

Questions Chapter 01 The Concept of Strategy

True False Questions

Question title	Question stem	Choice	Difficulty 1 Easy 2 Medium 3 Hard	Reference link	Topic
TF01.01	Strategy is a detailed plan and a program of instructions that every member of the organization must carefully follow to ensure success	F	1	Introduction and objectives	Strategy definition
TF01.02	Strategy is a unifying theme and a general guideline	T	1	Introduction and objectives	Strategy definition
TF01.03	For most firms, luck appears to be the largest factor explaining whether they fail or succeed	F	2	The role of strategy in success	Strategy definition
TF01.04	Executing a good strategy well often determines the extent of a firm's success	T	1	The role of strategy in success	Strategy role
TF01.05	A sound strategy requires four components: simple, short term goals; deep understanding of competitive environment; objective appraisal of resources; and effective implementation of the strategy	F	2	The role of strategy in success	Strategy definition
TF01.06	The basic strategy framework links a firm to its owners – the shareholders	F	1	The basic framework for strategy analysis	Strategy definition
TF01.07	The role of business strategy can be described as the selection of resources a firm chooses to achieve its long-term goals and the way it organizes those resources into activities	T	2	Strategic management today <i>Corporate and business strategy</i>	Strategy role
TF01.08	The conceptual problem with using SWOT analyses is that most people ignore deep analysis of internal factors and underestimate their own weaknesses	F	3	A brief history of business strategy <i>From corporate planning to strategic management</i> Capsule 1.5	Analytical tool

TF01.09	The concept of "Strategic fit" describes the gap or fit between the environment and a firm's strategy	T	1	The basic framework for strategy analysis <i>Strategic fit</i>	Strategy definition
TF01.10	Business strategy has intellectual origins in military strategy	T	1	A brief history of business strategy <i>Origins and military antecedents</i>	Strategy definition
TF01.11	Strategy denotes the entire plan whereas a tactic refers to a scheme for specific actions	T	2	A brief history of business strategy <i>Origins and military antecedents</i>	Strategy definition
TF01.12	Strategic decisions are important, involve a significant commitment of resources and should be easily reversible	F	2	A brief history of business strategy <i>Origins and military antecedents</i>	Strategy definition
TF01.13	Different perspectives in strategy have existed since the 1950s; each of them emphasized a particular aspect of strategy	T	2	A brief history of business strategy <i>From corporate planning to strategic management</i>	Strategy history and evolution
TF01.14	Strategy can be defined as the means by which individuals or organizations achieve their objectives	T	2	Strategic management today <i>What is strategy?</i>	Strategy definition
TF01.15	Strategy answers two basic questions: where and how to compete?	T	2	Strategic management today <i>What is strategy?</i>	Strategy definition
TF01.16	Two main levels of strategy can be distinguished: the corporate strategy level and the business (or competitive) strategy level	T	1	Strategic management today <i>Corporate and business strategy</i>	Strategy definition
TF01.17	A firm's strategy includes different components used to articulate and communicate common goals, means and values, such as vision, mission, business model, and strategic plans	T	2	Strategic management today <i>Identifying a company's strategy</i>	Strategy contents

TF01.18	An intended strategy is a set of initial ethical intentions; an emergent strategy comprises actions or changes that emerge from the organization or its environment; and finally, the realized strategy is the set of strategic changes and actions that actually takes place	F	3	Strategic management today <i>How is strategy made? Design vs. emergence</i>	Strategy contents
TF01.19	Good strategy analysis generates 'right' answers to strategic problems	F	2	Strategic management today <i>Multiple roles of strategy</i>	Strategy role
TF01.20	Strategic analysis gives us frameworks to identify, classify and understand issues	T	2	Strategic management today <i>Multiple roles of strategy</i>	Strategy role

Multiple Choice Questions

Question title	Question stem	Choices	Rationale	Difficulty	Page and § references	Topic
MC01.01	Strategy is fundamentally about:	a- Being better than rivals b- Winning c- Satisfying all stakeholders d- Being an excellent “corporate citizen”	b	2	Introduction and objectives	Strategy definition
MC01.02	Success is fundamentally linked to:	a- A soundly formulated strategy and luck b- An effectively formulated strategy and a strong awareness of the rivals’ strengths c- A clear understanding of the game and strong political ties with governments and regulatory bodies d- A soundly formulated and effectively implemented strategy	d	1	The role of strategy in success	Determinants of success
MC01.03	From the three stories describing key attributes of strategy at the beginning of the chapter, four factors stand out:	a- Goals, environment, appraisal of resources, and social and cultural implications b- Goals, internal and external analysis of the environment, effective implementation, and awareness of rivals’ strengths c- Goals, environment, appraisal of resources, and effective implementation d- Goals, environment, irreversibility of decision, and effective implementation	c	3	The role of strategy in success	Strategy definition
MC01.04	Strategic goals have to be:	a- Simple b- Consistent c- Long term d- All of the above	d	1	The role of strategy in success	Strategy definition
MC01.05	Appraising a firm’s resources consists of:	a- Protecting the firm from its weaknesses and trying to reduce or eliminate them b- Leveraging the firm’s strengths to increase market share and profit c- Exploiting a firm’s internal strengths while protecting its weaknesses d- Completing 360-degree analytical evaluations of top managers’ strengths and weaknesses	c	2	The role of strategy in success	Strategy definition

MC01.06	The success of an organization in general, seems related to the following variables:	<ul style="list-style-type: none"> a- Being goal-focused b- Having a strong and in-depth knowledge of the rules of the game c- Knowing extremely well its own strengths and weaknesses d- All of the above plus the ability to implement strategy with commitment, consistency and determination 	d	2	The role of strategy in success	Strategy and performance
MC01.07	In 1999, Peter Drucker observed that:	<ul style="list-style-type: none"> a- Most of the "high achievers" were rich before they started to build their success b- Planning and a careful description of the future are the keys for success c- We must know how to be the CEO of our own careers d- We must know our own personalities in depth to be successful 	c	1	The role of analysis in strategy formulation	Strategy definition
MC01.08	The basic framework for strategy links:	<ul style="list-style-type: none"> a- The firm itself, and the industry environment b- Resources, capabilities, goals, and values c- The industry environment, structure, and systems d- The firm itself and its corporate culture 	a	2	The basic framework for strategy analysis	Strategic analysis framework
MC01.09	SWOT is not a very useful tool because:	<ul style="list-style-type: none"> a- Some factors cannot easily be classified into opportunities or threats b- Most top managers emphasize their own firm and neglect their environment c- Most top managers underestimate their own firm's weaknesses d- Appraising the results of a SWOT is more important than achieving an arbitrary 4-way categorization e- 	d	3	The basic framework for strategy analysis	Strategy definition
MC01.10	The fundamental task of business strategy is to determine how the firm:	<ul style="list-style-type: none"> a- Will make a profit in its industry environment b- Will deploy its resources to satisfy its short-term financial goals c- Will deploy its resources to satisfy its long-term goals d- Can organize its activities to obliterate its rivals 	c	2	The basic framework for strategy analysis	Strategy role

MC01.11	If a firm adjusts its strategy to ensure it is consistent with its external environment, it benefits from a:	<ul style="list-style-type: none"> a- Strategic fit b- Strategic leader c- Benign environment d- Political and social fit 	a	1	The basic framework for strategy analysis <i>Strategic fit</i>	Strategy and performance
MC01.12	The notion of “strategic fit”:	<ul style="list-style-type: none"> a- Is common in strategic literature but means different things to different experts b- Implies deep coherence across all functions within the organization c- Expresses how well a firm’s strategy fits its internal environment d- Answers b and c 	d	2	The basic framework for strategy analysis <i>Strategic fit</i>	Strategy definition
MC01.13	“Strategy” comes from a Greek word which means: “	<ul style="list-style-type: none"> a- The art of arranging men in a battlefield b- Generalship c- The art of maintaining a state’s security d- Maintaining physical and spiritual superiority 	b	2	A brief history of business strategy <i>Origins and military antecedents</i>	Strategy definition
MC01.14	The book that is considered as the first treatise on strategy is:	<ul style="list-style-type: none"> a- Carl Von Clausewitz’s Vom Kriege (On war) b- Sun Tzu’s Art of War c- The Bible d- Niccolo Machiavelli’s Dell’arte della Guerra (The art of war) 	b	2	A brief history of business strategy <i>Origins and military antecedents</i>	Strategy history
MC01.15	Military strategy and business strategy share:	<ul style="list-style-type: none"> a- Only linguistic roots b- Some authors such as Carl Von Clausewitz ” c- The existence of resources, conflict, and battle between players d- The fact that decisions are not easily reversed, are important, and involve commitment of resources 	d	2	A brief history of business strategy <i>Origins and military antecedents</i>	Strategy history

MC01.16	Military strategy and business strategy differ in that:	<ul style="list-style-type: none"> a- There is no concept like tactic in business b- A good military strategist must first be a good military tactician – practicing it in the field first c- The objective of war is to defeat the enemy or its leaders d- None - there is no conceptual difference 	c	2	A brief history of business strategy <i>Origins and military antecedents</i>	Strategy history
MC01.17	Modern strategy has evolved through different perspectives:	<ul style="list-style-type: none"> a- Because the tenures of Professors at top business schools have shortened b- Because each year new theories emerge in the business world c- Because the business environment has changed, and how businesses regard themselves has changed d- But has now come back to strategic fundamentals 	c	3	A brief history of business strategy <i>From corporate planning to strategic management</i>	Strategy history
MC01.18	In the 1980s, Michael Porter pioneered:	<ul style="list-style-type: none"> a- The application of industrial organization economics for analyzing industry profitability b- The development of “PIMS” at the Strategic Planning Institute c- The first synthesis of the resource and capability approach d- The first synthesis of a process to manage technology in large tech firms 	a	3	A brief history of business strategy <i>From corporate planning to strategic management</i>	Strategy history
MC01.19	The shift from Planning to Strategy-making implied:	<ul style="list-style-type: none"> a- Shifting the planning process to a bottom-up strategic process b- Shifting from a centralized planning system to a system where the state interferes much less c- Shifting from a very detailed strategic plan of actions towards a positioning of the firm regarding its markets and rivals d- Shifting from a detailed strategic plan to a rigorous evaluation of the firm’s current and future resources and capabilities 	c	3	A brief history of business strategy <i>From corporate planning to strategic management</i>	Strategy history

MC01.20	During the 1990s, the focus of strategy analysis shifted:	<ul style="list-style-type: none"> a- From the sources of profit outside the firm to the sources of profit within the firm b- To the Resource-based view of the firm c- Both a- and b- d- From the structure-based approach to the value-added perspective 	c	2	A brief history of business strategy <i>From corporate planning to strategic management</i>	Strategy history
MC01.21	In the military field, we generally make the following distinction between strategy and tactic:	<ul style="list-style-type: none"> a- Tactic is the overall plan whereas strategy focuses on specific actions b- Tactic is a scheme for a specific action whereas strategy relates to the global plan c- Tactic encompasses specific political actions within the firm whereas strategy is the overall plan for deploying resources to establish a favorable position d- Tactic is the overall plan whereas strategy is concerned with the maneuvers to win battles 	b	2	A brief history of business strategy <i>Origins and military antecedents</i>	Strategy definition
MC01.22	A contemporary phenomenon is known as "winner-take-all markets". This concept is best illustrated by:	<ul style="list-style-type: none"> a- Lehman Brothers b- E-Trade and WebVan c- eBay d- Peapod in grocery retailing 	c	2	A brief history of business strategy <i>From corporate planning to strategic management</i>	Strategy history
MC01.23	The expression "blue oceans" in strategic management is:	<ul style="list-style-type: none"> a- Only a figure of speech b- A concept that signifies the immensity of potential new markets c- A concept employed in the US Navy's strategic planning process d- An expression coined by an author to make his management book more attractive 	c	1	A brief history of business strategy <i>From corporate planning to strategic management</i>	Strategy history

MC01.24	CSR stands for:	<ul style="list-style-type: none"> a- Corporate Strategic Responsiveness b- Centralized Service-oriented Response c- Corporate Social Responsibility d- Corporate Social Responsiveness 	c	1	A brief history of business strategy <i>From corporate planning to strategic management</i>	Strategy and environment
MC01.25	Strategy can be summarized as:	<ul style="list-style-type: none"> a- The means by which entities or individuals achieve their own objectives b- The means by which individuals achieve their own objectives c- The formal detailed plans used by organizations to guide their actions d- The commitment of top managers to improve their organization 	a	2	Strategic management today <i>What is strategy?</i>	Strategy definition
MC01.26	In 1971 Kenneth Andrews said a strategy should define:	<ul style="list-style-type: none"> a- What business the company is in or is to be in and the kind of company it is or is to be b- A series of actions to achieve a company's goals c- A plan of attack d- The commitment of top managers to achieve goals, and their power of persuasion 	a	3	Strategic management today <i>What is strategy?</i>	Strategy definition
MC01.27	Business strategy is linked with the following concepts or attributes:	<ul style="list-style-type: none"> a- Organizational goal, organizational resources, and consistency and integration b- Organizational goal, organizational structure, and consistency and cohesiveness c- Organizational structure, consistency and integration, and organizational resources d- Organizational culture, organizational resources, and consistency and cohesiveness 	a	2	Strategic management today <i>What is strategy?</i>	Strategy definition
MC01.28	With increased business environment instability, strategy has become:	<ul style="list-style-type: none"> a- An exercise of "wet thumb", with low reliability b- Paradoxically, much easier to determine c- More concerned with the quest for success, and less with detailed plans d- More concerned with detailed plans, and less with the quest for success 	C	3	Strategic management today <i>What is strategy?</i>	Strategy definition

MC01.29	The shift in strategy from a plan to a direction leads to:	<ul style="list-style-type: none"> a- A downgrade in the importance of strategic management b- An increased integration of flexibility and responsiveness c- A need for top managers' training about IT techniques d- None of the above 	b	3	Strategic management today <i>What is strategy?</i>	Strategy definition
MC01.30	When the environment becomes more turbulent, unpredictable, and full of new opportunities:	<ul style="list-style-type: none"> a- Strategy appears to not be very useful b- Strategy becomes a vital tool to navigate the firm through "stormy seas" c- Strategy should be put into the hands of external consultants d- Strategy becomes an "impossible exercise" 	b	2	Strategic management today <i>What is strategy?</i>	Strategy definition
MC01.31	The essence of strategy is:	<ul style="list-style-type: none"> a- Making choices b- Doing things differently c- Where and how to compete d- All of the above 	d	2	Strategic management today <i>What is strategy?</i>	Strategy definition
MC01.33	The two questions of "where and how to compete" define:	<ul style="list-style-type: none"> a- A firm's corporate and business strategies b- A firm's strategic management process c- A firm's vision and mission d- A firm's values and culture 	a	2	Strategic management today <i>What is strategy?</i>	Strategy definition
MC01.34	The link between performance and strategy is:	<ul style="list-style-type: none"> a- Both are needed for the firm's survival and prosperity b- Firms that do not have a strategy will go immediately bankrupt c- One cannot directly see which strategic variables impact performance d- The two sources of superior performance define the two basic levels of strategy within a firm 	D	3	Strategic management today <i>Corporate and business strategy</i>	Strategy and performance
MC01.35	How do corporate level strategy and business level strategy differ?	a- Corporate strategy defines the scope of a firm's activities, while business strategy focuses on how to beat the competition in a specific product market	A	2	Strategic management today <i>Corporate and</i>	Strategy definition

Grant Robert, *Contemporary Strategy Analysis 7th Ed. 2010*
Test Bank Chapter 1 The concept of strategy

		<ul style="list-style-type: none"> b- Corporate strategy defines the scope of a firm's structure, while business strategy emphasizes the relationship of each business with its environment (state, regulators, etc.) c- Corporate strategy focuses on the overall strategic plan, while business strategy focuses on implementing strategic decisions in each product market d- Corporate level strategy is concerned with long term goals, while business level strategy focuses on short term sustainability 			<i>business strategy</i>	
MC01.36	Corporate strategy is concerned with:	<ul style="list-style-type: none"> a- The scope of the firm in terms of industries and markets, and the allocation of its resources b- A firm's relationships with its principal stakeholders c- The corporate governance of each individual business d- None of the above 	a	2	Strategic management today <i>Corporate and business strategy</i>	Strategy definition
MC01.37	Business strategy defines:	<ul style="list-style-type: none"> a- The way a firm competes in a particular industry or market b- The way a firm establishes a competitive advantage over its rivals within a specific industry or market c- Both of the above d- Neither of the above 	c	2	Strategic management today <i>Corporate and business strategy</i>	Strategy definition
MC01.38	Between the two levels of strategy, the division of responsibility is consistent with the following principle:	<ul style="list-style-type: none"> a- There is no principle but only limited rationality and trial-and-error processes to find the best articulation between these two responsibilities within the firm b- Corporate level strategy is the domain of top managers, while division managers are in charge of their business level strategies c- Corporate level strategy is the domain of the parent company, and the business level strategy is handled by the functional department managers d- Corporate and business level strategies are not any specific organizational level's responsibility because of the principle of maximum 	b	3	Strategic management today <i>Corporate and business strategy</i>	Strategy definition

Grant Robert, *Contemporary Strategy Analysis 7th Ed. 2010*
 Test Bank Chapter 1 The concept of strategy

		delegation and decentralization				
MC01.39	Strategy can be articulated and communicated in several ways:	a- Vision, Mission, Strategic plans, and Tactical plans b- Vision, Business models, Public Relation skills, and Strategic plans c- Vision, Mission, Business models, and Plans d- Mission, Business models, Strategic plans, and Organizational culture	c	3	Strategic management today <i>Identifying a company's strategy</i>	Strategy process of management
MC01.40	Strategy can be:	a- Intended, emergent, or realized b- Intended, emergent, or sustained c- Emergent, critical, or sustained d- Realized, emergent, failed	a	2	Strategic management today <i>How is strategy made? Design vs. emergence</i>	Strategy definition
MC01.41	In practice, strategy making is:	a- A combination of centrally-driven rational design and decentralized adaptation b- A combination of luck, organizational politics, and centrally-driven planning c- Frequently the expression of power struggles among top managers d- None of the above	a	2	Strategic management today <i>How is strategy made? Design vs. emergence</i>	Strategy In practice
MC01.42	In regard to strategy making, most firms are likely to exhibit:	a- A combination of design and emergence b- A process labeled as "planned emergence" c- An interaction between strategic design, through organizational processes, and strategic enactment through decisions made by all members of the organization d- All of the above	d	2	Strategic management today <i>How is strategy made? Design vs. emergence</i>	Strategy In practice
MC01.43	The balance between design and emergence depends mostly on:	a- The type of organizational structure b- The stability and predictability of a firm's environment c- Top managers' personalities d- Middle managers' personalities	b	2	Strategic management today <i>How is strategy made? Design vs. emergence</i>	Strategy In practice
MC01.44	Two schools of thought consider the strategic process differently:	a- The Design school sees strategy as a rational process while the Emergent school views strategy as the outcome of interaction between strategy formulation and implementation	a	3	Strategic management today <i>How is</i>	Strategy definition

Grant Robert, *Contemporary Strategy Analysis 7th Ed. 2010*
 Test Bank Chapter 1 The concept of strategy

		b- The Learning school sees strategy as a learning process while the Structural school focuses on the strategy-structure relationship c- The Psychological school emphasizes the founder's subconscious limitations and assumptions, while the Sociological school studies the strategy formulation process as team dynamics d- The Design school that sees strategy as a rational and analytical process and the Implementation school which looks at the actual behavior exhibited by an organization			<i>strategy made? Design vs. emergence</i>	
	÷	a—				
MC01.45	Strategy improves decision-making by:	a- Reducing the number of possible actions b- Integrating and pooling the knowledge of different members of the organization c- Facilitating the use of analytic tools d- All of the above	d	2	Strategic management today <i>Multiple roles of strategy</i>	Strategy Roles
MC01.46	Strategy fulfills three major roles. It is a:	a- Coordination device, decision support tool, , and risk reducer b- Coordination device, strategy goal, and organizational identity builder c- Coordination device, decision support tool, , and strategy goal d- None of the above	c	2	Strategic management today <i>Multiple roles of strategy</i>	Strategy Roles
MC01.47	"Strategy as a target" means that:	a- The identification and design of the future of a firm's strategy is part of the strategic process b- Top managers must check the gap between realized and intended strategies c- Strategy focuses on the ultimate organizational goal: profit d- None of the above	a	2	Strategic management today <i>Multiple roles of strategy</i>	Strategy Roles
MC01.48	Prahalad and Hamel used "strategic intent" to describe the articulation of a desired leadership position. This implies that:	a- Strategy should focus more on people and less on financial outcomes b- Strategy should focus on leadership and top managers' skills c- Strategy should be more about fit and resource allocation, and less about stretch and resource	d	3	Strategic management today <i>Multiple roles of strategy</i>	Strategy Roles

		leverage d- Strategy should be less about fit and resource allocation, and more about stretch and resource leverage				
MC01.49	Concepts, theories, and analytical tools are:	a- Complements to creativity, experience, and commitment b- Substitutes for creativity, experience, and commitment c- Not related d- Inevitably irreconcilable due to different ontological assumptions	A	2	The role of analysis in strategy formulation	Strategy definition
MC01.50	Strategy analysis does not generate unique solutions to problems, because:	a- Strategic management is a young science b- Strategic concepts and tools are produced by scholars, and not diffused to practitioners c- Top managers lack knowledge of strategic concepts and tools d- The strategic issues that companies face are too complex to be programmed	d	3	The role of analysis in strategy formulation	Strategy definition
MC01.51	Strategy analysis:	a- Offers comprehensive answers to all business and corporate strategy questions b- Is mainly a way to bring top managers together c- Is not useful when top managers have strong experience with their business d- Offers a framework to deal with complex situations and integrate skills, concepts, and tools	d	2	The role of analysis in strategy formulation	Strategy definition

Short Case Multiple Choice Questions

Question title	Question stem	Rationale	Ratio nale	Diffi- culty	References	Topic
SC01.01	The critical attributes that may explain artist Madonna's longevity and success are:	a- Relentless drive and quest for superstar status b- Disciplined style of life and a capacity for working a lot c- The capability to draw on others' talents d- All of the above	d	1	The role of strategy in success Capsule 1.1	Strategy and performance
SC01.02	Is global warming a threat or an opportunity for the world's automobile manufacturers?	a- Both simultaneously b- An opportunity only c- A threat only d- Neither an opportunity nor a threat	a	2	A brief history of business strategy <i>From corporate planning to strategic management</i> Capsule 1.5	SWOT
SC01.03	In a large US steel firm, the corporate planning process in 1965 could be described as:	a- Integration of division strategic plans, iteration between divisions and the headquarters, and contact of banks to explore the best deal for providing capital b- Forecast of demand, determination of targets for each district, determination of need for additional production capacities, decision from top executives, and investment c- Marketing analysis, estimation of capital costs for the additional equipment, investment proposals, and investment d- Forecast of demand, analysis of existing resources and competences (tangible and intangible assets), leverage of these competencies, and decision to invest	b	2	The basic framework for strategy analysis Capsule 1.4	Strategy process of management
SC01.04	Honda's successful entry into the US motorcycle market has:	a- Provided a battleground for the debate opposing the Design school and the Learning school b- Been an extraordinary epic where players were discovering the field while dealing with its traps c- Shown that the rational and analytical model was superior to the Emergence model because only intensive analysis and forecasting were able to fuel this success story d- Shown the difficulty of entering the US market for Japanese firms because of the cultural, organizational, and legal gaps	a	3	Strategic management today <i>How is strategy made? Design vs. emergence</i>	Strategy process of management

SC01.05	Firms experience different levels of stability in regards to their external environments. For example:	a- The Roman Catholic church and the US Postal Service inhabit unstable environments b- Google works in a stable and predictable environment c- Baghdad Home Security Services Ltd.'s activities take place in a very stable environment d- The three items above are correct if stable is replaced by unstable and conversely	d	2	Strategic management today <i>How is strategy made?</i> <i>Design vs. emergence</i>	Strategy Firm in environment
---------	--	---	---	---	---	------------------------------

Short Essay Questions

Question title	Question stem	Rationale	Difficulty	References	Topic
SE01.01	Although common wisdom would assume that superior technical competencies, i.e. skills in your field, are the main determinant of personal success, the example of artist Madonna seems to challenge this assumption. Why?	Madonna is a very successful artist and was actually the world's highest earning female entertainer in 2006. She started as a singer and managed her career with excellence. In fact, her "technical skills" related to the song field probably do not appear as outstanding; however, she mastered other skills which proved to be determinant for her success. These competencies existed not specifically in her technical field, but related to many attributes and capabilities such as a relentless drive, a permanent quest for superstar status, the ability to draw on others' capabilities, and nurturing these talents. In addition, Madonna has been able to build a strong image and a unique position in the ultra competitive world of entertainment.	2	The role of strategy in success Capsule 1.1	Strategy and performance
SE01.02	Why are we able to affirm that "understanding" is the key word across the four attributes of strategy that lead to success?	These four attributes are: 1- Goals 2- Competitive environment 3- Resources 4- Implementation For each of these four attributes, gaining an accurate insight into the concepts involved is critical. Thus a deep understanding –knowledge about the content, the causes, the drivers and the consequences- of goals, of competitive environment, and of the firm's resources and the implementation process is key to success. Knowing these phenomena require theoretical and practical insights, linked with some forecasting or betting, because a great deal of uncertainty does exist.	2	The role of strategy in success	Strategy definition
SE01.03	Why do we use the basic framework for strategy analysis?	This basic framework consists of three main large variables: 1- The firm 2- Strategy 3- The industry environment It allows managers and researchers to reduce the complexity of the real world and to "manipulate" variables at a higher level of abstraction. A model is always a representation (generally simplified) of a phenomenon. Therefore, it helps strategic decision makers to build a representation of reality through a system and to forecast what could happen if..., then to identify and design the best actions to undertake for success.	3	The basic framework for strategy analysis	Strategy definition
SE01.04	What are the similarities and differences between strategy in the	Both types of strategies share some attributes such as: 1- They are important for overall success 2- They involve a significant commitment of resources	3	A brief history of business	Strategy definition

Grant Robert, *Contemporary Strategy Analysis 7th Ed.* 2010

Test Bank Chapter 1 The concept of strategy

	business world and in the military arena?	<p>3- They are largely irreversible</p> <p>4- They accommodate the classic distinction between strategy and tactic</p> <p>5- They share lessons and principles applicable in both fields</p> <p>6- They lack a comprehensive and global theory that explains and guarantees universal success</p> <p>However, although strategy in the military field often implies the total destruction of the enemy, different intermediate situations have been identified in the business world; rivals may tolerate each other, or even cooperate and compete simultaneously. Total destruction and the emergence of monopolies is not often a realistic option.</p>		strategy	
SE01.05	Why is integration and cohesiveness a major issue in strategic management?	<p>Because strategy is characterized by complexity, uncertainty, multiple levels of variables, many players, and a broad scope of involved variables. Because strategic management is envisioning, designing and building the future of the organization, integrating, injecting cohesiveness and consistency between many conflicting objectives, organizational players at different levels, and extremely diverse variables, is an absolute requirement.</p> <p>Most organizations suffer from a lack of integration; achieving effective integration is probably one of the most daunting tasks of strategic management.</p>	3	Strategic management today <i>What is strategy?</i>	Strategy definition

Short Reflective Questions

Question title	Question stem	Rationale	Difficulty	References	Topic
SR01.01	Are corporate-level strategic decisions only made by top managers?	<p>In most cases, top managers are in charge of the corporate level strategy, which consists of the definition of the scope of the firm's business portfolio and the determination of the fundamental orientation and "strategic formulae" of the firm. Corporate strategy is a unifying theme across the different businesses.</p> <p>Top managers are in an organizational position that allows them to understand the big picture and the entirety of the strategic dimensions. They determine corporate strategy with the help of corporate staff.</p> <p>However, they have to take into account the actions of all the members of the organization who contribute daily to the implementation of the strategic orientations. Top managers rely upon information delivered by all levels of the organization and must integrate the existing variables in their strategy design.</p> <p>Therefore, corporate strategy decisions are made by top managers relying on and thanks to a "functioning organization".</p>	2	Strategic management today <i>Identifying a company's strategy</i>	Strategy process of management
SR01.02	How can a start-up strategy be identified?	<p>A start-up is like a baby just entering our world. He has no past and his future is completely ahead. However, a baby already has assets and capabilities that will be developed during his lifetime.</p> <p>For a firm, at least an individual founder has started the firm and he has objectives, plans, a founding fundamental idea, products or services, a market to serve, and so on. All of these elements are usually integrated into a business plan and used to attract capital.</p> <p>Therefore, strategic dimensions exist at an embryonic stage within a start-up but they do exist. Internal variables such as structure, culture, and other dimensions appear less complex than in large and older organizations but they are present. Their existence is critical for the start-up survival because the weakness of its available resources and experience appear as strong obstacles to its development.</p>	2	Strategic management today <i>Identifying a company's strategy</i>	Strategy contextualization Start-up

SR01.03	If Honda had a haphazard approach to the US market and succeeded, why use the deliberate dimension for setting strategy?	<p>The fact that the market finally "hit Honda over the head with the right formula" does not imply that deliberate strategy is a waste of time.</p> <p>First, it is likely that the right strategy would have saved time and resources, allowing a faster penetration with the right motorcycle model.</p> <p>Second, it suggests that a permanent interaction between formulation and implementation exists and enriches the firm's efforts. Both strategy formulation and implementation are necessary.</p> <p>Third, deliberate strategy provides the firm with a direction and a guideline; it serves as an overall "strategic principle" and as a "beacon in the fog".</p> <p>Finally, combining design and emergence appears to be a critical task for top managers and for the strategic management process designers. The firm needs, at the same time, analysis, plans, top-down and bottom-up informational flows, and conception and implementation.</p>	3	Strategic management today <i>How is strategy made? Design vs. emergence</i>	Strategy process of management
SR01.04	Is the business strategy the strategy of a part of the firm or the strategy of the whole firm competing in a specific market?	<p>This question relates to at least two elements:</p> <ul style="list-style-type: none"> - the distinction between corporate and business level strategies - the organizational support of the business level strategy (which organizational actors deal with it in the firm?) <p>Corporate level strategy consists of the choice of the business portfolio of the firm and of the overall integration of all strategic orientations. Business level strategy deals with "how to" compete in a specific business, which can be defined simply as a product x market combination.</p> <p>Therefore, generally the business level strategy or the responsibility to design and implement orientations for the future of a specific business is delegated to a division or a subsidiary. This division or subsidiary is also in charge of running the operations for this business.</p> <p>We can frame the situation as both propositions pertinent simultaneously:</p> <ul style="list-style-type: none"> - a part of the firm strategy because there is a vertical relationship of inclusion of all business strategies within the corporate level strategy - the whole firm competing in a specific market because even if a division is more specifically in charge of the business, the firm's overall resources are mobilized for this goal 	3	Strategic management today <i>Corporate and business strategy</i>	Strategy definition

Formatted: Bulleted + Level: 1
+ Aligned at: 0.25" + Tab
after: 0.5" + Indent at: 0.5"

