

# Prologue

*Why can't strategy be 'everything a company does or consists of'? Is that not strategy as perspective – in contrast to position? (MINTZBERG AND LAMPEL, 1999: 26)*

*Strategy formation is judgmental designing, intuitive visioning, and emergent learning; it is about transformation as well as perpetuation; it must involve individual cognition and social interaction, cooperative as well as conflictive; it has to include analysing before and programming after as well as negotiating during; and all this must be in response to what may be a demanding environment. (MINTZBERG AND LAMPEL, 1999: 27)*

*Power takes that entity called organization and fragments it; culture knits a collection of individuals into an integrated entity called organization. In effect, one focuses primarily on self-interest, the other on common interest. (MINTZBERG ET AL., 1998: 264)*

## Learning objectives

After reading this chapter you will be able to:

- understand the structure of the book
- use the book intelligently
- make full use of the case studies
- discover and explore preliminary reading

## Key strategic challenge

What benefit will I receive from reading this book?

## Strategic dangers

That an organization does not realize the significant disadvantages of having no strategy, whether implicit or explicit, or having a strategy which is obviously inadequate – fragmentary, imperfectly understood, poorly articulated or badly designed – for an organization's environments.

## Who this book is for

The book is written for two particular groups of readers:

- Students about to complete their first degree in the business area or managers beginning a Doctor of Business Administration, that is, those with a theoretical interest
- Active managers undertaking a Master of Business Administration or those who could profitably do so, that is, those with a practical interest.

The book is constructed to benefit both groups. It should also have a wider appeal to senior, and aspiring senior, managers, not just in commercial enterprises but in any organization since it considers strategy in its broadest context.

The starting point for this book is unambiguous; it is premised on two main propositions:

- All successful organizations and individuals, without exception, follow a ‘good’ strategy, that is, one which significantly improves the performance of the organization. In a sense this is tautology – good strategy can easily be seen, and therefore defined, as what makes the organization successful. Sometimes the strategy is implicit, even unconsciously pursued, but it is always better to make it explicit, that is, to work out its implications as fully as time and resources allow. The degree of success can vary, and vary a lot
- The process of strategy making and the actual content of a strategy must reflect the nature of the world in which it is formulated and implemented. Trying to realize an unrealistic plan is not a sensible thing to do. It is better to take account of institutional and behavioural realities.

Strategy making is therefore challenging and dangerous; it offers significant benefits, if done well, and significant losses, if done badly.

This textbook is intended to do two things:

- Open access to a vast literature, which the student reader cannot possibly master alone. It introduces the key concepts with a maximum economy of effort, saving the reader from spending as much time and effort as the writer has on mastering the material
- Inspire readers with a sense of the excitement to be derived from discovering possible solutions to important theoretical and practical challenges, and therefore giving an appreciation of the critical significance and ultimate value of strategy as a whole.

The second is more difficult to achieve than the first.

The book argues that the only way to assist managers and future managers is by showing them how to think systematically about their problems – to conceptualize and therefore generalize them. It unashamedly confronts the need for theory. If academics often lack a practical feel, managers often fail to recognize the importance

of theory. The book balances the demands of the theoretical and the practical, and builds a solid bridge between the theorist and the practitioner.

The text confronts theoretical issues without losing sight of practical aims. Theoretical contradictions need to be dealt with before moving on to practical issues. Having confronted them, the book gives the treatment of strategy a sound practical bias. It asks directly, what is 'doable' in the working world, rather than speculating on what is ideal in the world of reason and imagination.

This is not a textbook on corporate strategy alone, although a subtext can be discovered within it which confronts all the relevant issues covered in courses on corporate strategy, notably in Part II of the book. Rather it is a textbook on strategy for all types of organization. It makes reference more often to organizations than to enterprises, and analyses the way in which various strategies developed at different levels of an economy impinge on corporate strategy. It is impossible to understand fully corporate strategy making without taking into account the broader context in which various players make their own strategy. The organization or enterprise is the focus of analysis but the boundaries assumed to exist between that organization or enterprise and the rest of the world are removed and the strong interconnections between internal and external environments are examined.

For students already enrolled in a business degree, this text has particular relevance to courses or subjects labelled 'corporate strategy', 'strategic management', 'international business environment' and 'entrepreneurship'. It does not claim to be comprehensive in the latter two areas.

## How to use the book

### Two approaches

There are two alternative approaches to strategy and strategy making:

1. The traditional approach assumes that it is a rational, linear and sequential process, a process in which strategy is determined at the top by a grand strategist and handed down for implementation by others. Diagrammatically it

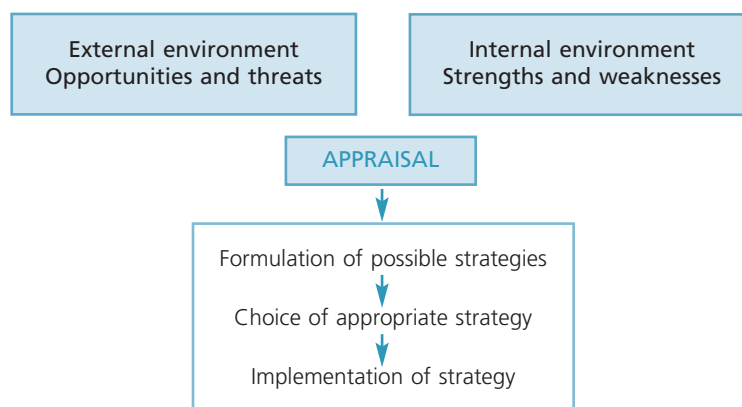


Figure 0.1 **Andrews' design model**

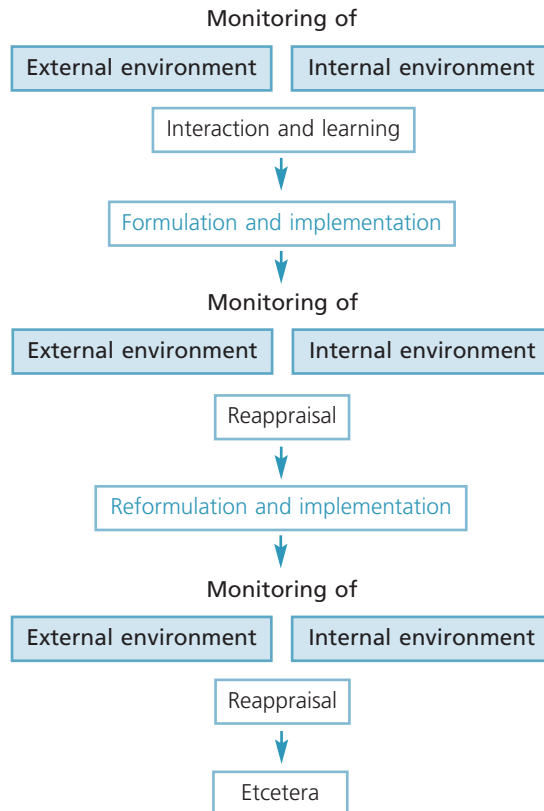


Figure 0.2 **An iterative model of strategy making**

looks something like the original design model developed in the work of Andrews (see for example Learned et al., 1965, in which Andrews wrote the text) and illustrated in Figure 0.1. Strategy is still seen by many managers in this way. It is a simple conception, which explains much of its attractiveness.

2. The second approach is rather different. Strategy is as much intuitive and creative as it is rational; it is also iterative rather than linear, with overlapping rather than discrete steps. Because of the nature of the world, it cannot be sequential. It emerges, unfolds or evolves rather than being created, and comes from below as frequently as from above. It is illustrated in Figure 0.2. If environments were unchanging, each iteration would lead to diminishing adjustments to the strategy. If environments change continuously, as they do, each individual iteration can lead to as much adjustment as any previous iteration.

The position of the author is that the nature of the business world supports the second approach, the iterative model, which determines the structure of this book.

Task	Parts	Chapters										
Starting right	Part I Introducing Strategic Management	<table border="1"> <thead> <tr> <th>WHY?</th> <th>WHO?</th> <th>WHAT?</th> <th>HOW?</th> <th>WHEN?</th> </tr> </thead> <tbody> <tr> <td>Prologue</td> <td>1 Introducing strategy and strategy making</td> <td>2 Thinking and acting strategically</td> <td>3 Adopting a global perspective</td> <td>4 Reading an uncertain future</td> </tr> </tbody> </table>	WHY?	WHO?	WHAT?	HOW?	WHEN?	Prologue	1 Introducing strategy and strategy making	2 Thinking and acting strategically	3 Adopting a global perspective	4 Reading an uncertain future
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Prologue	1 Introducing strategy and strategy making	2 Thinking and acting strategically	3 Adopting a global perspective	4 Reading an uncertain future								
Acquiring conceptual tools for the job	Part II Strategic Environments  and Competitive Advantage	<p>5 Identifying opportunity and risk</p> <p>6 Reading the competitive environment</p> <p>7 Analysing resources, capabilities and core competencies</p> <p>8 Creating and maintaining competitive advantage</p> <p>9 Reducing costs</p> <p>10 Differentiating the product</p> <p>ENVIRONMENTS</p> <p>GENERIC STRATEGIES</p>										
Resolving particular strategic problems	Part III Strategic Dilemmas	<p>11 Determining the size of an enterprise</p> <p>12 Integrating the strategists</p> <p>13 When to compete and when to cooperate</p> <p>14 Managing risk</p> <p>15 Participating in the global economy</p> <p>FIVE DILEMMAS</p>										
The strategy emerges	Part IV Bringing it all Together	<p>16 Formulating strategy</p> <p>17 Implementing strategy</p> <p>18 Monitoring strategic performance</p> <p>CONTINUOUS ITERATION</p>										
Analysing strategy making	Part V Strategic Analysis and Audit	<p>Case studies</p> <p>Epilogue</p>										

*Part I  
Introducing  
strategic  
management*

A lengthy introduction establishes the topic of strategy and explores the constraints on strategy making, whether they are 'political', social or cognitive. It establishes the practicalities of actual strategy making, placing strategy in a strictly practical context. The four chapters in this section enable readers to answer the following questions:

- What is strategy and what constrains what a strategy can achieve?
- What is the difference between strategic thinking, strategic management and strategic planning?
- What different perspective does a global rather than domestic orientation impart on strategy making?
- How does strategy force us to make predictions and anticipate what might happen in the future?

*Part II  
Strategic  
environments  
and  
competitive  
advantage*

The core of the book deals with the essential elements of strategy making and concentrates on how the environmental context can be read to identify opportunities which will create and maintain *competitive advantage*. This section develops the main conceptual apparatus of the book and the most important concepts in strategy making and does two main things:

- Analyses, in the first three chapters, the two *external environments* (the *general* and *competitive*) and the *internal organizational environment*. This analysis provides the inputs of knowledge necessary to a good strategy
- Explores, in three further chapters, the meaning of competitive advantage and how it is achieved through the alternative generic strategies of *innovation*, *cost leadership* and *product differentiation*. No enterprise can survive without continuously renewing its competitive advantage. The process of acquiring the knowledge relevant to strategy and the strategies by which it is possible to create and maintain competitive advantage are the central focus of this section.

*Part III  
Strategic  
dilemmas*

This section moves from the world of the practical and conceptual to an analysis of the kind of recurrent strategic situations in which strategic decisions have to be made. It considers the strategic dilemmas which strategists regularly have to confront and explores the challenges which strategy is intended to solve. In confronting those problems, it wedes practice and theory, using the lessons of the practical constraints and conceptual tools discussed in the previous two sections.

This section concentrates attention on five particular strategic dilemmas:

- how big an organization should be
- how to reconcile the interests of different stakeholder groups
- when an organization should cooperate and when it should compete
- how an organization should manage risk
- how an organization should enter a new market, particularly at the global level.

It shows how solving each of these dilemmas is central to good strategy making.

*Part IV  
Bringing it  
all together*

Here the formulation and implementation of strategy is dealt with directly. This represents the climax of the book, one reached after a steady and deliberate build-up. The systematic development to a discussion of formulation and implementation is deliberate since it echoes the actual process of strategy making which in a real sense emerges rather than being imposed. This section therefore returns to the world of practice.

*Part V  
Strategic  
analysis  
and audit*

The final section offers 15 additional case studies for the purpose of analysis rather than to illustrate concepts or practices. They are carefully chosen to cover a broad area of international businesses and confront the main strategic issues which are covered in the book. The text is deliberately interspersed with questions which promote the process of deeper analysis from the perspective of strategy making and strategic performance.

**Key themes**

The text incorporates a number of aspects of strategy often neglected or played down by others, including:

- adopting a decisively international or global orientation
- stressing the need in any strategy making to forecast the future
- pointing to the strategic importance of cooperation as much as competition
- drawing out the 'political' processes involved in making strategy.

All these are fundamental to good strategy making and are therefore issues which are fully integrated into the text.

This book also accords a large place to risk management, justified on the basis of the critical role of successfully anticipating threats or shocks, and necessary for the continuing survival of all organizations. However, it accepts that an obsession with the negative factor of risk does not make for good strategy. The starting point for strategy making should be *opportunity*, not *threat*, although every opportunity carries its own threats.

**Learning  
aids**

The textual material is complemented by a number of features designed to help student learning. Each chapter includes:

**Apt quotation(s)** highlighting the significance of the themes contained in the chapter.

**Learning objectives** each corresponding to a different chapter section, outlining the key areas of knowledge to be gained.

A **Key strategic challenge** question encouraging readers to consider the main practical issues associated with the chapter topic.

A **Strategic danger** pointer demonstrating the importance of understanding theory in order to solve real-world problems.

A **Case Study Scenario** highlighting the main themes of the chapter through the basis of a long case study example.

**Strategy in Action** mini case study illustrations demonstrating how international organizations apply theory in practice and supporting the key points in the text.

**Focus** examples highlighting key concepts and contemporary developments within the subject.

A concluding long **Case Study** illustration containing the resolution of the introductory case scenario which supports the key learning issues within the chapter and demonstrates the application of theory.

**Key strategic lessons** summarizing the main arguments advanced in the chapter which can be used to check understanding or for revision purposes.

**Applying the lessons** exercises which have two aims:

- to test knowledge of the concepts and approaches discussed in the text, in particular relating to the achievement of desired learning outcomes
- to develop an ability to make strategy or evaluate another's strategy.

There are suggestions for the use of the Internet as part of these exercises.

A **Strategic project** which sets a more ambitious piece of work challenging individuals or groups to develop their strategic skills by systematically applying the concepts and methods developed in the chapter.

An **Exploring further** review providing references which allow further exploration of the issues raised in the chapter, at a level appropriate to the reader's interests and aims.

In addition, the text includes:

Fifteen **Long case studies** (see below for more details) from Asia, Australasia, Europe, the UK and the USA.

An extensive **Glossary** containing over 300 entries, to help the reader review and define key terms. For ease of reference, words and phrases that are included in this printed glossary, and on the accompanying website, are highlighted in colour when first encountered in the text.

A comprehensive **Bibliography** combining all the sources referenced in the text.

Three **Indexes** – a name, organization and subject listing, to help readers easily search for relevant information or references.

A comprehensive companion **Website** (see below for details).

There are two distinct pathways through the book, as shown in Figure 0.3, each designed to suit different reader groups:

- The first is more theoretical, with an emphasis on understanding what strategy making means. The reader's goals are to achieve the learning objectives and complete the first type of exercise. The focus sections, the references and the exploring further sections provide the possibility of a deeper theoretical approach for those students who wish to analyse concepts and problems in greater depth.



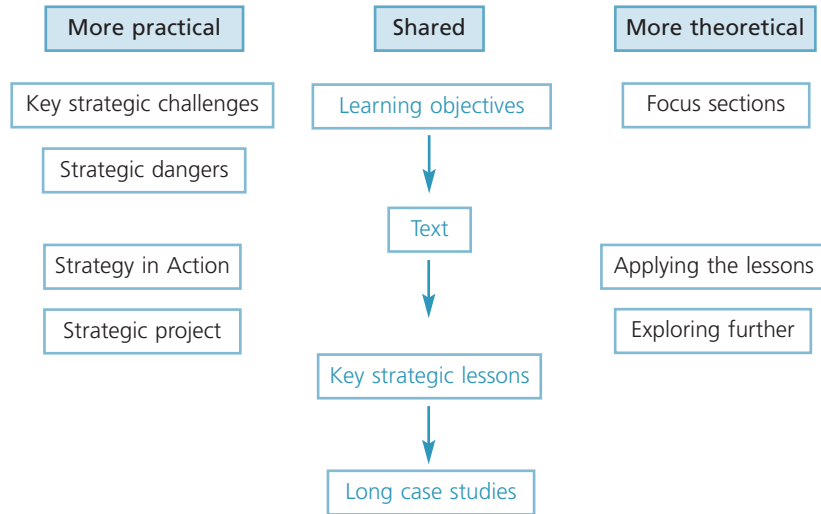


Figure 0.3 **Learning paths**

- The other is more practical, with an emphasis on knowing how to construct a good strategy. The reader's goals are addressing the key strategic challenge question, undertaking the second kind of exercise and strategic project and effectively analysing the case studies. The other elements can be dealt with in a cursory manner or even avoided by those whose interest is more practical.

Those with a practical bias should cover the shared ground but should then incline to the activities described as more practical and those with a theoretical bias should cover the shared ground but then incline to the more theoretical activities.

Those who wish to follow a relevant content pathway might divide the book into two distinct parts. Parts I and III have a bias towards the practical, Parts II and IV towards the theoretical. All should read the Prologue and Chapter 1. This is to oversimplify since all chapters have both theoretical and practical content. The better approach is to vary the intensity of reading according to the balance desired, but at least skim read all the text.

Instructors who would like more detail on the structure of the book and how it can be incorporated into teaching programmes, will find more information on the accompanying website.

## The case studies

A large proportion of the book is taken up with case studies. The case study organizations, or problems, are selected so that interested readers will be able to improve their understanding of significant strategic issues in the business world. They give a wide coverage of that world, both in a geographical sense and an industry sector perspective, as illustrated in the Case matrix overleaf. Since the strategic position of

# CASE MATRIX

Case title	OShort	Long	Primary sector	Manufacturing	Air/sea transport	Motor vehicles	Communication/ information	Entertainment	Health and education	Retailing	Finance and insurance	Chapters	Region
Three different reform scenarios in China	○	*	*									O14	Asia
Asea Brown Boveri (ABB)	○		*						*			O12	Europe
Africa – AIDS and civil wars	●		*									●14	Africa
Airbus	●		*							*		●4	Europe
Aldi	○									*		O9	Europe
Amazon.com	○					*				*		O5/●Part V	N.America
Andersen	○									*		O18	N.America
Argentina	○									*		O5	S.America
Australian wine industry	●		*									●13	Australasia
Benetton	○		*							*		O13	Europe
BHP	○		*									●11	Australasia
BMW	○		*		*							O10	Europe
Boeing	●		*									●4	N.America
Brian Epstein	○						*					O2	Europe
Business crisis and the case of Indonesia	○									*		O6	Asia
Business models in broking	○		*							*		O7	Global
Caterpillar	○		*									O9	N.America
Charles Schwab	○									*		O7	N.America
Club Med	○						*					O9	Europe
Communication/information/entertainment	○					*	*					O11	Global
Compaq	○		*			*						O11/●Part V	N.America
Cosmetic contact lenses	○		*							*		O8	Global
De Beers	○		*							*		●10	Africa
Dell	○		*				*					O8	N.America
Deutsche Bank	○		*							*		O6/●Part V	Europe
Disney	○		*				*					O14,15/●Part V	Global
Ducati	○			*								O10	Europe
Enron	○				*							O14/18	N.America
Euro Disney	○					*						O14,15/●Part V	Europe
European banking	○						*			*		O6	Europe
Forecasting the price of oil	○		*									●Part V	Middle East
Formula One	○						*					O10	Global
GE	○		*							*		●16	N.America
General Motors	○		*		*							O18	N.America
Gucci	○											●12	Europe
Haier	○		*							*		O7,9/●Part V	Asia
Harley-Davidson	○				*							O10	N.America
Hermes	○											O10	Asia
Hybrid electric vehicle (HEV)	●				*					*		●5	Global

Hewlett-Packard	●●																		O11/●Part V	N.America
Honda	○																		O16	Asia
Hutchison	●					*													●8	Asia
IKEA	●●																	*	O16/●2	Europe
Imclone	●●																	*	●18	N.America
Infosys	●●																		●9	Asia
Japanese-English conversation manual	○																		O2	Asia
Komatsu	○																		O9	Asia
Kleiner Perkins Caulfield & Byers	○																		O7	N.America
Lessons from the online broking experience	○																	*	O17	Global
Lloyd's	○●																	*	O14/●Part V	Europe
Luxury cars	○●																	*	O10	Europe
Manchester United	●																		●7	Europe
McDonald's	○																	*	O1	N.America
Merlin Biosciences	○																	*	O7	Europe
Microsoft	○●																		O12/●6	N.America
Mt Buller	○●																		●8/●Part V	Australasia
Nestlé	○																		O15	Europe
News Corp	○																		O15	Australasia
Nintendo	●																		●6	Asia
Nissan	○●																		O13/●Part V	Asia
Nokia	●																		●16	Europe
Qantas	●																		●3	Australasia
Reliance	○																		O12	Asia
Renault	○●																		O13/●Part V	Europe
Responses to the Asian economic crisis	○																		O14	Asia
SAB Miller	●																		●17	S.Africa
Samsung	○●																		●8/●Part V	Asia
Semco	○																		O12	S.America
SingTel	○●																		O15/●Part V	Asia
Sony	○●																		O2/●6, 18	Asia
Southwest Airline	○																		O9	America
Starbucks	○●																	*	●6,17/●Part V	N.America
Swissair	●																		●3	Europe
The Celtic Tiger	○																		O5	Europe
The port of Tanjung Pelepan	○																		O5	Asia
The virtual university and the MBA	○																		O8	N.America/Europe
Toyota	○●																		O15/●17	Asia
Virgin	○●																	*	O10/●Part V	Europe
Virgin Atlantic/Virgin Blue	●																	*	●Part V	Europe/Australasia
Vivendi	○●																		●8/●Part V	Europe
Volkswagen	●																		●15	Europe/Asia
Wal-Mart	○●																	*	○9,15/●Part V	N.America

any organization is unique, a large number and variety of case studies are presented, in three different forms:

1. Each chapter is introduced by a **Case Study Scenario** which prompts the reader to consider the challenges of implementing successful strategy and highlights the main themes of the chapter. The resolution of the case is included at the end of the chapter to demonstrate what happened.
2. Sixty-four **Strategy in Action** mini case study examples are used throughout the text to illustrate particular issues.
3. The final part of the book includes fifteen **Long case studies** which are designed to illustrate strategy making in its broadest sense by encouraging students to analyse the situation and performance. They are not directly linked with particular problems or concepts discussed in the text, but the Case matrix summarizes the sectors and issues which each of these support. The best way to approach these case studies is for the individual or student group to conduct a strategic audit of the organization. Additional long case examples are also provided on the companion website.

There are two main uses of the case studies. The first, in the text itself, is illustrative, intended to show a practical manifestation of an idea or concept. The second, in Part V, is analytical, intended to show the way to a full strategic audit.

### Case analysis

As a preparation for a class analysis of a freestanding case study, the reader or student might like to carry out the following steps, either individually or in a group:

1. Carry out a first reading of the case study in order to gain an initial perception of the issues raised
2. Carry out a second, more thorough and slower reading of the case study, from the perspective of a strategy audit
3. Do any relevant outside research, in libraries or on the Internet. What is contained in any write-up of a case study is only an introduction which asks questions rather than provides all the answers. Further research is required.
4. Write the first draft of the strategic audit
5. Write the final draft of the strategic audit.

More detail on each of these stages is provided on the accompanying website.

### Companion website

This text is accompanied by an extensive companion website hosting resources for both students and lecturers, which can be accessed at [www.palgrave.com/business/white](http://www.palgrave.com/business/white).

For students:

- a running case study example, designed to be read alongside each part of the text, ties the different sections together with one coherent illustration

- additional long case studies provide further opportunities for case analysis
- links to further resources help you to navigate the wide range of material available on the Internet
- searchable glossary of strategic terms
- expanded guidance on getting the most out of this book, analysing case studies and further reading.

Instructors have access to all the student resources as well as:

- suggested teaching pathways and objectives
- information on key strategic themes and their use within the book
- suggested case study questions for all the long cases
- comments on the exercises and assignments used in the book
- PowerPoint lecture slides for each chapter which you can edit for your own use.

## Introductory reading

The following is a general and introductory guide to reading on strategy. The present text should be supplemented by these other sources. Reading takes three different forms:

1. business newspapers and journals which provide up-to-date information and analysis
2. academic journals, some 'popular' and others scholarly, some devoted to nothing but strategy, others covering management studies in general
3. the body of more extended treatments, some reflective, some primers and some textbooks.

The following indicates those considered most useful and insightful by the author. The focus is on English-language literature.

## Newspapers and magazines

The first group includes a number of American newspapers and journals, although in some cases there are versions tailored for and targeted at different parts of the world. For example, the *Wall Street Journal* has an Asian version. *Business Week*, *Fortune* and *Forbes* contain plenty of up-to-date accounts of the strategy of enterprises, mostly the larger multinationals. A European perspective would suggest alternative reading, including *The Economist*, probably the best commentary on current economic events anywhere in the world, although the orientation is consistently pro free market, and pursued with little reservation. The *Financial Times* adds a daily dimension, with more detail and frequently longer and more in-depth articles, perhaps a bit more dispassionate than *The Economist*. *Business 2.0* gives a much more technical perspective on business, with some excellent articles on the strategy of the most dynamic companies. If an Asian perspective is required, *The Far Eastern Economic Review* is worthy of close attention. From India, and largely about India, there are two main journals, *Business Today* and *Business India*.

Each country has its own business press. For example, Australia has *The Financial Review*, a daily, and *The Business Review Weekly*, as the two best sources of business and economic material, mainly but not solely relevant to Australia. Most Asian countries have English-language newspapers, nearly all with good local business coverage, such as the *South China Morning Post* and the *Japan Times*.

### Academic journals

The academic literature must start with the *Harvard Business Review*, quite the most accessible journal on strategy, accessible in every sense of the word. It aims to make available new management knowledge to a wide audience. It is a rich quarry of work on strategy, clearly the most quoted journal in textbooks on strategy. The *McKinsey Quarterly* contains a large number of studies of particular industries seen from a strategic perspective; it is probably underrated as a source on strategy. Much more technical and therefore more inaccessible are the articles in either *Long Range Planning* or the *Strategic Management Journal*. Both of these journals contain articles on strategy and little else; they should be major ports of call for those who wish to read at the cutting edge of new research. More rarely found are strategy articles in the broader management journals, such as the *California Management Review*, the *Sloan Management Review*, the *Academy of Management Journal* and the *Academy of Management Executive*. Also worthy of consideration are the journals *Business Horizons* and *Journal of Business Strategy*.

### Books

At this stage reference to books is at the 'must read' level for a reader keen to get on top of the strategy area. There are two writers who should be read before all others. Michael Porter is the doyen of all strategy theorists and, because of his enormous influence, should be read, although his work is rather long and not the most exciting of reads. In particular the two main books are *Competitive Advantage: techniques for analysing industries and companies* (Free Press, New York: 1980) and *Competitive Advantage: creating and sustaining superior performance* (Free Press, New York: 1985). Henry Mintzberg is a nice contrast to Porter, very knowledgeable in the area of strategy and a good thinker but sometimes carried away by the exuberance of his own verbosity. The book which is the most analytical treatment of strategy in the whole area is *The Rise and Fall of Strategic Planning* (Prentice Hall International, Hemel Hempstead: 1994). A fascinating romp around the literature on strategy is Mintzberg, H., Ahlstrand, B., and Lampel, J. *Strategy Safari: a guided tour through the wilds of strategic management* (Free Press, New York: 1998).

Rather long, but worth reading to get a sense of historical context and the messiness of any real historical experience, in particular the messiness of business history, are the major works of Chandler, A. D. Jr, *Strategy and Structure: chapters in the history of industrial enterprise* (MIT Press, Cambridge, MA: 1962); *The Visible Hand: the managerial revolution in American business* (Belknap Press, Cambridge, MA: 1977); and *Scale and Scope: the dynamics of industrial capitalism* (Belknap Press, Cambridge, MA: 1990).

There is a rival literature for those who want more rigour in their theory. For very valuable insights into the nature and role of the enterprise, it is worth reading an article which has had an increasing influence over the many years since its publication, Coase, R. 'The nature of the firm', *Economica* 4, 1937: 386–405. Coase has been described as the first institutional economist. The implications of this article are

much more fully worked out in Williamson, O. E. *The Economic Institutions of Capitalism: firms, markets, relational contracting* (Free Press, New York: 1985) and in the debate which followed. It has given birth to an enormous literature. Almost as influential as either of these, but in a much quieter way and with a different approach to the topic, is Penrose, E. T. *The Theory of the Growth of the Firm* (Basil Blackwell, Oxford: 1959), probably the most quoted work in this area.

Below are listed the five books on strategy which have given the author most enjoyment and food for thought. They are not traditional textbooks. The influence of these works on the thinking expressed in different parts of the text is obvious to anyone who reads them. All of them offer something but by no means all that is needed for a good text on strategy. For the most part they are not difficult to read, given a commitment to reflect on the issues raised:

Ghemawat, P., *Strategy and the Business Landscape: text and cases* (Addison-Wesley, Reading, MA: 1999).

Forster, J. and Browne, M., *Principles of Strategic Management* (Macmillan, Melbourne: 1996).

Whittington, R., *What is strategy and does it matter?* 2nd edn (Thomson, London: 2001).

Grant, R. M., *Contemporary Strategy Analysis: concepts, techniques, applications* 4th edn (Blackwell, Oxford: 2002).

De Wit, R. and Meyer, R., *Strategy – Process, Content, Context: an international perspective* 2nd edn (International Thomson Business Press, London and Boston: 1998).

Texts on strategy differ enormously in length and the style and depth of analysis. The book by Ghemawat is concise to a fault, at times cryptic. It requires a significant input from the reader. Its approach would probably have greatest appeal to economists. The texts in both Whittington and De Wit and Meyer are also short and highly analytical in tone.

In contrast to the books discussed above, an easy but very much longer read is Viljoen, J. and Dann, S. *Strategic Management; planning and implementing successful corporate strategies* (Longman, Frenchs Forest, NSW: 2000). This is comprehensive and a delight to read. The former works are in the reflective mode, the latter in the primer mode.

## Websites

A comprehensive guide to online business magazines around the world is available at <http://newsdirectory.com/news/magazine/business/>. Links to all the newspapers, magazines and journals cited above are provided below (and are available on the website).

*Academy of Management Executive* <http://www.aom.pace.edu/ame/>

*Academy of Management Journal* <http://www.jstor.org/journals/00014273.html>

*Business 2.0* <http://www.business2.com/>

*Business Horizons* <http://www.elsevier.com/inca/publications/store/6/2/0/2/1/4/>

*The Business Review Weekly* <http://www.brw.com.au/>

*Business Today* <http://www.business-today.com>

*Business Week* <http://www.businessweek.com/>

*California Management Review* [http://www.haas.berkeley.edu/News/cmr/index\\_.html](http://www.haas.berkeley.edu/News/cmr/index_.html)  
*The Economist* <http://www.economist.com/>  
*Far Eastern Economic Review* <http://www.feer.com/>  
*The Financial Review* <http://afr.com/>  
*Financial Times* <http://news.ft.com/>  
*Forbes* (Asia, Europe, USA), [http://www.forbes.com/home\\_asia/](http://www.forbes.com/home_asia/),  
[http://www.forbes.com/home\\_europe/](http://www.forbes.com/home_europe/), <http://www.forbes.com/>  
*Fortune* <http://www.fortune.com/fortune/>  
*Harvard Business Review* <http://www.hbsp.harvard.edu/products/hbr/index.html>  
*Japan Times* <http://www.japantimes.co.jp/>  
*Journal of Business Strategy* <https://www.ecmediagroup.com/Magazines/jbs.cfm>  
*Long Range Planning* <http://www.lrp.ac/>  
*McKinsey Quarterly* <http://www.mckinseyquarterly.com/>  
*Sloan Management Review* <http://mitsloan.mit.edu/smr/main.html>  
*South China Morning Post* <http://www.scmp.com/>  
*Strategic Management Journal* <http://www.smsweb.org/about/SMJ/SMJ.html>  
*Wall Street Journal* (Asia, Europe, USA) <http://online.wsj.com/public/asia>,  
<http://online.wsj.com/public/europe>, <http://online.wsj.com/public/us>