

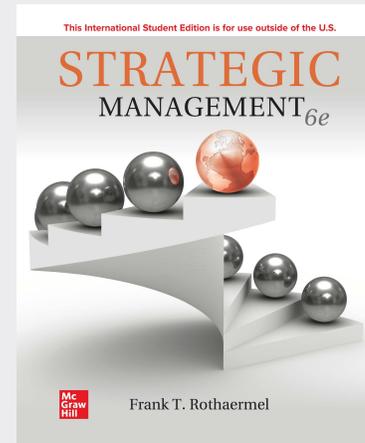


# Strategic Management

6th Edition

Frank T. Rothaermel

ISBN: 9781266191862 / 1266191860 / ©2024



Frank T. Rothaermel wrote *Strategic Management 6e* from the ground up because the world has changed dramatically since 5e was published (in January 2020). Events such as the COVID-19 pandemic, social justice movements, war, and disenchantment with the economic system profoundly impact how leaders run companies in their quest for competitive advantage. Rothaermel 6e synthesizes and integrates conceptual frameworks, empirical research, and practical applications with current real-world examples to help students make sense of a fast-changing and complex world. Rothaermel 6e is industry-leading in diversity and inclusion by featuring leaders with different backgrounds and companies that today's students can relate to and thus internalize the knowledge acquired. The new 6e prepares students with the foundation they need to understand how companies gain and sustain competitive advantage while developing skills to become successful leaders capable of making well-reasoned strategic decisions. As sole author, Rothaermel continues to provide an unmatched tight linkage between the concepts and cases, resulting in engaging and enjoyable content.

When paired with the Connect® online platform, students and instructors can take advantage of the adaptive reading and practice to ensure students are prepared for class, along with robust auto-graded homework activities, including Whiteboard Videos, Video Cases, Cases Analyses, Application-Based Activities (mini-simulations) and testing to help develop students critical thinking and decision-making skills.

# Features

## New Features

- **WhiteBoard Video Cases:** These brief, contemporary, and engaging videos offer dynamic, student-centered introductions, illustrations, and animations that guide students through challenging concepts with assignable assessment questions.
- **Video Cases:** These videos, which showcase real-world executive and managerial perspectives, allow students to practice critical thinking on topical information that is relevant to themselves and their future careers.
- **MiniCases** all written by Frank T. Rothaermel, and based on original research, provide dynamic opportunities for students to apply strategy concepts and analyze companies. They can be used for classroom discussion or as assignments in Connect. They include follow-up multiple choice questions with instant feedback.
- **New Chapter:**
  - Chapter 5 has an entirely new focus by framing the discussion of competitive advantage in light of the shift towards creating shared value for all stakeholders, reflected in the new chapter title “Shared Value and Competitive Advantage”
- **New Chapter Cases:**
  - “Facebook becomes Meta” (Chapter 2)
  - “Patagonia: A Pioneer in Creating Shared Value” (Chapter 5)”
- **New Sections:**
  - “The Red Queen Effect in Business Competition” in Chapter 1, “What is Strategy”?
  - “Strategic Leadership at Meta’s Facebook” in Chapter 2, “Strategic Leadership”
  - “A Purpose-Driven Mission and Strategic Intent” in Chapter 2, “Strategic Leadership”
  - “Strategic Leadership and the Future of Work” in Chapter 2, “Strategic Leadership”
  - “Strategic Inflection Points” in Chapter 2, “Strategic Leadership”
  - “Strategic Group Dynamics” in Chapter 3, “External Analysis: Industry Structure, Competitive Forces, and Strategic Groups”
  - “The Four Industrial Revolutions” in Chapter 7, “Business Strategy: Innovation, Entrepreneurship, and Platforms”
- “Not All Industry Value Chain Stages Are Equally Profitable” in Chapter 8, “Corporate Strategy: Vertical Integration and Diversification”
- “Systemic Rivalry and Techno Cold War” in Chapter 10, “Global Strategy: Competing Around the World”
- “The Ambidextrous Organization: Balancing Trade-Offs” in Chapter 11, “Organizational Design: Structure, Culture, and Control”
- **New Cases:**
  - Nine MiniCases (3/4 NEW out of 12), featuring successes and failures. Companies featured in the new MiniCases: Chick-fil-A, Dr. Dre (Beats Electronics), Microsoft, Purdue Pharma, Robinhood, Tiffany and LVMH, Tinder and Bumble, Toms Shoes, and Warby Parker.
  - All other MiniCases are revised and updated.
  - One MiniCase per chapter, tightly integrated with learning objectives.
  - Detailed and high-quality teaching notes are available in the Connect Library.
  - Two new full-length Cases: Rivian and Peloton
  - All other cases, including the most popular ones, such as Apple, Best Buy, Disney, McDonald’s, Nike, Starbucks, and Tesla, are revised and updated.
- **Strong emphasis on diversity, equity, and inclusion (DEI)** by featuring a wide range of strategic leaders from different backgrounds and fields, not just in business but also in entertainment, professional sports, and so forth.

## Retained Features

- **The Holistic AFI framework’s integration** of the process schools of strategy (based on organizational theory, psychology, and sociology) with the content schools of strategy (based on economics) provides students with a balanced and complete treatment of strategy. Frank focuses on the most important concepts with in-depth examples to help students make connections.
- **Balanced Mix of Classic and Contemporary Strategy Content:** The author covers material that has withstood the test of time, such as the resource-based view and Porter’s five forces model, as well as contemporary topics such as managing the strategy process, strategic leadership, competitive advantage, innovation and strategic entrepreneurship.

- **Synthesis and Integration of Empirical Research and Practical Applications:** The author helps students synthesize and integrate strategy frameworks, empirical research, and practical applications with current real-world examples. This approach and emphasis on real-world examples offers students a learning experience that uniquely combines rigor and relevance. Rothaermel draws from such leading academic journals as Strategic Management Journal, Academy of Management Journal/Review, Journal of Management, and so forth. By addressing what the research findings mean and why they are important for managers, and by eliminating excess detail and outdated examples, the text helps students focus on “what and why it important”.
- **Tight content and Case linkage:** Unlike other texts that often outsourced cases, all of the ChapterCases and Strategy Highlights (which appear in each of the 12 chapters) MiniCases (which appear in Part 4 of the book), as well as the full-length Cases (available in Connect) and their accompanying Case Teaching Notes have been authored (or co-authored) by Frank Rothaermel himself. This level of dedication and quality control ensures that chapter content and cases use one voice and are closely interconnected.
- **Case Stamp of Approval from Harvard Business School:** These cases are approved by and distributed through HBS. The author attended HBS’ case writing workshops and he researched and wrote 12 mini-cases and 12 full-length cases to ensure tight integration between content and cases for an optimal teaching and learning experience. It enables models, theories and frameworks to be better understood and applied. This is so very important because this course is case-based and a fundamental ingredient in teaching strategy.
- **Direct Application of Strategy to Career and Lives:** Strategic Management prepares students for the dynamism they will face as managers in the 21st century. Popular and successful features carried over from prior editions include: “Strategy Highlight Boxes” - Boxes that apply a specific concept to a specific company; each box is brief enough to appeal to students, yet long enough to offer valuable insights; “myStrategy Modules” -End-of-chapter activities that show students how strategy directly applies to their careers and lives.
- **Insights from leading practitioner outlets:** Coverage of discussions from such outlets as Harvard Business Review that enhance the application of strategy concepts. -Topics from recent and current bestsellers - Discussions expose students to issues that today’s managers talk about.
- **A Global Context:** Drawing on the author’s cosmopolitan upbringing and education (educated, trained, and worked in multiple different countries), this strategy text features many leading companies from Asia, Europe, and Latin America, as well as the United States to incorporate the new issues managers face in a globally competitive marketplace.
- **Chapter Cases begin and end each chapter with topical content that focuses on companies and industries of interest to students:** The new edition includes: Chapter 1: Tesla: The Trillion-Dollar Tech Titan, Chapter 2: Facebook becomes Meta, Chapter 3: Airbnb: Disrupting the Hotel Industry, Chapter 4: Five Guy’s Core Competency: Make the Best Burger, Don’t Worry about Cost, Chapter 5: Patagonia: A Pioneer in Creating Shared Value, Chapter 6: Jet Blue Airways: En Route to a New Blue Ocean?, Chapter 7: Netflix: No Longer A Disruptor, Chapter 8: Amazon’s Corporate Strategy, Chapter 9: Little Lyft Gets Big Alliance Partners and Beats Uber in Going Public, Chapter 10: IKEA: The World’s Most Profitable Retailer, Chapter 11: “A” is for Alphabet and “G” is for Google, Chapter 12: Theranos: Bad Blood.
- **Strategy Highlight boxes**, two per chapter, apply a specific concept to a specific company. They include valuable insights and are focused on companies students are familiar with, including Twitter, Teach for America, From League of Legends to Fortnite: The Rise of Esports, Yeti, BlackRock, JCPenney, Coca-Cola and Monster, Procter & Gamble, Kraft Heinz, Netflix, Walmart, Zappos, Sony vs. Apple, and Dollar Shave Club.
- **Chapter Cases** are comprised of two parts. Part I frames the chapter topic and content. Part II provides additional information, plus concepts and information from the chapter to extend and complete the ChapterCase example. Discussion questions are included to simulate classroom discussion and bring the concepts to life.
- **Take-Away Concepts** are chapter summaries that link Retained chapter content to the chapter’s Learning objectives. End-of-chapter materials include Key Terms, which reinforce important strategy concepts and ideas within the chapter, and Discussion Questions, which provide stimulating, thought-provoking activities for students.

- **Partnership with Capsim's Capstone Business simulation:** Capsim is the #2 strategy simulation provider. We created a value-priced course solution that consists of Capsim's Capstone simulation with Rothaermel's Vital source eBook. Bundle Rothaermel's Strategic Management eText with Capstone for just \$99.99. Purchase options are made directly through [www.capsim.com](http://www.capsim.com). You can also call Capsim directly at 877.477.8787 for assistance. For bookstore orders, you must contact Capsim to place the order.
- **Competitive Simulations:** McGraw Hill has a partnership with The Business Strategy Game (BSG) and GLO-BUS simulation - that can be used with the textbook. BSG: Students run athletic footwear companies that produce and market both branded and private-label footwear and compete head-to-head for global market leadership. GLO-BUS: Students operate companies that design, assemble, and market wearable video cameras and sophisticated camera-equipped drones.
- **CREATE™:** McGraw Hill's custom-publishing program is where instructors can select from author-written full-length cases as well as cases from Harvard, Ivey, Darden, NACRA, and much more! Instructors can assemble their own course, selecting the chapters, cases, and readings that will work best for them. The Create marketing bridge page (<http://www.mcgrawhillcreate.com/Rothaermel>)

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5. Shared Value and Competitive Advantage

### Part 2: Formulation

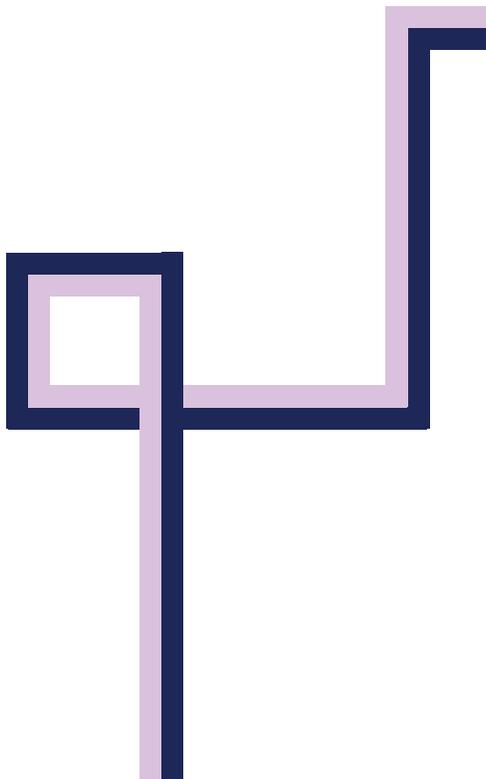
6. Business Strategy: Differentiation, Cost Leadership, and Blue Oceans
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## Take your students higher.

McGraw Hill Connect® is a complete course platform. It helps you deliver cohesive learning experiences through structured content and interactivity. When students engage with Connect, their individual needs become clear. This enables you to assign coursework, aligned to the levels of Bloom's Taxonomy, that keeps your students moving forward on their unique learning path from foundational cognitive skills to higher-order thinking and application. The chart below shows how each asset type aligns to Bloom's Taxonomy.

LOWER  HIGHER

ASSET	DESCRIPTION	REMEMBER	UNDERSTAND	APPLY	ANALYZE	EVALUATE	CREATE
SmartBook 2.0	SmartBook 2.0 is an adaptive learning solution that provides personalized learning to individual student needs, continually adapts to pinpoint knowledge gaps, and focuses learning on concepts requiring additional study. It fosters more productive learning, takes the guesswork out of what to study, and helps students better prepare for class. Our adaptive experience is more personal, accessible, productive, and mobile.	✓	✓				
eBook & ReadAnywhere App	This digital textbook is automatically included with students' Connect access at no additional cost. The eBook is a full version of the print textbook; it includes resources like content reference sources, highlighting, notes, and term definitions. Student can also use the free ReadAnywhere mobile app for smartphone and tablets to access their eBook offline, so they can study anytime, anywhere, when it's convenient for them.	✓	✓				
Interactive exercises	These exercises help students to make the connection between theory and application.	✓	✓	✓			
WhiteBoard Video Cases	These brief, contemporary, and engaging videos offer dynamic, student-centered introductions, illustrations, and animations that guide students through challenging concepts with assignable assessment questions.	✓	✓	✓			
Video Cases	These videos, which showcase real-world executive and managerial perspectives, allow students to practice critical thinking on topical information that is relevant to themselves and their future careers.	✓	✓	✓			
Mini-Cases	The Mini-Cases, all written by Frank T. Rothaermel, and based on original research, provide dynamic opportunities for students to apply strategy concepts and analyze companies. They can be used for classroom discussion or as assignments in Connect. They include follow-up multiple choice questions with instant feedback.	✓	✓	✓	✓		

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ASSET	DESCRIPTION						
		REMEMBER	UNDERSTAND	APPLY	ANALYZE	EVALUATE	CREATE
Case Analyses	Case analyses challenge students to analyze real-world business dilemmas, make sense out of the situation, and derive a plan of action. This immersive approach fosters students' ability to think critically and be better prepared for the real world. Thought-provoking discussion questions check the students' ability to apply the material and develop their workplace readiness skills. All cases come with teaching notes.	✓	✓	✓	✓		
Case Exercises	Case exercises ask students to think strategically to arrive at pragmatic, analysis-based recommendations for improving company performance. They have multiple components and include calculating financial ratios to assess a company's financial performance and balance sheet strength, identifying a company's strategy, and recommending actions to improve company performance.	✓	✓	✓	✓	✓	
Application-Based Activities (Mini-Simulations)	These highly interactive, automatically graded exercises provide an opportunity for students to practice their problem-solving skills and apply their knowledge to realistic scenarios. Students take on specific roles to complete strategy-related tasks which involve multiple decision-making paths. Students see the impact of their decisions immediately and feedback is provided along the way.	✓	✓	✓	✓	✓	
Writing Assignment	Writing Assignment delivers a learning experience that helps students improve their written communication skills and conceptual understanding. Faculty can assign, monitor, grade, and provide feedback on writing projects efficiently. Built-in grammar and writing review help students improve writing quality while an originality checker helps students correct potential plagiarism before submission. End result? Improved workplace skills of writing and critical thinking.	✓	✓	✓	✓	✓	✓