

Student name: \_\_\_\_\_

The success of Apple under its former CEO, Steve Jobs, was largely attributed to the quality of its leader. According to the text, this would be an example of the “romantic” perspective of leadership.

true

false

Strategic management consists of the analyses, decisions, and actions an organization undertakes in order to create and sustain competitive advantages.

true

false

Management innovations such as total quality, just-in-time, benchmarking, business process reengineering, and outsourcing are important but not enough for building sustainable competitive advantage.

true

false

Trade-off decisions between effectiveness and efficiency are important in the practice of strategic management.

true

false

According to the textbook, digitizing existing business processes rarely improves efficiency.

true

false

A company that digitizes existing processes may achieve operational excellence on an outdated value proposition. Airbnb is an example of a company that entered the market with a superior digital offering, competing against hotels that had only digitized processes.

true

false

According to Henry Mintzberg, a management scholar, most firms do *not* realize their original intended strategy.

true

false

The final realized strategy of a firm is a combination of deliberate and time-tested strategies only.

true

false

Strategy analysis is the study of only the big picture external environments of the firm.

true

false

All successful firms compete and outperform their rivals by developing bases for competitive advantage, which can be achieved only through cost leadership.

true

false

The three primary participants in corporate governance are:

1. the shareholders,
2. the management (led by the chief executive officer), and
3. the employees.

true

false

Decisions by boards of directors are always consistent with shareholder interests.

true

false

Ensuring effective corporate governance requires an effective and engaged board of directors, uninvolved shareholders, and proper managerial rewards and incentives.

true

false

The core mission of the board of directors is to provide strong oversight and strategic support for employee efforts to receive maximum financial and monetary equivalent benefits.

true

false

Social responsibility is the idea that organizations are only accountable to stockholders.

true

false

Shell, NEC, and Procter and Gamble have been measuring their performance according to what has been called a triple bottom line. This technique involves an assessment of financial, social, and environmental performance.

true

false

Sustainability is being increasingly recognized as a source of cost efficiencies and revenue growth.

true

false

Responsible investment approaches evaluate companies based on environmental, social, and growth criteria (ESG investment trend).

true

false

Focusing on the ESG criteria does not enhance corporate financial performance, because it does NOT benefit society or investors who support ESG funds.

true

false

Strategic management requires managers at all levels of the organization to take a segregated view of the organization.

true

false

The strategic management process should be addressed only by top-level executives. Mid-level and low-level employees are best equipped to implement the strategies of the organization.

true

false

Richard Branson, the founder of the Virgin Group, is well known for creating an inclusive organizational structure in which anybody in the organization can be involved in generating and acting on new business ideas.

true

false

Managers must create management processes to foster change. In the example of the filming of the movie *Gorillas in the Mist*, an intern suggested a way to save costs and the film director listened. This is an example of empowerment.

true

false

As Strategy Spotlight 1.3 indicates, one of the main reasons General Electric started failing in 2016 is because top managers did not listen to the early warning signals being reported by lower levels of the organization and did not take preventative action.

true

false

The vision of an organization is at the top level of its hierarchy of organizational goals. The vision statement should be massively inspiring, overarching, and long term.

true

false

Much research has supported the notion that individuals work much harder when they are asked to do their best rather than when they are striving toward a specific goal.

true

false

An idealistic vision can arouse employee enthusiasm and therefore is a good vision.

true

false

The text addresses two perspectives of leadership as well as their implications. These two perspectives are

romantic and unromantic.

romantic and internal control.

romantic and external control.

external control and unromantic.

In the opening Learning from Mistakes case, in 2017 Luckin Coffee faced challenges from the external environment over which it had little control. Its primary competitor, Starbucks, was strongly entrenched in the Chinese marketplace and intended to continue growing there. By 2020, Luckin Coffee was delisted from the Nasdaq stock exchange. This resulting failure can be attributed largely to

Luckin Coffee CEO Qian's leadership.

Luckin Coffee products not appealing to the consumer.

Starbucks using shady business practices.

Chinese market not interested in coffee drinks.

When developments in the general environment, such as new technologies, or an outbreak of internal conflict occur, they can greatly restrict the choices that are available to company leaders. This is the\_\_\_\_\_ view of leadership.

external supply

internal control

external control

internal supply

Borders and Waldenbooks were quickly overtaken by Amazon, largely due to the shift from brick-and-mortar bookstores to online book buying. This exemplifies the\_\_\_\_\_ view of leadership.

romantic

financial

strategic

external control

In the Learning from Mistakes case discussion of Luckin Coffee, which view of leadership most accurately describes the reason it was eventually delisted from the Nasdaq stock exchange in June 2020?

romantic

external control

internal control

financial

When a CEO makes many mistakes in assessing the market and the competitive conditions and improperly redesigns the organization into numerous business units, these errors lead to

significant performance declines. According to the text, this example illustrates the \_\_\_\_\_ perspective of leadership.

external control

romantic

internal mechanism

operational

According to the external control view of leadership, which of the following factors would *not* be considered an external factor that might positively or negatively affect a firm's success?

economic downturns

governmental legislation

outbreak of war

company employee morale

According to the text, the strategic management process entails three ongoing processes. They are

analyses, actions, and synthesis.

analyses, synthesis, and decisions.

analyses, evaluation, and critique.

analyses, decisions, and actions.

Management innovations such as total quality, benchmarking, and business process reengineering cannot lead to sustainable competitive advantage because

companies that have implemented these techniques have lost money.

there is no proof that these techniques work.

they cost too much money and effort to implement.

many companies are trying to implement them.

The organizational versus the individual rationality perspective suggests that objectives that are good for a functional area are always good for the overall organization.

good for the overall organization are always best for a functional area.

best for a functional area may not be best for the overall organization.

best for one functional area will never be best for all functional areas.

The four key attributes of strategic management include the idea that strategy must be directed toward overall organizational goals and objectives.

be focused only on long-term objectives.

be focused on only one specific area of an organization.

focus only on competitor strengths.

The four key attributes of strategic management include all of the following *except* including multiple stakeholder interests in decision making.

incorporating both short-term and long-term perspectives.

recognizing the trade-offs between effectiveness and efficiency.

emphasis on the attainment of short-term objectives.

Effectiveness is often defined as

doing the right thing.

doing things right.

stakeholder satisfaction.

productivity enhancement.

In choosing to focus on stakeholders, which of the following will *not* lead to success for a manager?

shareholders and employees

employees and suppliers

customers and the community at large

customers only

In strategic management, both the short-term and long-term perspectives need to be considered because

shareholder value is only measured by short-term returns.

shareholders only care about long-term returns.

long-term vision precludes the analysis of present operating needs.

the creative tension between the two forces managers to develop more successful strategy.

Strategic management involves the recognition of trade-offs between effectiveness and cost.

value.

return on investment.

efficiency.

Digital technologies, when used to digitize existing businesses, can improve efficiency. Which of the following is an example of improved efficiency as a result of using digital technologies?

artificial intelligence used to automate repetitive data entry tasks

replacement of human heart with the heart of a pig

elimination of digital apps and replacement with brick-and-mortar solutions  
replacement of 3D imaging with manual drawings

All the following are ambidextrous behaviors *except*

taking initiative and being alert to opportunities beyond the job description.

being cooperative and seeking opportunities to combine personal efforts with that of others.

intensely focusing on the responsibilities of one individual and maximizing the output of the department in the organization in which that individual works.

being brokers, always looking to build internal linkages.

Ambidextrous behaviors in individuals illustrate how a dual capacity for \_\_\_\_\_ can be woven into the fabric of an organization at the individual level.

alignment and adaptability

alignment and transparency

alignment and internal linkages

alignment and efficiency

The innovation paradox implies that consistency in products and services provokes a tension with the need for new products. This results in a conflict between

stability and change.

structure and culture.

rewards and metrics.

stability and metrics.

According to Henry Mintzberg, the final realized strategy of a firm is  
a combination of deliberate and emergent strategies.

a combination of deliberate and differentiation strategies.

not deliberate.

a result of unrealized intended strategy.

\_\_\_\_\_ may be considered the advance work that must be done in order to effectively formulate and implement strategies.

Goal setting

Corporate entrepreneurship

Strategy analysis

Organizational design

Strategy analysis is the starting point of the strategic management process and consists of the analysis only of the vision, mission, and objectives of the firm.

analysis of the relevant internal and external environmental factors only.

analysis of relevant competitors only.

matching of vision, mission, and objectives with the relevant internal and external environmental factors.

Strategy formulation at the business level addresses best how to compete in a given business to attain competitive advantage.

to reduce costs.

to decrease buyer power.

to thwart entry of new rivals.

Corporate-level strategy focuses on what businesses to compete in and

how business can be managed to achieve synergy.

how business can be managed to reduce synergy.

how the firm can work as a stand-alone entity.

how the firm can create more value by operating alone.

Corporate-level strategy looks at how to manage the \_\_\_\_\_ of its businesses to create synergies.

market pricing

stock prices

competitors

portfolio

Entering foreign markets requires firms to ascertain foremost how they will attain market share.

competitive advantage.

low costs.

low returns on investment.

New value creation is a major engine for economic growth and is the main focus of \_\_\_\_\_ strategy.

portfolio

corporate-level

business-level

entrepreneurial

Two types of strategic control that firms must exercise for good strategy implementation are \_\_\_\_\_ and \_\_\_\_\_.

informational; confrontational

informational; behavioral

behavioral; financial

confrontational; behavioral

Effective organizational design means that firms must have \_\_\_\_\_ and \_\_\_\_\_ that are consistent with their strategy.

designs; plans

adopters; plans

adopters; designs

organizational structures; designs

Learning organizations permit the entire organization to benefit from \_\_\_\_\_ and \_\_\_\_\_ talents.

internal; external

external; individual

individual; collective

internal; collective

Effective leaders set a direction and develop an organization so that it is committed to excellence and \_\_\_\_\_ behavior.

performant

strategic

ethical

positive

Strategies should be formulated that enhance foremost the\_\_\_\_\_ capacity of a firm.

innovative

learning

implementation

business-level

Strategy implementation can be the most difficult part of the strategic management process. Which of the following is *not* likely to be a cause of implementation failure?

leadership

competition

coordination and integration of activities within and outside of the firm

organizational commitment to excellence

In the interview with Usman Ghani, Chairman of ConfluCore, he finds that key attributes of successful strategies include all but which of the following?

Considered strategic processes are applied.

Strategies display systematic adaptability.

Customer offerings are effectively differentiated by the organizations.

To ensure that customer offerings are differentiated, management need not be assessed regularly.

The three participants in corporate governance are the shareholders,

board of directors, and employees.

labor unions, and employees.

board of directors, and management.

banks and lending institutions, and management.

While working to prioritize and fulfill their responsibilities, members of the board of directors of an organization should

represent their own interests.

represent the interests of the shareholders.

direct all actions of the CEO.

emphasize the importance of short-term goals.

Members of boards of directors are

appointed by the Securities and Exchange Commission.

elected by the shareholders as their representatives.

elected by the public.

only allowed to serve one term of four years.

An organization is responsible to many different entities. In order to meet the demands of these groups, organizations must participate in stakeholder management. Stakeholder management means that

interests of the stockholders are not the only interests that matter.

stakeholders are second in importance to the stockholders.

stakeholders and managers inevitably work at cross-purposes.

all stakeholders receive financial rewards.

Stakeholders are

a new way to describe stockholders.

individuals, groups, and organizations who have a stake in the success of the organization.

creditors who hold a lien on the assets of the organization.

attorneys and their clients who sue the organization.

Procter and Gamble has perfected a technique for compacting cleaning powder into a liquid concentration. Consumers, retailers, shipping and wholesalers, and environmentalists all have benefited from the resulting change in consumer shopping habits and the revolution in industry supply-chain economics. According to the text, this is an example of

zero-sum relationship among stakeholders.

stakeholder symbiosis.

rewarding stakeholders.

emphasizing financial returns.

There are several perspectives of competition. One perspective is zero-sum thinking. Zero-sum thinking means that

all parts of the organization gain at no loss.

in order for someone to gain others must experience no gain or benefit.

everyone in the organization shares gains and losses equally.

one can only gain at the expense of someone else.

Managers should do more than focus on short-term financial performance. One concept that helps managers do this is stakeholder symbiosis. This means that

stakeholders look out for their individual interests.

stakeholders are dependent on each other for their success.

one can only gain at the expense of someone else.

all stakeholders want to maximize shareholder returns.

Employee stakeholders are concerned with  
wages, benefits, and job security.  
taxes, warranties, and regulations.  
good citizenship behavior.  
dividends.

Stockholders as a stakeholder group are interested primarily in  
payment of interest and repayment of principal.  
dividends and capital appreciation.  
value and warranties  
taxes and compliance with regulations.

Supplier stakeholders are concerned with  
capital appreciation.  
employee benefits.  
safe working conditions.  
assurance of a continued relationship with the firm.

Community stakeholders are concerned primarily with  
product warranties.  
corporate citizenship behavior.  
capital appreciation.  
repayment of principal.

Firms must be aware of goals other than short-term profit maximization. One area of concern should be social responsibility, which is the

idea that businesses are responsible for maintaining a healthy social climate for their employees.

idea that organizations are solely responsible to local citizens.

fact that court costs could impact the financial bottom line.

expectation that business will strive to improve the overall welfare of society.

According to the text, the triple bottom line approach to corporate accounting includes which three components?

financial, environmental, and customer

financial, organizational, and customer

financial, environmental, and social

financial, organizational, and psychological

A key stakeholder group that is particularly susceptible to corporate social responsibility (CSR) initiatives is

suppliers.

consumers.

government agencies.

rivals.

According to the corporate citizenship poll conducted by Cone Communications, most Americans say they would be likely to switch brands to one associated with a good cause, if there are similarities between \_\_\_\_\_ and \_\_\_\_\_.

price; availability

price; quality

availability; quality

price; durability

According to a CEO survey by Accenture, \_\_\_\_\_ and \_\_\_\_\_ are not mutually exclusive corporate goals.

sustainability; profitability

quality; profitability

ROI; quality

availability; ROI

Responsible investment approaches evaluate companies based on \_\_\_\_\_, \_\_\_\_\_, and \_\_\_\_\_ criteria (ESG).

environmental; social; growth

external; social; growth

environmental; strategic; growth

environmental; social; governance

Focusing on ESG criteria can enhance corporate financial performance. This, in turn, can benefit \_\_\_\_\_, \_\_\_\_\_, and \_\_\_\_\_.

society, environment, ESG fund investors

competitors, environment, consumers

competitors, environment, ESG fund investors

society, global competitors, stakeholders

The ROI on sustainability efforts can be difficult to quantify because

an excess of necessary data for accurate calculation is readily available.

benefits from such projects are tangible.

the payback period is on the same time frame.

the payback period is on a different time frame.

Sustainability programs often find their success beyond company boundaries, thus \_\_\_\_\_  
systems and \_\_\_\_\_ metrics cannot capture all of the relevant numbers.

external; bio

internal; internal

external; external

internal; process

Traditional financial models are built around relatively easy-to-measure, monetized results;  
whereas the benefits of sustainability projects involve

clear tangibles.

fuzzy intangibles.

fuzzy tangibles.

clear intangibles.

The case for sustainability projects needs to be made on the basis of a more holistic and  
comprehensive understanding of all the \_\_\_\_\_ and \_\_\_\_\_ benefits.

measurable; physical

tangible; intangible

financial; physical

measurable; unmeasurable

Some benefits of sustainability projects include

- reducing risks.
- lagging behind regulations.
- displeasing communities.
- ignoring employee morale.

ESG funds in the United States state that they invest in ethical firms and projects. In Europe ESG funds assure substantial compliance with the ideas of ESG investing by

- measuring the return on investment.
- detailing how the fund addresses stakeholder expectations of return on investment.
- describing exactly how the fund addresses the social and environmental issues.
- monitoring the size of the investment fund.

Many organizations have a large number of functional areas with very diverse and sometimes competing interests. Such organizations will be most effective if

- each functional area focuses on achieving their own goals.
- goals are defined at the bottom and implemented at the top.
- management and employees have separate goals.
- functional areas work together to attain overall goals.

Strategy formulation and implementation is a challenging ongoing process. To be effective, it should *not* involve

- the CEO and the board of directors.
- the board of directors, CEO, and CFO.
- rivals.

line and staff managers.

The text argues that a strategic perspective in an organization should be emphasized  
at the top of the organization.  
throughout the organization.  
at the middle of the organization.  
from the bottom up.

Peter Senge, of MIT, recognized three types of leaders. \_\_\_\_\_ are individuals that, although having little positional power and formal authority, generate their power through the conviction and clarity of their ideas.

Local line leaders

Executive leaders

Internal networkers

Shop floor leaders

Peter Senge, of MIT, recognized three types of leaders. Which of the following describes individuals who champion and guide ideas, create learning infrastructure, and establish a domain for taking action?

local line leaders

executive leaders

internal networkers

shop floor leaders

Leadership is a necessary (but not sufficient) condition for organizational success. Leaders should emerge at which level(s) of an organization?

throughout the organization

in the middle

only at the top

only during times of change

Local line leaders have \_\_\_\_\_ responsibility.

local

executive

no

profit-and-loss

Internal networks generate their power through the \_\_\_\_\_ and \_\_\_\_\_ of their ideas.

validity; correctness

conviction; clarity

validation; recognition

approval; awareness

Executive leaders champion and guide ideas by

reinforcing ideas that did not work.

increasing their personal power.

validating their formal authority.

creating a learning infrastructure.

Richard Branson, founder of the Virgin Group, empowers his companies through a(n) \_\_\_\_\_ structure in which anyone can bring forth new ideas.

formal

hierarchal

multi-level

informal

To inculcate a strategic management perspective, managers must create management\_\_\_\_\_ to foster change.

processes

buy-back

structures

edicts

Netflix inculcates a strategic management perspective by emphasizing transparency.

creating an environment of non-sharing.

obliging a top-down management style.

training only high potential employees.

For strategic management to be effective in achieving organizational goals, people throughout the organization must work in isolation.

top managers only take an integrative, strategic perspective.

leaders alone are responsible for the organizational outcome.

people throughout the organization must strive toward overall goals.

Richard Branson of the Virgin Group believes that the \_\_\_\_\_ of a person should not dictate the level of influence their ideas should be accorded.

age

seniority

position

education

In the 1.3 Strategy Spotlight regarding performance problems at General Electric, which of the following contributed significantly to the downfall of GE and eventually saw it split into three companies?

Top executives presented gloomy sales statistics.

Low-level executives were overpaid.

Top-level executives encouraged top-down and bottom-up communication.

Top-level executives ignored lower-level executive poor performance warnings.

The hierarchy of organizational goals is in the following order (least specific to most specific):

vision statements, strategic objectives, mission statements.

vision statements, mission statements, strategic objectives.

mission statements, strategic objectives, vision statements.

mission statements, vision statements, strategic objectives.

Vision statements are used to create a better understanding of the overall \_\_\_\_\_ and \_\_\_\_\_ of the organization. Vision statements are massively inspiring.

logic; wealth

outcomes; objectives

purpose; direction

impact; structure

Effective vision statements include

all strategic directions of the organization.

a brief statement of the company's direction.

strategic posturing and future objectives.

financial objectives and projected figures.

WellPoint Health Network states: WellPoint will redefine our industry through a new generation of consumer-friendly products that put individuals back in control of their future. This is an example of a

strategic objective.

vision statement.

vague statement of direction.

line manager's individual goal.

Although such visions cannot be accurately measured by a specific indicator of how well they are being achieved, they do provide a fundamental statement of the \_\_\_\_\_ of an organization.

outstanding debt

expected returns and limitations

values, aspirations, and goals

credibility

In contrast to the vision of an organization, its mission should

be shorter in length.

encompass all the major rules and regulations of the corporate work force.

encompass both the purpose of the company as well as the basis of competition.  
be less detailed.

The vision and mission statements of a company set the overall direction of the organization.  
Strategic objectives serve what role?

operationalize the mission statement

modify the mission statement

are a shorter version of the mission statement

are only clarified by the board of directors

Successful organizations are effective in motivating people. Employees work best when  
they are asked to do their best.

work requirements are vague and unclear.

they are striving toward specific goals.

they are guided by an abstract mission statement.

Fortune Brands states they will cut corporate overhead costs by \$30 million a year. This is an  
example of a

nonfinancial strategic objective.

financial strategic objective.

vision statement.

mission statement.

Our goal is to help save 100,000 more lives each year. (Varian Medical Systems) This is an  
example of a

nonfinancial strategic objective.

financial strategic objective.

vision statement.

mission statement.

In large organizations, conflicts can arise between functional areas. In order to resolve these conflicts, strategic objectives

put financial objectives above human considerations.

align departments toward departmental goals.

help resolve conflicts through their common purpose.

cause debate and increase conflict.

Which of the following is *not* an example of a financial strategic objective?

Increase sales growth 6 percent to 8 percent and accelerate core net earnings growth from 13 percent to 15 percent per share in each of the next 5 years. (Procter & Gamble)

Reduce volatile air emissions 15 percent by 2015 from 2010 base year, indexed to net sales. (3M)

Generate Internet-related revenue of \$1.5 billion. (AutoNation)

Cut corporate overhead costs by \$30 million per year. (Fortune Brands)

In large organizations, the potential exists for different parts of an organization to pursue its own goals rather than the overall company goals. Proper \_\_\_\_\_ can help to resolve conflicts when they arise.

mission statements

vision statements

organization structure

objectives

What is the overall purpose of a corporation?

to maximize the long-term return to the shareholders

to maximize the short-term return to the shareholders

to maximize the long-term return to all the stakeholders

to maximize the short-term return to all the stakeholders

Boards of directors (BOD) as elected representatives of the shareholders are charged with ensuring that the interests and motives of management are aligned with those of the owners. Which one of the following is *not* part of their general practices?

Follow guidelines on the selection of director candidates.

Follow guidelines to ensure that its members are independent.

Provide detailed procedures for formal evaluations of directors and top officers of the firm.

Refrain from strategic support for management efforts to create long-term value.

Which of the following is *not* an internal control that ensures effective corporation governance?

proper managerial rewards and incentives

threat of hostile takeovers

shareholder activism

an effective and engaged board of directors

Effective mission statements incorporate the concept of stakeholder management. This suggests that organizations must respond to multiple primary internal constituencies such as all the following *except*

customers.

suppliers.

competitors.

employees.

Which of the following is *not* a reason that would make calculating return on investment (ROI) on sustainability projects difficult?

The payback period is on a different time frame.

Many of the benefits from such projects are tangible and easily measured.

The data necessary to calculate accurate ROI in sustainability projects is frequently not available.

Many of the benefits of sustainability projects are intangible and not easily measured.

Using Apple, Alphabet, or Microsoft, explain how strategic management has led the company to industry dominance. Discuss the vision/mission of the company, its corporate objectives, and the leadership qualities that support this company's strategy. Be sure to use specific numerical outcomes as proof of your evaluation.

Do corporate mission statements really matter? Justify your response with concrete industry examples.

Explain how corporate governance mechanisms are used in the strategic management process. Illustrate the role of each stakeholder with industry examples.

Why do organizations need three types of leaders (local line leaders, executive leaders, internal networkers)? Use industry examples to support your answer.

Strategic coherence is an essential element for assuring that a company's mission/vision is realized. Describe the factors that are involved in creating strategic coherence. Use an industry example to support your description and explain how the objectives meet the SMART criteria (Specific, Measurable, Appropriate, Realistic, Timely).

Analyze why the authors believe that sustainable competitive advantage cannot be achieved through operational effectiveness alone. What other factors must be considered, in your opinion?

If a proposed new project is showing a positive net present value (NPV) but will reduce earnings for the current quarter, should long-term or short-term strategy perspective take priority?

Analyze how climate change might alter a company's intended strategy. Provide a concrete example of the current consequences of climate change in a real company today.

Support this statement with concrete examples from the current business world: Analyzing the environment and formulating strategies are important activities in the strategic management process; however, nothing happens until resources are allocated and effective strategies are implemented.

By focusing solely on the interests of the executives to create short-term profits, businesses often will make poor decisions that lead to negative, unanticipated outcomes. Analyze this statement and provide examples of management decisions to create shareholder value that have led to negative outcomes for the firm and/or other of its stakeholders.

Are sustainability and profitability mutually exclusive corporate goals? Support your analysis with examples from the corporate world.

According to Spotlight 1.2, how can investors in ESG funds select the best fund that aligns with their personal values?

Why are existing hurdle rates for investment projects not necessarily appropriate for sustainability projects? What are some of the alternative choices? Demonstrate your solutions with concrete examples.

General Electric lost its most valuable company in the U.S. status in the period 2016–2020 and decided to split into three companies. Could this loss of status have been avoided? Explain your reasoning in terms of leadership, empowerment, and communication.

Why should executives communicate their long-term thinking to help ensure the support of investors and other stakeholders? Discuss some of the benefits and provide examples.

What is the difference between a long-term value creation *story* and a long-term value creation *plan*? How can investor presentations use these elements to communicate the strategic direction of the firm?

Should management respond to investor demands for better long-term performance resulting from sound management of environmental, social, and governance issues? Explain your answer with examples of the benefits the firm can reap from communicating its long-term thinking.

## **Answer Key**

Test name: CH1 Strategic Management Creating Competitive  
Advantages E11

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