LIST OF CHANGES
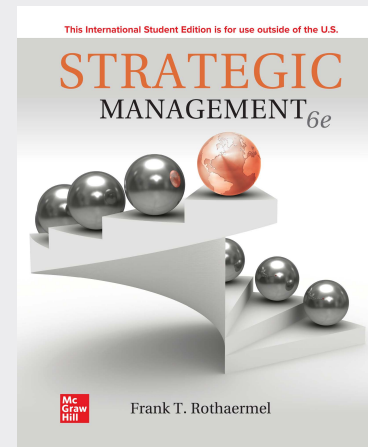
Strategic Management

6th Edition
Frank T. Rothaermel
ISBN: 9781266191862 / 1266191860 / ©2024

STRATEGIC
MANAGEMENT *6e*

Frank T. Rothaermel

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, Mini-Cases, Case Exercises, Application-Based Activities (mini-simulations) and testing to help develop students critical thinking and decision-making skills.

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.	✓	✓	✓	✓		
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. All cases come with teaching notes.	✓	✓	✓	✓	✓	
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.	✓	✓	✓	✓	✓	✓

Connect Platform-Wide Updates

- **NEW!** Updated instructor experience provides a simplified dashboard, quicker and easier access to information you need with fewer clicks. Newly optimized for mobile usage and with accessibility enhancements, pages are now screen-reader compatible, key board navigable, and allow for up to 400% magnification.

- **NEW!** Co-instructor privileges are now available. Instructors can easily add instructors to any section.

- **NEW!** Writing Assignment has the option to assign a peer review, including the ability to set the number of peer reviews, automatic assigning after the draft due date, and anonymous peer commenting.

- **NEW!** Increased maximum points to 2,000 points for an individual question or assignment.

- **NEW!** Streamlined integration with your Learning Management System (LMS). The new LTI Advantage integration allows for easier section pairing, automatic account creation for new users, improved visibility into grade sync features, automatic relinking, and better security.

- **NEW!** Polling Tool is now available as a resource in Connect.

- More mobility. Free download the ReadAnywhere® App and Connect tablet app allows students full access to their Connect course to complete assignments, read their eBook, and check grades—just like they would on a laptop browser.

- Accessibility enhancements ensure new content and technology follows the WCAG version 2.1 AA guidelines and best practices. Some examples of enhancements include a compliant click-and-drag question type in the Question Bank, alt descriptions added to eBook for screen reader users, increased accessibility to presentation PowerPoints, and read-aloud functionality in SmartBook 2.0. For further information regarding McGraw Hill accessibility, please contact us at accessibility@mheducation.com.

- World-class reliability with 99.9% platform uptime.

- Option for students to purchase a loose-leaf version of the text at a significant discount with free shipping.

- Partnership with the Online Learning Consortium (OLC) provides an even higher level of expertise and support when transitioning your course.

Chapter-by-Chapter Changes

This edition was revised and updated 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 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 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).

Cases:

- Nine new out of 12 MiniCases, 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.
- Three new full-length Cases: Rivian, Peloton and Uber
  - All other cases, including the most popular ones, such as Apple, Best Buy, Disney, McDonald's, Nike, Starbucks, and Tesla, are revised and updated.
    - Detailed and updated case teaching notes are available in the Connect Library.

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?"