider having students play the simulation in the same group, as long as the size of the group is 5 or fewer persons. If your other group activity involves group sizes of 6 or larger then you can divide each into two teams for the purpose of playing the simulation.If some teams end up with only two co-managers because one of more of their co-managers drop the course, then we suggest giving the two-person team to option to continue on their own—particularly if the simulation is well underway and the co-managers are working well together. However, there are options in both simulations to switch company managers to different teams and eliminate a company from the industry, whenever you determine that is a good option.

2. *Avoid having fewer than four companies per industry if at all possible*. If you have a small class, we recommend having no fewer than 4 company teams—two-person teams for a 4-company industry will work better than fewer companies and more players per team.

3. *Select a decision schedule that is a good fit with other class assignments.* As indicated earlier, any of three decision schedules can be employed successfully. The simulations are programmed for a maximum of 2 practice decisions and 10 regular decisions.

4. *Schedule at least one, preferably two, practice decision rounds*. We urge scheduling 2 practice rounds (if at all possible) and 1 practice round for sure. Practice decisions give students a chance to get comfortable with the software and to conduct "risk-free experiments" in trying out certain strategies and options. Two practice rounds are plenty to prepare your class for "the real thing," and students can definitely do well with just 1 practice round if the time you have to allocate to the simulation is constrained. During the practice rounds, urge class members to make use of the Video Tutorials for each of the decision screens—these will give them a good overview of how to proceed in tackling the decision entries. Also, urge them to use the Video Tutorials in digesting the information provided on the various pages of the Competitive Intelligence Reports, the Industry Report, and the Company Operating Reports.

5. *Try to build a minimum of 6 regular or scored decision rounds into your decision schedule.* This will give players some time to put a strategy in place, tweak it (or make wholesale changes), and operate the company for the "long-run." However, 8 to 10 regular decision rounds is significantly better in terms of giving players enough time to really see what they can do with their company and to experience the full effects of having to adjust their strategies to changing market and competitive conditions.

6. *Consider using the default 20% weighting on each of the performance measures*. There are 5 scoring variables: earnings per share (EPS), return on stockholders' equity (ROE), stock price appreciation, credit rating, and corporate/brand image. While we believe a 20% weight for each of the five variables works exceptionally well, you have complete freedom to set whatever weights you prefer, including assigning a 0% weight to one or more measures and eliminating them from the scoring algorithm. If you strongly believe that some of the 5 variables should carry a higher weight, then our advice is to up them to 25%-30% and cut others back to 10%-15%.

7. *Utilize both scoring standards in determining the company performance scores.* *GLO-BUS* and *The Business Strategy Game* employ two standards in scoring company performance: the "Investor Expectations" Standard and the "Best-in-Industry" Standard (these are explained briefly in Section 2 of this manual). We suggest using the default 50%-50% weighting on these two standards in designating how the company performance scores should be weighted, but you can change the weights if you wish. (Other alternatives include 67%-33% or 33%-67% or 75%-25% or 25%-75%.) Of course, if you want to use just one of the standards, you can place a weight of 100% on that standard and a 0% weight on the other one. Both the websites and the IMs for the two simulations contain in-depth explanations of the scoring standards and provide instructions for changing the default weights.

8. *Make full use of the two built-in quizzes*. We strongly urge requiring students to complete the quizzes and then counting their scores on these quizzes as part of the final simulation grade. We developed these quizzes to provide you with feedback on each individual participant's grasp of the simulation. ***Both quizzes are open-book, and really are aimed at pushing students to learn what is going on rather than "testing" them.***

Crafting and Executing Strategy Concepts and Readings The Quest for Competitive Advantage 20th edition Thompson Solutio

We suggest putting a 5% weight on Quiz 1 and a 7.5% weight on Quiz 2 in having the software calculate overall performance scores for each participant. Keep in mind that both quizzes are, in effect, "open book." *Quiz 1, which covers the Player's Guide, is relatively easy* since students the open-book nature of the quiz allows students to look up the answers they don't know right off. Students can easily score 80 or higher on Quiz 1 if they have read the *Guide* and refer to it during the course of taking the quiz. Grades of 90 and higher on Quiz 1 should be common. Students who score poorly on Quiz 1 (below 75) simply have not put enough effort into reading the Guide and understanding what the simulation is all about. We urge setting the deadline for this quiz to correspond to the deadline for the first practice decision so as to spur students to read and understand the *Participant's Guide* at an early stage in the simulation exercise.

Quiz 2 is more difficult than Quiz 1 and merits a higher percentage in the grade calculation. Quiz 2 consists mostly of questions that require students to make calculations or otherwise indicate their command of where the numbers in the company reports come from—it has a time limit of 90 minutes (versus 45 minutes for Quiz 1). All of the quiz questions tell the students on which Help/More Info screens the answers can be found; all of the formulas for calculating the various financial ratios are contained on the Financial Ratios summary link on each student's Corporate Lobby screen (6-8 of the questions on Quiz 2 involve financial calculations). So students can make a pretty decent score (80 or higher) on Quiz 2 by using printouts of the Help/More Info screens to help them determine the correct answers for the 20 multiple choice question comprising Quiz 2.

We strongly suggest setting the deadline for completing Quiz 2 to correspond to the deadline for the decision for Years 9 or 10 for *GLO-BUS* and Years 13 or 14 for *BSG*. By this point in either simulation, we think students ought to have a good grasp of what is going on, what the numbers in the company reports mean, and how they are calculated.

9. *Give strong consideration to having students do at least one 3-year strategic plan* during the course of the exercise. Both simulations have an optional 3-year strategic plan module. The 3-year strategic plan feature calls for students to (1) articulate a strategic vision for their company (in a couple of sentences), (2) set performance targets for EPS, ROE, stock price appreciation, credit rating, and image rating for each of the next three years, (3) state the competitive strategy the company will pursue, (4) cite data showing that the chosen strategy is either currently on track or will require substantial internal changes, and (5) develop a projected income statement covering the next three years.

   Each company's strategic plan is automatically graded based on the extent to which the company meets or beats its performance targets (this is explained at greater length in Section 2 of this manual). The grade on the strategic plan is automatically recorded in your online grade book and can be used in calculating a final simulation score for each company.

   For more details, see Section 2 above or the Instructor's Guides for the simulations.

10. *At the end of the simulation, we strongly urge that your decision schedule include a requirement that students do peer evaluations of their co-managers and also do a self-evaluation (using the same form).* Peer evaluations provide very valuable information about how well a company's management team functioned from the perspective of the co-managers—attendance at meeting, teamwork, contribution of ideas and suggestion, leadership, and so on. The responses to the peer evaluation are automatically scored and recorded in your online grade book. Your have the ability to click on any of the peer evaluation scores for any co-manager and review the entire peer evaluation. When students know that you will review the peer evaluations (only the low scores really need to be inspected individually), then you have a powerful tool for exposing "free riders" and students who have not carried their fair share of the workload. We suggest having the deadline for completing the peer evaluations correspond to the deadline for the last decision but you can set a later deadline if you wish—while students can review the content of the peer evaluation at any time, students are not allowed to complete the peer evaluation until the deadline approaches.

    Generally, a big percentage of company co-managers will earn scores of 85 or better on the peer evaluations, signifying that their "effort index" and participation has been quite satisfactory to even superb (in the case of scores in the high-90s. Scores below 80 should usually raise a red flag and merit inspection to see discover the causes of the low ratings.

Crafting and Executing Strategy Concepts and Readings The Quest for Competitive Advantage 20th edition Thompson Solutio

We urge that you make it clear to the class that the peer evaluations are "confidential" reports to be seen only by you and that you will exercise your judgment as to just how much they will count in assigning grades on the simulation. Making the "threat" of a bad peer evaluation a part of the simulation grade helps reduce the likelihood that weak students will slack off on their effort and let their co-managers assume full responsibility for company operations and thus make the bulk of their grade for them. In our classes, we tend to reduce the grades of participants who receive very low peer evaluations (sometimes by a full letter grade or more), since we believe it is inherently unfair and unethical for low contributors or absentee co-managers to receive a grade that their co-managers agree they really did not earn or deserve.

But, obviously, you have to use discretion and judgment in how to treat peer evaluations—one can't always be entirely sure that students are "telling the truth" on the evaluations or that their judgments are completely honest and fair. Many times, of course, students "overrate" the performance and contributions of their colleagues, so don't be surprised if some of the peer evaluation scores are higher than they probably should be. The potential for the peer evaluations scores to be less than trustworthy *in the case of some students* is one reason why you may not want to include them in the grade calculations; certainly, if you tell students that the peer evaluations have some percentage weight, then the chances that co-managers will strike an agreement to give each other highly positive evaluations are substantially enhanced. That is why in our classes, we are deliberately vague about what we do with the evaluations, except to say we will definitely look them over and that everyone is expected to complete them in a professional and honest manner.

Forming the Company Management Teams for the Simulation. We have two approaches to offer for your consideration in assigning students to co-manage the companies. One is to let those students who want to form their own management teams do so and then assign the remaining students to companies on the basis of major (we always form teams with students of ***different*** majors, to the extent possible). This procedure seems to satisfy all concerned. Some students always prefer to choose their own teammates — so they are pleased with the two-option procedure. And those students who, for whatever reason, prefer "the luck of the draw" are nearly always pleased with the impartiality of teaming up people with different majors.

The second approach is to assign all students to teams, trying to diversify teams on the basis of both major and cultural diversity. ***Assigning people to teams has the highly desirable advantage of establishing a business relationship between the team members rather than allowing teams to be formed on the basis of prior friendship or common major or prearranged liaisons with a known-to-be-bright student.*** Business relationships among students with differing majors and cultural backgrounds has, in our experience over the years, often proven to be the superior basis for team formation compared to the practice of giving students the freedom to form teams based on whatever criteria they choose to use. But, on the other hand, we've found the first approach tends to be most popular with students.

Tips on Conducting the Simulation. Once the team sizes and decision/assignment schedule have been decided and the simulation has been launched, you may want to consider the following:

- ***Schedule 2 practice rounds*** (barring time constraints) to deepen class member familiarity with the how the software works, the decision entry screens, and the information and outcomes provided after each decision round. Two practice rounds also give company co-managers a chance to try out different strategy/decision combinations and see what happens.

  Stress to class members the importance and value of using the Video Tutorials and the detailed Help sections to find answers to any questions they have:

  - **The short 2-3 minute Video Tutorials are particularly helpful during the practice rounds** when students first encounter the software menus and the information on the screens and are wondering what to do next.
  - Whenever class members want more in-depth explanations and details than contained in a Video Tutorial, all they have to do is click on the Help button at the top of a decision screen or report page.
  - The Help sections for decision screens provide information about each decision entry, full explanations of cause-effect relationships, and tips/suggestions about what to do and not do.

Crafting and Executing Strategy Concepts and Readings The Quest for Competitive Advantage 20th edition Thompson Solutio

- The Help sections for any page of the Company Reports, the Footwear Industry Report, and the Competitive Intelligence Reports explain what the numbers mean, how they are calculated, and how to use the information to good advantage.

  Insisting that students make full use of the Video Tutorials and the Help sections will virtually eliminate the need for students to ask you any questions about "how things work." Plus, the tutorials and the Help sections will educate them about how to run their company in a "wise" and successful manner.

- Encourage team members to explore and take advantage of using the built-in Collaboration Mode and Audio Mode capabilities when working online at the same time from different locations.

- ***During the Course Setup Procedure, create an extra company for you to operate throughout the practice rounds*** (and maybe for several additional decision rounds)***—do this especially if you are a first-time user or if you want to learn more about what operating a company is all about. The company you manage can easily be deleted at the conclusion of the practice rounds (but no sooner than that) or in later scored rounds if you opt to run your company for additional decision rounds.***

  - Running a company yourself is the quickest and most productive way to familiarize yourself with "how things work," explore all the various decision entries, view the reports showing the results of each decision round, and experience what the simulation experience for students is all about.

  - Operating a company will equip you to (1) see the value of the information that you and your students are furnished after each decision round, (2) provide the class with your perspectives about the competitive battle that is taking place and call attention to particularly interesting outcomes, and (3) be wise in assigning grades and otherwise conducting the simulation.

  - The knowledge and understanding gained will also enable you to answer student questions about this or that aspect of the simulation (which sometimes occurs) and, if you wish, to provide advice and counsel to companies that may be floundering and need some guidance.

    If you opt to run your own company, inform the class which company you are running, tell them it will be a temporary thing (and that your company will be deleted later), indicate that you will exercise care in making "competition friendly decisions" that are not aimed at stealing sales and market share from other companies, and make it clear that you have no intention of trying to outcompete the companies they are running or otherwise demonstrate your prowess. ***What class members need to understand is that your purpose in running a company during the practice rounds is to become as familiar as possible with what is involved in making decisions, managing company operations, and comprehending the information in the various reports available to all companies.***

    Once the practice rounds are completed, there is an item on the Administration Menu for the industry that enables you to quickly and easily delete the company you are running from the competition. (*Note: No company can be deleted until the practice rounds are completed.*)

    Also, bear in mind that the built-in Collaboration and Voice–Chat capabilities allow you to join an online meeting of the co-managers of any company—either as an observer or as an advisor/consultant. If you have run a company yourself for several decision rounds, you will be better prepared to take on this role, answer student questions about this or that aspect of the simulation (which sometimes occurs) and, if you wish, to provide advice and counsel to companies that may be in need some guidance.

- Use the PowerPoint slides that we have created (see the link on the left side of your Instructor Center screen) to introduce the simulation to your class and explain some of the mechanics.

- Urge students to read the list of recommended decision procedures that is provided on the link on their company's "Corporate Lobby" page. This list provides students with a useful guide in using all the available industry and company reports and a suggested routine for preparing each year's decisions.

Crafting and Executing Strategy Concepts and Readings The Quest for Competitive Advantage 20th edition Thompson Solutio

- Emphasize to the class that it is wise to be very wary of trying something that is imprudent or highly risky or un-businesslike (things that would get a manager fired in a real company). In our experience, overzealous students who resort to trying to "game the system" almost always shoot themselves in the foot. They'll get more out of participating in a simulation when they take on the role of a business professional who is trying to achieve the best possible company performance using managerially prudent and responsible business approaches. Little of value will come from students approaching the simulation exercise like a daring adventurer out to win some variant of a videogame by testing the limits of the simulation and using whatever un-businesslike and unprofessional means they can get by with. When class members know you will hold them accountable for bad or foolish decisions, they are less likely to be a "loose cannon" in running their companies and will take things more seriously.

- As previously discussed, use the "Exercises for Simulation Participants" that appear at the end of each chapter in the 20th Edition to help connect issues/challenges that company co-managers face in running their company to the content of the 12 chapters. Some of these exercises are suitable for open class discussion (immediately during or following your lectures on the chapters) but many are best used for team assignments, with the answers provided confidentially to the instructor in a brief report (because the answers involve competitively sensitive analysis and thinking on the part of each company team that they will definitely not want to share with class members managing rival companies). ***Insisting that each team of company co-managers complete*** the "Exercises for Simulation Participants" for each assigned chapter ***in a conscientious manner has two benefits:***

  - **Increasing the likelihood that the members of your class will come to appreciate the managerial relevance and value of the topics covered in the chapters and how they can be used to make wiser strategic decisions.**

  - **Prodding each team of company co-managers to think about many of the right things in arriving at their choice of a company strategy (and fine-tuning or overhauling it as circumstances may require) and achieving better performance results (because of more astute decision-making on their part).**

  It is not really necessary for you to grade what companies turn in for their answers to the chapter-end exercises; merely spot checking to see that they have done them will suffice.

- Stress that, at the end of the simulation (and also mid-way through the simulation if you wish), all company managers will be asked to complete comprehensive peer evaluations of their co-managers, as well as an evaluation of their own performance. (Students can see the content of the 12-question peer evaluation form by clicking on the Peer Evaluations link in their "Corporate Lobby" but they are not given access to completing the form until the deadline for the next-to-last decision has passed. Hence, it is no secret what they will be rated on.) Peer evaluations will have the effect of greatly reducing "free-riding" or "coasting on the coattails" of more industrious co-managers if you emphasize to the class early on that the results of the peer evaluations will be taken seriously and that poor evaluations and absences from team meetings will negatively impact an individual's grade on the simulation.

  In the event that you want to do an "interim" or "mid-course" peer evaluation after the first 3-5 decisions as a check on how well things are going, you can ask students to print out a copy of the peer evaluation form, fill it in, and submit it to you. Alternatively, you can print out a blank peer evaluation form, make copies, and pass them out in class. You'll find it pretty simple to skim through the evaluations to spot any problems with low performers. It is generally wise to call them in for a consultation and counsel them on the importance of being a fully-participating contributor. Usually, this will suffice to alter their behavior and jack up their participation and contribution.

- Instructors that want to take a more hands-on approach to administering the simulation may find it worthwhile to spend about 10 minutes of class time "debriefing" industry members on particularly interesting outcomes and results, to comment on what you see happening in the industry, to urge them to make note of the wide differences in company costs that you see in the benchmarking data, and to connect events in the simulation to your lectures on the chapters or to similar situations in some of the assigned cases you've discussed. You

Crafting and Executing Strategy Concepts and Readings The Quest for Competitive Advantage 20th edition Thompson Solutio

can hold these debriefings on a regular basis (following each round of decisions and results) or just hold them occasionally when there's something of significance you want to talk about. You'll find information for these debriefings in the Industry reports and in the special Administrative Reports that you can view or print out after each decision. Most of the information in the Administrative Report is not provided to players and you'll find it to be a quick and convenience source of which companies are doing what and which companies have operating costs that are out-of-line and in need of attention.

- ***Don't be overly concerned if one or more company teams do poorly on the first one or even two decisions***—and you should definitely covey to teams that might be distressed with their initial results that it is absolutely possible to turn things around and come out as a market leader by the end of the simulation. Sometimes it just takes a while for a company's strategy to begin to bear fruit or the chemistry on the team to jell; sometimes, the initial strategy is ill-conceived or is thwarted by the strategies of rival firms and thus has to be adjusted. In our experience, the companies that are the leaders after the first one or two decisions seldom end up on top. Just as who is ahead after one or two innings of a 9-inning baseball game may not end up winning the ball game, so also is it in a competition-based simulation.

  Naturally, of course, the co-managers of companies who fare poorly will be concerned and should be counseled to review their strategy and decisions for ways to improve. ***You should tell concerned co-managers of low-performing companies that much of the information provided in the various reports is "diagnostic" (particularly the Competitive Intelligence Reports) and points directly to things that are in need of attention.*** In our experience, there are two primary reasons why companies perform poorly:

  - Company co-managers have a poor grasp of the contents of the Player's Guide and/or have not spent time reading the Help screens (which provide substantial guidance in how to approach strategizing and decision-making.

  - Company co-managers are not paying nearly enough attention to *studying and digesting the information in all the reports and diagnosing their company's situation*. When they are directed to really probe this information and use it, then their company usually begins to perform better. You'll find there is plenty of information provided in the reports for students to identify "what went wrong," where their costs are out-of-line with rivals, and what they should do to boost sales and market share. Company managers who conscientiously look at the numbers will have little trouble spotting avenues for improving their company's performance—***each page of the Competitive Intelligence Reports provides a list of competitive strengths and competitive weaknesses in each of the four geographic regions***. Determine if company co-managers have grasped the significance of the information in the Competitive Intelligence Reports and really dug into the numbers—if not, this is the root of their problem. ***Urge that they pay very special attention to the numbers in these reports, read the Help screens for these reports, and take actions to remedy their company's competitive weaknesses***.

  Sometimes, bad results turn out to be a positive catalyst for co-managers, causing them to really buckle down, dig into the numbers, and get serious about the effort they are putting into the simulation. Students can learn every bit as much from their mistakes and from efforts to turn their company around as from enjoying success decision round after decision round.

- As a general rule, we think that companies with an overall performance score of 90 or above should get an A. Companies with an overall performance score of 80-89 should get a B (or better if there are no companies with scores of 90 or more). Companies with an overall performance score of 70-79 above should get a C (or better depending on how many teams have higher scores). You may find it desirable to scale the scores if competition turns out to be so fierce or cutthroat that companies in the industry can't earn good profits and meet investors' performance expectations. In most of our classes, we end up scaling the performance scores of companies with scores below 70-75, but it is rare for no company to end up with a score above 90 and thus clearly earn an A without the need for putting much of a scale on the grades on the upper end.

Crafting and Executing Strategy Concepts and Readings The Quest for Competitive Advantage 20th edition Thompson Solutio

Bear in mind that the scoring method we use does not in any way require that some companies receive low scores. Scores are based entirely on (1) whether companies achieve the benchmark performances that investors expect for EPS, ROE, credit rating, stock price appreciation, and image and (2) whether the race to be the market leader is very close from the first place company to the last place company or whether there is quite a wide disparity in the caliber of performances (with the bottom-performing companies turning in truly bad results). If one or more companies have truly low performance scores relative to the other companies, we leave it up to you to decide what sort of scale to apply and thus how much to raise their grade. You'll find that there's plenty of information provided to you in your online electronic grade book to decide what grades to assign. You can either use the ones calculated for you (based on the weights you have specified, which can be changed whenever you wish by merely inputting different weights) or else scale the overall performance scores to your liking.

Dealing with Disagreements among Co-Managers and "Non-Contributors." As with any team assignment, situations will arise where a team member does not carry his or her share of the workload, causing other team members to complain or otherwise voice displeasure. We recommend handling this situation in several ways. Our first recommendation is always to urge the hard-working team members to have a heart-to-heart talk with the person who is slacking off; we also offer to talk with the low-contributing student if the other team members think that would be helpful. A second approach to dealing with complaints about weak contributors is to remind the low-contributing student (or the class as a whole) that there will be peer evaluations at the end of the course and that poor peer evaluations are likely to have an adverse and perhaps severe effect on the grade assigned. If an alleged low-performer's contribution still does not improve, you may have to read them the riot act, threaten to drop them from the simulation with a failing grade, or (if it seems appropriate or practical) you may consider assigning the low-performer to another team (with their consent).

On occasions, company co-managers get into such serious disagreements or have disruptive personality conflicts that it makes sense to move one or more team members to a different team. While moving a person from one company team to another should be done sparingly, it does give you a sometimes workable out for dealing with unusually severe problems among company co-managers.

Moving students to a different team is quickly accomplished if you are using either *GLO-BUS* or *The Business Strategy Game*; all you have to do is select the "Move/Delete Company Co-Managers" option on the Administrative Menu. But you should probably first consult the co-managers of the company to which you want to move the person and secure their approval to take on a new member.

The Business Strategy Game also has an "Add a Company" menu feature. This option (which is available if you have less than the maximum 12 teams in an industry) allows you to assign disgruntled or low performers as co-managers to run a newly created company as they see fit. This may, indeed, be the best solution for all concerned.

Suggestions for Using Outside Readings

It is very much in order, especially in an MBA course, to ask students to do a modest amount of reading in the current literature to supplement and elaborate upon the points made in the text and, in addition, to provide them with some exposure to the literature of strategic management. Instructors who like to expand the scope and depth of their course with a sampling of journal articles and readings from the strategic management literature should take a look at the list of 24 readings that we have included in the 20th edition of *Crafting and Executing Strategy: Concepts and Readings.*

We do not recommend the use of outside readings in the senior-level strategy course (except, perhaps, in an "honors" section)—there is simply too much else to cover that merits higher priority.

In addition to formally assigned readings, we urge our students to get into the habit of regularly reading *Business Week, Fortune, Forbes, The Wall Street Journal,* and the *Harvard Business Review*—and to do so not only while they are taking our strategic management course but also after they graduate. A regular perusal of these periodicals is part and parcel of keeping abreast of business trends and new developments in professional management.

Crafting and Executing Strategy Concepts and Readings The Quest for Competitive Advantage 20th edition Thompson Solutio

Suggestions for Sequencing Chapter Coverage and Case Assignments

In using *Crafting and Executing Strategy: The Quest for Competitive Advantage*, two basic sequencing approaches are possible:

(1) Spend the first several weeks covering the 12 chapters of text material, then spend the remainder of the course on cases and/or a strategy simulation, and/or perhaps some outside readings.

or

(2) Synthesize coverage of the text material, the cases, simulation decision rounds, and/or outside readings.

In our course we've used both approaches successfully but our strong preference is for the latter, so as to introduce some variety into the assignments and to vary the course tempo from class period to class period. We have organized the text chapters and the cases to make it easy to integrate the sequencing. For example, the primary issues in the 19 cases in Section A—Crafting Strategy in Single Business Companies call upon students to make heavy use of the tools and concepts in Chapters 1 through 7. The 2 cases in Section B—Crafting Strategy in Diversified Companies require application of the material in Chapter 8. The 6 cases in Section C—Executing Strategy deal mainly with the topics covered in Chapters 10 through 12. The 3 ethics and social responsibility cases in Section D make a fitting companion to your coverage of Chapter 9.

Chapter 9 and the 2 ethics/social responsibility cases can form the basis for a "strategy-ethics-social responsibility" module that is taught (1) as a separate module following either the Section A cases or the Section B cases or (2) at the end of the course. Alternatively, the stand-alone nature of Chapter 9 allows you to position the coverage of strategy/ethics/social responsibility most anywhere you wish. However, since there's substantial material on values and ethics in Chapter 12, as well as in Chapter 9 (and to a lesser extent in Chapter 1), there's some merit in assigning the cases in Section D at the end of the course (or at least after all of the chapters have been covered).

The length of the cases in this 20th edition should be quite appealing to students—close to one-fifth are under 15 pages yet offer plenty for students to chew on; about one-fourth are medium-length cases; and the remainder are detail-rich cases that call for more sweeping analysis.

In Section 4 that follows, you find 11 sample schedules of class activities for courses of varying length and content; the schedules show recommended ways to sequence your coverage of the chapters and cases, with and with use of an accompanying simulation.

Making Use of the Guide to Case Analysis

Generally speaking, before initiating discussion of the cases, you should encourage students to read the "Guide to Case Analysis" which appears at the end of Case 31. Having students read the Guide is especially important when many of the class members are not familiar with the case method and with how to prepare a case for class discussion or for written analysis. Most students need explicit direction in the mechanics of coming to class adequately prepared for class discussion of an assigned case—otherwise, they are likely to do no more than read the case and respond to your questions with off-the-cuff opinions. The hints and pointers in the Guide to Case Analysis should help students get off to a better start and orient them to the traditional analytical sequence of (1) identify, (2) evaluate, and (3) recommend.

In explaining how you plan to handle class discussion of the cases, you can easily highlight those points discussed in the Guide to Case Analysis that best reflect your own thinking and preferences. And you can do the same with regard to the suggestions for preparing a written case analysis and doing an oral team presentation.

Crafting and Executing Strategy Concepts and Readings The Quest for Competitive Advantage 20th edition Thompson Solutio

The Table of Financial Ratios. ***There is a summary table in both Chapter 4 (Table 4.1) and in the Guide to Case Analysis that presents and explains the array of standard financial ratios that come into play in sizing up a company's financial situation***. We suggest calling this table to the attention of students so they can utilize it in analyzing the financial statements in the cases.

A big majority of students will likely make extensive use of the Financial Ratio table in calculating and properly interpreting financial and operating ratios appropriate for assigned cases.

Doing Follow-Up Research on Companies That Are Featured in the Cases. The Guide to Case Analysis contains a section on how to use the Internet and various online services to (1) do further research on an industry or company, (2) obtain a company's latest financial results, and (3) get updates on what has happened since the case was written. This is an especially valuable section if you like for students, as part of an oral case presentation or written case assignment, to gather further information about what has transpired at the company since the case was researched.

Most company websites, especially those of companies whose shares are publicly-held, contain extensive financial information and often have pages relating to mission statements, core values, codes of ethics, strategy, and culture. It is very easy for students to research the latest developments at a company by perusing its press releases and by using Google or other search engines to locate the latest articles written about the company.

How Many Cases to Assign

How many cases to use varies with whether you use a simulation game, how much class time you wish to spend on the text chapters, whether you like to assign additional readings from either a readings supplement or from library resources, how many times your class meets per week, and whether the course runs for a quarter, a semester, or two quarters.

Generally speaking, we recommend covering 8 to 12 cases in a semester-long course meeting twice weekly (25 or so class meetings). In a one-quarter course you may find it more comfortable to cover only 6-10 cases in a class meeting twice weekly for 75 minutes. If you are using a strategy simulation, then assigning a lesser number of cases than you otherwise would makes sense.

Aside from the number and length of the class meetings each term, the "right" number of cases to try to cover is very much a function of your choices about using a simulation game and how much (if any) time you opt to spend on the simulation in class, whether you decide to assign outside readings, the amount of class time you want to spend covering the basic concepts and analytical tools (the material in Chapters 1-12), and whether you decide to spend more than one class period covering one or two of the longer/issue-rich cases.

Deciding How to Sequence the Case Assignments

In selecting what sequence in which to assign the cases, we suggest at least a *rough* adherence to the order in which the cases appear in the book—particularly the first time you use the book. In sequencing the cases under each topic heading, we have tried to follow some logical order based on central teaching points, key issues, analytical complexity, and overall pedagogical purpose.

Our grouping of the cases into Sections A, B, C, and D implies, of course, that the central thrust of the case deals with the indicated topics. Although our groupings are accurate (we think!), it is also true that several of the cases involve a sufficiently broad cross-section of strategic management problems and issues that they are suitable for use at several different places in the course.

Crafting and Executing Strategy Concepts and Readings The Quest for Competitive Advantage 20th edition Thompson Solutio

In Section 4 of this IM are 5 sample course schedules that provide specific suggestions for sequencing your case assignments over a 15-week term. Section 4 also provides 3 sample daily schedules for a 10-week term and three sample daily class schedules for a 5-week summer. In addition, each case teaching note contains a section on "Suggestions for Using the Case" that provides further details and guidance on where a particular case fits and the central teaching points it contains. But to simplify things a bit in choosing the cases and sequencing that might work for you and to further supplement the Table 1 grid showing the strategic issues that are prominent in each case, we have provided some groupings below that you may find helpful.

Cases that make especially good lead-off cases for a Section A, B, C, or D set of case assignments and/or that are easier to analyze:

Section A Lead-Off Cases	Section C Lead-Off Cases
Mystic Monk Coffee	Robin Hood
BillCutterz.com: Business Model, Strategy, and the Challenges of Exponential Growth	Dilemma at Devil's Den
Whole Foods Market in 2014: Vision, Core Values, and Strategy	Nordstrom: Focusing on a Culture of Service
Papa John's International, Inc.: Its Strategy in the Pizza Restaurant Industry	Employee Training & Development at Ritz-Carlton: Fostering an Exceptional Customer Service Culture
Lagunitas Brewing Company, Inc.—2013	
Section B Lead-Off Cases	**Section D Lead-Off Cases**
The Walt Disney Company: Its Diversification Strategy in 2014	NCAA Athletics: Are Its Amateurism and Financial Assistance Policies Ethical?
PepsiCo's Diversification Strategy in 2014	Samsung's Environmental Responsibility: Striking the Right Note for Corporate Survival

Cases which are good follow-ons to "lead-off" cases, highly suitable for the first-half of a Section A, B, C, or D set of case assignments, and only moderately difficult for students to analyze:

Section A Follow-On Cases	Section B Follow-On Cases
Whole Foods Market in 2014: Vision, Core Values, and Strategy	The Walt Disney Company: Its Diversification Strategy in 2014
Under Armour's Strategy in 2014: Potent Enough to Win Market Share from Nike and Adidas?	PepsiCo's Diversification Strategy in 2014
Lululemon Athletica, Inc. in 2014: Can the Company Get Back on Track?	**Section C Follow-On Cases**
Panera Bread Company in 2014: Can a Slowdown in the Company's Growth Be Avoided?	Southwest Airlines in 2014: Culture, Values, and Operating Practices
Chipotle Mexican Grill in 2014: Will Its Strategy Become the Model for Reinventing the Fast Food Industry?	Amazon's Big Data Strategy
Sirius XM Satellite Radio Inc. in 2014: On Track to Succeed after a Near-Death Experience?	Nordstrom: Focusing on a Culture of Service
Vera Bradley in 2014: Will the Company's Strategy Reverse Its Downward Trend?	Employee Training & Development at Ritz-Carlton: Fostering an Exceptional Customer Service Culture
J.Crew In 2014: Will Its Turnaround Strategy Improve Its Competitiveness?	**Section D Follow-On Cases**
The United Methodist Church: Challenges to Its Ministerial Mission in 2014	TOMS Shoes: A Dedication to Social Responsibility
Nucor Corporation in 2014: Combating Low-Cost Foreign Imports and Depressed Market Demand for Steel Products	Samsung's Environmental Responsibility: Striking the Right Note for Corporate Survival
Wal-Mart in Africa	

Crafting and Executing Strategy Concepts and Readings The Quest for Competitive Advantage 20th edition Thompson Solutio

Cases that are most suitable for the second-half of a Section A, B, C or D set of case assignments because of their comprehensive nature and somewhat greater analytical requirements:

Section A Comprehensive Cases	Section B Comprehensive Cases
Under Armour's Strategy in 2014: Potent Enough to Win Market Share from Nike and Adidas?	The Walt Disney Company: Its Diversification Strategy in 2014
Lululemon Athletica, Inc. in 2014: Can the Company Get Back on Track?	PepsiCo's Diversification Strategy in 2014
Panera Bread Company in 2014: Can a Slowdown in the Company's Growth Be Avoided?	**Section C Comprehensive Cases**
Chipotle Mexican Grill in 2014: Will Its Strategy Become the Model for Reinventing the Fast Food Industry?	Southwest Airlines in 2014: Culture, Values, and Operating Practices
Sirius XM Satellite Radio Inc. in 2014: On Track to Succeed after a Near-Death Experience?	Nordstrom: Focusing on a Culture of Service
Vera Bradley in 2014: Will the Company's Strategy Reverse Its Downward Trend?	Employee Training & Development at Ritz-Carlton: Fostering an Exceptional Customer Service Culture
Nucor Corporation in 2014: Combating Low-Cost Foreign Imports and Depressed Market Demand for Steel Products	Amazon's Big Data Strategy
Tesla Motors' Strategy to Revolutionize the Global Automotive Industry	
Tata Motors in 2014: Its Multibrand Approach to Competing in the Global Automobile Industry	
Deere & Company in 2014: Its International Strategy in the Agricultural, Construction, and Forestry Equipment Industry	

Table 2 profiles the topics and issues that are contained in the 31 cases in this edition. The grid in Table 2 and sample daily class schedules in Section 4 are intended to help you make wise choices about how to position coverage of the chapters and sequence the case assignments in your course. Each case teaching note also contains a section on "Suggestions for Using the Case" that provides ideas on case sequencing and case use.

Crafting and Executing Strategy Concepts and Readings The Quest for Competitive Advantage 20th edition Thompson Solutio

TABLE 2. A Quick Profile of the Cases in the 20th Edition of Crafting and Executing Strategy

		Accompanying video (Y = yes; N = no)	Connect Case Exercise (Y = yes; N = No)	Size: Small (S), Medium (M), Large (L)	The manager's role in crafting strategy	The manager's role in executing strategy	Vision, mission, and objectives	Crafting strategy in single-business companies	Industry and competitive analysis	Company resources and capabilities	Global or multinational strategy	E-business strategy issues	Diversification strategies and the analysis of multi-business corporations	Financial conditions and financial analysis	Staffing, people management, incentives and rewards	Organizational structure, core competencies, competitive capabilities, staffing	Policies, procedures, operating systems, best practices, continuous improvement	Corporate culture issues	Ethics, values, social responsibility	Exerting strategic leadership	Making action recommendations
Case 1	Mystic Monk Coffee	N	Y	S	X		X	X	X	X		X		X	X			X		X	X
Case 2	BillCutterz.com: Business Model, Strategy, and the Challenges of Exponential Growth	Y	Y	S	X	X	X	X		X		X		X	X	X					X
Case 3	Whole Foods Market in 2014: Vision, Core Values, and Strategy	Y	Y	M	X		X	X	X	X				X	X		X	X	X	X	X
Case 4	Papa John's International, Inc.: Its Strategy in the Pizza Restaurant Industry	Y	N	M	X	X	X	X	X	X	X	X		X	X						X
Case 5	Under Armour's Strategy in 2014: Potent Enough to Win Market Share from Nike and Adidas?	Y	Y	M	X			X	X	X	X			X							X
Case 6	Lululemon Athletica, Inc. in 2014: Can the Company Get Back on Track?	Y	Y	M	X		X	X	X	X	X			X							X
Case 7	Lagunitas Brewing Company, Inc. – 2013	Y	N	S	X		X	X	X	X				X							X
Case 8	Cooper Tire & Rubber Company in 2014: Competing in a Highly Competitive Market for Replacement Tires	N	N	L	X			X	X	X				X							X
Case 9	Panera Bread Company in 2014: Can a Slowdown in the Company's Growth Be Avoided?	Y	Y	M	X	X	X	X	X	X	X			X					X		X
Case 10	Chipotle Mexican Grill in 2014: Will Its Strategy Become the Model for Reinventing the Fast Food Industry?	Y	Y	M	X		X	X	X	X				X							X
Case 11	Sirius XM Radio Inc. in 2014: On Track to Succeed after a Near-Death Experience?	Y	Y	M	X			X	X	X				X							X
Case 12	Sony Music Entertainment and the Evolution of the Music Industry	Y	N	M	X			X	X	X	X			X					X		X
Case 13	Vera Bradley in 2014: Will the Company's Strategy Reverse Its Downward Trend?	N	Y	M	X		X	X	X	X		X		X							X
Case 14	J. Crew in 2014: Will Its Turnaround Strategy Improve Its Competitiveness?	Y	N	M	X		X	X	X	X		X		X							X
Case 15	The United Methodist Church: Challenges to its Ministerial Mission in 2014	N	N	S	X		X	X	X	X	X			X							X
Case 16	Nucor Corporation in 2014: Combatting Low-Cost Foreign Imports and Depressed Market Demand for Steel Products	Y	Y	L	X	X		X	X	X	X			X							X
Case 17	Tesla Motors' Strategy to Revolutionize the Global Automotive Industry	Y	Y	M	X		X	X	X	X	X			X							X
Case 18	Tata Motors in 2014: Its Multibrand Approach to Competing in the Global Automobile Industry	Y	Y	L	X			X	X	X	X			X							X
Case 19	Deere & Company in 2014: Its International Strategy in the Agricultural, Construction, and Forestry Equipment Industry	Y	Y	L	X			X	X	X	X			X							X
Case 20	Walmart in Africa	Y	N	L	X			X	X	X	X			X							X
Case 21	PepsiCo's Diversification Strategy in 2014	Y	Y	L	X				X	X	X		X	X							X
Case 22	The Walt Disney Company: Its Diversification Strategy in 2014	Y	Y	L	X		X		X	X	X		X	X							X
Case 23	Robin Hood	N	Y	S	X	X	X		X	X					X	X	X	X	X	X	X
Case 24	Dilemma at Devil's Den	N	N	S		X									X	X	X	X	X		X
Case 25	Southwest Airlines in 2014: Culture, Values, and Operating Practices	Y	Y	L	X	X	X	X	X	X	X			X	X	X	X	X		X	X
Case 26	Nordstrom: Focusing on a Culture of Service	Y	N	M		X		X		X				X	X	X	X	X			X
Case 27	Employee Training & Development at Ritz-Carlton: Fostering an Exceptional Customer Service Culture	N	N	M		X		X						X	X		X	X			X
Case 28	Amazon's Big Data Strategy	Y	N	M		X						X		X			X				X
Case 29	NCAA Athletics: Are Its Amateurism and Financial Assistance Policies Ethical?	Y	N	S	X		X							X			X		X		X
Case 30	TOMS Shoes: A Dedication to Social Responsibility	Y	N	S	X	X	X	X	X	X				X			X	X	X	X	X
Case 31	Samsung's Environmental Responsibility: Striking the Right Note for Corporate Survival	N	N	L	X				X	X							X		X		X

Crafting and Executing Strategy Concepts and Readings The Quest for Competitive Advantage 20th edition Thompson Solutio

Cases with Accompanying Videos

Twenty-three of the 31 cases in this 20th edition have accompanying videos which may want to consider showing during the course of the case discussions. We have included multiple videos for some of the cases, with many being posted at YouTube for students to view on their own outside of class on an Internet-connected device. Table 3 below provides some information on each of the case videos, including the title, source, video run time, and the URL for YouTube videos, the non-YouTube videos are accessible/viewable on the Instructor portion of the Online Learning Center or a DVD which can be obtained from your McGraw-Hill rep.

TABLE 3. List of Videos Accompanying the Cases in the 20th Edition

Case Number	Case Title	Video Title	Video Source	Video Length (in minutes)	URL for YouTube videos
2	Billcutterz.com	ABC World News with Diane Sawyer Features BillCutterz on Real Money	YouTube	3:10	https://www.youtube.com/watch?v=_qY0f_H3qgs
3	Whole Foods Market in 2014	Whole Foods: How Radical CEO Created Grocery Empire	YouTube	6:22	http://www.youtube.com/watch?v=f6c8oqK-Olk
3	Whole Foods Market in 2014	Organic Food is Going Mainstream	YouTube	2:02	http://www.kgns.tv/home/headlines/Organic-food-is-going-mainstream-276021731.html
4	Papa John's International, Inc.	Papa John's Founder John Schnatter Interview	YouTube	6:57	http://www.youtube.com/watch?v=641dsz7jTPU
4	Papa John's International, Inc.	Domino's CEO on Chain's Inage, Italy Prospects	YouTube	11:45	http://www.youtube.com/watch?v=DQbf4wathbI
5	Under Armour	Under Armour CEO: Olympic Gear Questions Fair	YouTube	7:59	https://www.youtube.com/watch?v=YZ7BKqO73rc
5	Under Armour	Under Armour CEO Defends Skating Suits	YouTube	2:28	https://www.youtube.com/watch?v=rziPtY2sCXE
5	Under Armour	Under Armour to Blame for U.S. Speed Skaters' Struggles?	YouTube	3:58	https://www.youtube.com/watch?v=uN4JFPS9ofo
6	lululemon athletica	lululemon athletica Southcentre -Spring 2012 Product Features	YouTube	3:55	http://www.youtube.com/watch?v=8inAaGvlFxo
6	lululemon athletica	Lululemon's CEO Chip Wilson's Apology Called Worst Ever	YouTube	3:44	http://www.youtube.com/watch?v=u4jIBlTIkSk

Crafting and Executing Strategy Concepts and Readings The Quest for Competitive Advantage 20th edition Thompson Solutio

Case Number	Case Title	Video Title	Video Source	Video Length (in minutes)	URL for YouTube videos
6	lululemon athletica	Exclusive Interview with Lululemon Founder Chip Wilson	YouTube	3:27	http://www.youtube.com/watch?v=O6MANRD70Jk
6	lululemon athletica	Can Lululemon Fend Off Rising Competition	Bloomberg Businessweek	4:22	http://www.businessweek.com/videos/2013-12-11/can-lululemon-fend-off-rising-competition
7	Lagunitas Brewing Company	Beer Talk with Lagunitas Brewing Company Founder	YouTube	3:27	http://www.youtube.com/watch?v=ZhtY-xEu3FU
9	Panera Bread in 2014	Panera Bread Slices Full Year Earnings Forecast	YouTube	1:00	https://www.youtube.com/watch?v=ex2q9XcpItg
9	Panera Bread in 2014	Panera Bread: Hidden Menu and More	YouTube	2:46	https://www.youtube.com/watch?v=uYMaYc8k3cI
9	Panera Bread in 2014	Panera Bread Cares Opens in Boston	YouTube	2:29	https://www.youtube.com/watch?v=svn3IX_6h_Y
10	Chipotle Mexican Grill in 2014	How Gourmet Burgers and Burritos Are Disrupting the Fast Food Industry	YouTube	6:25	http://www.youtube.com/watch?v=wmH73Diqf5Q
10	Chipotle Mexican Grill in 2014	Genetically Modified Ingredients in Chipotle Food	YouTube	2:53	http://www.youtube.com/watch?v=KQk6EXijZNI
11	Sirius XM Satellite Radio Inc. in 2014	Can Pandora Top Sirius XM	YouTube	1:06	http://www.youtube.com/watch?v=HnXzGqk6I5k
12	Sony Music Entertainment and the Evolution of the Music Industry	Richard Branson: The Music Industry Imploded Due to Apple	YouTube	1:01	http://www.youtube.com/watch?v=JlLvtBUpHks
14	J. Crew in 2014	A Cheaper J. Crew on the Way?	YouTube	3:11	http://www.youtube.com/watch?v=frG02656DT4
16	Nucor in 2014	Senator Schumer at Nucor Steel in Auburn to Fight for Local Steel Companies	YouTube	2:10	http://www.youtube.com/watch?v=-sg08Zxp9x4
16	Nucor in 2014	Exclusive: Tata Steel ED on Global Steel Market	YouTube	6:24	http://www.youtube.com/watch?v=K7b9N6pISdU
16	Nucor in 2014	Nucor's CEO Ferriola on Steel Imports, Trade Laws	Bloomberg Businessweek	4:56	http://www.businessweek.com/videos/2013-03-21/nucor-ceo-ferriola-on-steel-imports-trade-laws

Crafting and Executing Strategy Concepts and Readings The Quest for Competitive Advantage 20th edition Thompson Solutio