



What's New in the Sixth Edition?

I have revised and updated the new edition in the following ways, many of which were inspired by current events, recent developments in strategic management, and conversations and feedback from the many users, reviewers, and students of the prior editions.

Overview of Major Changes in 6E

- The implications of the Covid-19 pandemic, the racial-justice movement, and the disenchantment with the capitalist system permeate the new 6e and capture the momentum towards stakeholder strategy to create shared value.

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 ChapterCases:

- “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 Exhibits:

- “The Interplay between Purpose-Driven Vision, Strategic Intent, and Core Competencies” in Chapter 2, “Strategic Leadership”
- “Strategic Inflection Point” in Chapter 2, “Strategic Leadership”
- “Strategic Groups and Mobility Barriers in U.S. Domestic Airline Industry, Including the Emergence of the Ultra-Low-Cost Strategic Subgroup” in Chapter 3, “External Analysis: Industry Structure, Competitive Forces, and Strategic Groups”
- “Four Industrial Revolutions from the 1780s to 2020s” in Chapter 7, “Business Strategy: Innovation, Entrepreneurship, and Platforms”
- “The Three Dimensions of Corporate-Level Strategy: Vertical Integration, Horizontal Diversification, and Geographic Scope” in Chapter 8, “Corporate Strategy: Vertical Integration and Diversification”
- “The Smiley Curve: Differential Profit Potential along the Industry Value Chain” in Chapter 8, “Corporate Strategy: Vertical Integration and Diversification”
- “The Short Head and the Long Tail” in Chapter 12, “Corporate Governance, Business Ethics, and Business Models”
- Improvements to content flow:
- “Business Models: Strategy in Action” is now in Chapter 12, “Corporate Governance, Business Ethics, and Business Models,” to reflect the role of business models in strategy implementation
- All new or updated and revised **Strategy Highlights** (two per chapter).

In Detail:

Chapter 1

- A stronger emphasis on “Stakeholder Strategy and Competitive Advantage”
- New section: “The Red Queen Effect in Business Competition”
- Revised and updated:
 - ChapterCase: “Tesla: The Trillion-Dollar Tech Titan”
 - Section: “Crafting and Implementing Strategy at Tesla”
 - Strategy Highlight: “Twitter needs a Strategy?”

Chapter 2

- New ChapterCase: “Facebook becomes Meta”
- New Sections:
 - “Strategic Leadership at Meta’s Facebook”
 - “A Purpose-Driven Mission and Strategic Intent”
 - “Strategic Leadership and the Future of Work”
 - “Strategic Inflection Points”
- Revised and updated Strategy Highlight: “Teach for America: Inspiring Future Leaders”

Chapter 3

- Revised and updated:
 - ChapterCase: “Airbnb: Disrupting the Hotel Industry”
 - Strategy Highlight: “From League of Legends to Fortnite: The Rise of ESports”
- New Section:
 - “Strategic Group Dynamics”

Chapter 4

- Revised and updated ChapterCase: “Five Guys’ Core Competency: ‘Make the Best Burger, Don’t Worry about Cost’”
- New Strategy Highlight: “Yeti’s Core Competency: Making Quality Cool”

Chapter 5

- New ChapterCase: “Patagonia: A Pioneer in Creating Shared Value”
- New A-head Section: “From Corporate Social Responsibility to Creating Shared Value”
- New Sections:
 - “Shareholder Capitalism”
 - “Shareholder Capitalism in Crisis?”
 - “Creating Shared Value”
- New Strategy Highlight: “BlackRock’s \$10 trillion of Shared Value”

Chapter 6

- Revised and updated ChapterCase: “JetBlue Airways: En Route to a New Blue Ocean?”
- New Strategy Highlight: “How JC Penney Sailed into A Red Ocean”

Chapter 7

- Revised and updated ChapterCase: “Netflix: No Longer a Disruptor?”
- New Section: “The Four Industrial Revolutions”
- New Strategy Highlight: “How to Compete with Amazon.com? Easy: Use Shopify”
- Revised and updated Strategy Highlight: “Standards Battle: Which Automotive Technology Will Win?”

Chapter 8

- Revised and updated ChapterCase: “Amazon’s Corporate Strategy”
- New Section: “Not All Industry Value Chain Stages Are Equally Profitable”
- Revised and updated Strategy Highlights:
 - “The Equity Alliance between Coca-Cola and Monster: A Troubled Engagement?”
 - “P&G Diversification Strategy: Turning the Tide?”

Chapter 9

- Revised and updated ChapterCase: “Little Lyft Gets Big Alliance Partners and Beats Uber in Going Public”
- Revised and updated Strategy Highlight: “Kraft Heinz: From Specializing in Hostile Takeovers to Eating Humble Pie”

Chapter 10

- Revised and updated ChapterCase: “IKEA: The World’s Most Profitable Retailer”
- New Section: “Systemic Rivalry and Techno Cold War”
- New Strategy Highlight “Squid Game: Netflix’s Transnational Strategy”
- Revised and updated Strategy Highlight “Walmart Retreats from Germany, and German Ultra-Low-Cost Grocers Invade the United States”
- Revised updated the section “Cost Reductions vs. Local Responsiveness” where the “Integration-Responsiveness Framework” is now the “Cost-Responsiveness Framework”

Chapter 11

- Revised and updated ChapterCase: “‘A’ is for Alphabet and ‘G’ is for Google”
- New section: “The Ambidextrous Organization: Balancing Trade-Offs”
- Revised and updated Strategy Highlights:
 - “Zappos: Of Holacracy and (Not Much) Happiness”
 - “Sony vs. Apple: Whatever happened to Sony?”

Chapter 12

- Revised and updated ChapterCase: “Theranos: Bad Blood”
- New A-head Section “Business Models: Strategy in Action”
- New Section “The Long Tail and Business Model Innovation”
- New Strategy Highlight: “Business Model Innovation: How Dollar Shave Club Disrupted Gillette”

MiniCases

- 12 MiniCases, one for each chapter. Each MiniCase is closely tied to the chapter’s learning objective and includes discussion questions and detailed teaching notes
- Nine new MiniCases, featuring successes and failures. Companies featured are: Chick-fil-A, Dr. Dre (Beats Electronics), Microsoft, Purdue Pharma, Robinhood, Tiffany and LVMH, Tinder and Bumble, Tom’s Shoes, and Warby Parker.
- All other MiniCases are revised and updated.

Full-Length Cases

- Three new full-length cases (Peloton, Rivian, and Uber); all other cases, including most popular ones such as Apple, Best Buy, McDonald’s, Starbucks, and Tesla, are updated and revised.
- Detailed and updated case teaching notes as well as financial data for these cases are available for instructors in the Connect Library.