

Student: _____

1. Popular strategic management tools such as the SWOT analysis can only help to structure thoughts.
True False
2. Distinguish between strategy content, strategy process and strategy context.
3. Construct a hypothetical vision statement, mission statement and values statement for eBay.
4. Why might a realized strategy be different from an intended strategy?
5. Describe the characteristics of a fragmented organization in Michaud and Thoenig's (2003) typology.

6. What are the advantages of conducting strategic decision making in a planned fashion?
7. Which of the following statements most closely describes the scope of the business?
- A We design customized I.T solutions by combining the talents of a globally dispersed knowledge base . using cutting edge technology
 - B. We will grow the business to every continent by building on our talent to achieve above average profits
 - C. Our IT solutions provide global distribution companies with customized systems
 - D. We are in the business of providing IT solutions to global distribution companies
8. Generally there are three distinct levels of strategy. These are
- A. Small business, large business, global business
 - B. Single business, multi-business and multi-national.
 - C. Independent business, portfolio business and public sector organization
 - D. Single business, portfolio business and global business
9. It is argued that the biggest dilemma facing multi-national organizations is
- A. The extent of home country control or local control
 - B. The extent of global coverage or market penetration
 - C. The extent of global integration or national responsiveness
 - D. The extent of product diversity or market diversity
10. The business model can also be defined as the _____ of the business
- _____
11. There is a correlation between a good mission statement and organizational performance.
True False
12. A strategic review is likely to be most effective when it breaks down the business into its component parts and looks at the strengths and weaknesses of each individual component.
True False
13. The evolutionary view of strategic management argues that
- _____ Organizational survival is governed by strategic managers' decisions
 - _____ Deliberate strategies are a delusion
 - _____ Organizations are subject to environmental determinism
 - _____ Strategy is the outcome of micro-politics within the organization
14. Which of the following statements describe the Balanced Scorecard system of Kaplan and Norton?
- _____ It is designed to measure organizational performance from a number of perspectives
 - _____ It goes beyond measuring strategy on financial performance
 - _____ It helps to determine whether strategic objectives are being met
 - _____ It prioritizes shareholder satisfaction
15. If two organizations use the same strategy models and they are in the same industry they are likely to come up with the same answers
True False
16. Porter's Five Forces model takes a systems perspective on competition
True False

17. The strategic planning process can often include a discussion of future scenarios. Which of the following statements most closely describes the activity of scenario building?
- A. Conducting a PEST analysis to generate opportunities and threats
 - B. Constructing a SWOT analysis to generate strategic options for the future
 - C. Constructing pictures of possible futures often deriving from a PEST analysis
 - D. Developing simulations to test market behaviour
18. The success of strategy implementation is very much dependent on
- A. Financial resources
 - B. Linkages
 - C. Human resources
 - D. Top management control
19. The way in which strategic managers interpret their internal and external environment draws on ideas from which academic field?
- A. Cognitive science
 - B. Evolutionary theory
 - C. Politics
 - D. Chaos theory
20. Senge has written widely about the role of _____ in organizations.
- _____
21. It is argued that in recent years managerial 'agency' has less influence on the direction of the organization than previously. This means that the external environment of organizations is becoming more
- A. Predictable
 - B. Controllable
 - C. Deterministic
 - D. Political
22. Stacey (1993) argues that organizations should be viewed as a bureaucratic system
True False
23. Which of the following are characteristics of the intellectual activity of 'strategic thinking'
- _____ It is a creative process
 - _____ It is an analytical process
 - _____ It is a top-down process
 - _____ It is a bottom-up process
24. In practice, strategies can come about in different ways. Mintzberg makes the distinction between _____ strategies and realized strategies.
- _____
25. Which of the following statements most closely resembles a vision statement?
- A. "Our business is to inform and entertain our viewers"
 - B. "Our business is to inform and entertain our viewers using the best writers and broadcasters that the industry has to offer"
 - C. "We aim to break free of the traditional view of broadcasting and bring the viewer the most innovative . and compelling news service in the industry"
 - D. "We believe that a news broadcaster should be impartial at all times and should never compromise on ethical standards"
26. Another term for 'core competences' is '_____ capabilities'
- _____
27. Two firms with roughly the same set of resources and capabilities are likely to develop the same core competences.
True False

28. The systemic view of strategy draws on the work of which sociological idea?
- A. Social embeddedness (Granovetter)
 - B. Presentation of self (Goffman)
 - C. The generalized other (Mead)
 - D. Positivism (Durkheim)
29. The _____ view of strategy is attributed to economist Edith Penrose.
- _____
30. Tacit knowledge is knowledge that
- _____ Is easy to transfer between people
 - _____ Is taken for granted
 - _____ Is difficult to write down
 - _____ Is easily captured in I.T systems
31. Honda's success in the USA motorcycle market has been attributed to good strategic planning, an awareness of social systems and also an outcome of emergent processes. All of these views are partially correct. McGee proposes use of a _____ model of strategy to deal with the complexity of strategic management.
- _____

ch02 Key

1. Popular strategic management tools such as the SWOT analysis can only help to structure thoughts.

TRUE

Models such as SWOT cannot be expected to generate the 'correct' answer because it is a subjective exercise.

*Difficulty - Easy
McGee - 02. A... #1
McGee - Chapter 2*

2. Distinguish between strategy content, strategy process and strategy context.

As defined by De Wit and Meyer (1999) strategy context is the 'where' of strategy i.e. the backdrop or setting for a strategy which includes the internal organizational context and the external context. Strategy content is the 'what' of strategy i.e. what are the long term goals and what strategy can fulfill these goals. Strategy process is the 'how' of strategy i.e. the decision making process and how the strategy comes about.

*Difficulty - Hard
McGee - 02. A... #2
McGee - Chapter 2*

3. Construct a hypothetical vision statement, mission statement and values statement for eBay.

For example;

Vision statement: "We will be the most well-known brand on the planet"

Mission statement: "We are what you want us to be"

Values statement: "The 'ebayer' is our most important resource and will continue to be"

*Difficulty - Hard
McGee - 02. A... #3
McGee - Chapter 2*

4. Why might a realized strategy be different from an intended strategy?

See Mintzberg and Waters (1985)

An intended strategy is the strategy that the organization has formulated in a planned fashion.

However, strategies are developed in a constantly changing internal and external environment and therefore the plan may be somewhat out of date by the time it is implemented. The realized strategy is the strategy that the organization actually follows in practice. The realized strategy is often a mixture of intentions and emergence. Emergent strategies are those that unfold over time as a response to changing circumstances.

*Difficulty - Medium
McGee - 02. A... #4
McGee - Chapter 2*

5. Describe the characteristics of a fragmented organization in Michaud and Thoenig's (2003) typology.

The fragmented organization is part of Michaud and Thoenig's (2003) typology of strategic orientation i.e. how managers think and act strategically. The fragmented organization emerges where external pressure is seen as weak and where managers have a short-term view. The organization can become fragmented because it does not see the need to undergo radical change. It is typically highly bureaucratic and inward looking.

*Difficulty - Hard
McGee - 02. A... #5
McGee - Chapter 2*

6. What are the advantages of conducting strategic decision making in a planned fashion?

Planning can be less wasteful because it usually involves rigorous analysis.
It is more likely that stakeholders can be informed and involved.
It can help to reduce complexity and uncertainty.
It helps to coordinate resources.

*Difficulty - Medium
McGee - 02. A... #6
McGee - Chapter 2*

7. Which of the following statements most closely describes the scope of the business?
- A. We design customized I.T solutions by combining the talents of a globally dispersed knowledge base using cutting edge technology
 - B. We will grow the business to every continent by building on our talent to achieve above average profits
 - C. Our IT solutions provide global distribution companies with customized systems
 - D.** We are in the business of providing IT solutions to global distribution companies

The scope of the business defines what products/services and markets the business is in. The example shows that the service is IT solutions and the market is global distribution. The scope of the business is one of the major strategic choices that the organization has to make.

*Difficulty - Hard
McGee - 02. A... #7
McGee - Chapter 2*

8. Generally there are three distinct levels of strategy. These are
- A. Small business, large business, global business
 - B.** Single business, multi-business and multi-national.
 - C. Independent business, portfolio business and public sector organization
 - D. Single business, portfolio business and global business

The nature of strategic choices differs for each level of strategy.

*Difficulty - Medium
McGee - 02. A... #8
McGee - Chapter 2*

9. It is argued that the biggest dilemma facing multi-national organizations is
- A. The extent of home country control or local control
 - B. The extent of global coverage or market penetration
 - C. The extent of global integration or national responsiveness**
 - D. The extent of product diversity or market diversity

The issue of the balance between global integration and national responsiveness is a major concern for multi-national organizations. It has implications for costs and consumer demand.

Difficulty - Hard
McGee - 02. A... #9
McGee - Chapter 2

10. The business model can also be defined as the _____ of the business
Operation

The operation is the day to day activities that the business performs to transform inputs into outputs.

Difficulty - Medium
McGee - 02. A... #10
McGee - Chapter 2

11. There is a correlation between a good mission statement and organizational performance.
FALSE

Mission statements have not been researched to any great degree. How would one define a 'good' mission statement in the first place and how can we tell whether success has anything to do with the mission statement? However, they are seen as a necessary interface between the organization and the public.

Difficulty - Medium
McGee - 02. A... #11
McGee - Chapter 2

12. A strategic review is likely to be most effective when it breaks down the business into its component parts and looks at the strengths and weaknesses of each individual component.
FALSE

This is a reductionist approach to strategic management which arguably is not the best approach because an improvement in one area could cause a problem in another area. A holistic approach which tries to assess how processes work together as a whole is likely to be more effective - this is a systems approach.

Difficulty - Hard
McGee - 02. A... #12
McGee - Chapter 2

13. The evolutionary view of strategic management argues that
- ☐ Organizational survival is governed by strategic managers' decisions
 - ☒** Deliberate strategies are a delusion
 - ☒** Organizations are subject to environmental determinism
 - ☐ Strategy is the outcome of micro-politics within the organization

The evolutionary view of strategic management emphasizes the Darwinian notion of natural selection i.e. that the environment selects organizations for survival

Difficulty - Hard
McGee - 02. A... #13
McGee - Chapter 2

14. Which of the following statements describe the Balanced Scorecard system of Kaplan and Norton?

- ☒ It is designed to measure organizational performance from a number of perspectives
- ☒ It goes beyond measuring strategy on financial performance
- ☒ It helps to determine whether strategic objectives are being met
- ☐ It prioritizes shareholder satisfaction

The Balanced Scorecard system is supposed to give a 'balanced' view of the organization and thus would not necessarily put most of the focus on shareholder satisfaction

Difficulty - Hard
McGee - 02. A... #14
McGee - Chapter 2

15. If two organizations use the same strategy models and they are in the same industry they are likely to come up with the same answers

FALSE

The real skill in strategic management is in making difficult choices. The models are only an analytical tool - they do not 'lead' the analyst to a 'correct' answer.

Difficulty - Easy
McGee - 02. A... #15
McGee - Chapter 2

16. Porter's Five Forces model takes a systems perspective on competition

FALSE

Porter assumes independence amongst all of the factors which is the opposite of a systems perspective

Difficulty - Hard
McGee - 02. A... #16
McGee - Chapter 2

17. The strategic planning process can often include a discussion of future scenarios. Which of the following statements most closely describes the activity of scenario building?

- A. Conducting a PEST analysis to generate opportunities and threats
- B. Constructing a SWOT analysis to generate strategic options for the future
- C. Constructing pictures of possible futures often deriving from a PEST analysis**
- D. Developing simulations to test market behaviour

Scenario building involves the construction of 'what if?' stories to get insight into how the organization might survive in the different scenarios. It is useful to identify key variables first using a PEST analysis.

Difficulty - Medium
McGee - 02. A... #17
McGee - Chapter 2

18. The success of strategy implementation is very much dependent on
- A. Financial resources
 - B. Linkages**
 - C. Human resources
 - D. Top management control

Successful implementation of a strategy is often hampered by poor management of linkages vertically throughout the hierarchy of the organization and horizontally across different activities. Of course the other three issues are important as well but failure to implement a strategy is often because of poor cooperation and coordination i.e. linkages.

*Difficulty - Hard
McGee - 02. A... #18
McGee - Chapter 2*

19. The way in which strategic managers interpret their internal and external environment draws on ideas from which academic field?
- A. Cognitive science**
 - B. Evolutionary theory
 - C. Politics
 - D. Chaos theory

Cognitive science academics study strategic decision making from the point of view of the mind of the strategist rather than focussing on the outcome of the strategy itself.

*Difficulty - Medium
McGee - 02. A... #19
McGee - Chapter 2*

20. Senge has written widely about the role of _____ in organizations.
learning

Senge makes the distinction between adaptive learning (coping behaviour) and generative learning (creative behaviour). It can be argued that learning is crucially important to the survival of organizations and therefore strategic managers should be aware of the way in which the organization as a whole is learning.

*Difficulty - Easy
McGee - 02. A... #20
McGee - Chapter 2*

21. It is argued that in recent years managerial 'agency' has less influence on the direction of the organization than previously. This means that the external environment of organizations is becoming more
- A. Predictable
 - B. Controllable
 - C. Deterministic**
 - D. Political

This means that organizations have less control over their environments than they did before. Their survival is 'determined' by environmental factors rather than by management actions.

*Difficulty - Hard
McGee - 02. A... #21
McGee - Chapter 2*

22. Stacey (1993) argues that organizations should be viewed as a bureaucratic system

FALSE

Stacey argues that organizations are chaotic systems in which outcomes of strategic decision making cannot easily be predicted

*Difficulty - Medium
McGee - 02. A... #22
McGee - Chapter 2*

23. Which of the following are characteristics of the intellectual activity of 'strategic thinking'

- ☒ It is a creative process
- ☒ It is an analytical process
- ☐ It is a top-down process
- ☐ It is a bottom-up process

Strategic thinking is an activity that generates ideas about how the organization can survive in the future. Ideas can come from anywhere in the organization and these can be as a result of using strategic models but not necessarily.

*Difficulty - Hard
McGee - 02. A... #23
McGee - Chapter 2*

24. In practice, strategies can come about in different ways. Mintzberg makes the distinction between _____ strategies and realized strategies.

intended

Intended strategies will normally be defined as a result of some kind of formal strategic planning. Realized strategies are those that actually happen - and these can be a mixture of intended strategies and those that emerge over time.

*Difficulty - Easy
McGee - 02. A... #24
McGee - Chapter 2*

25. Which of the following statements most closely resembles a vision statement?

- A. "Our business is to inform and entertain our viewers"
- B. "Our business is to inform and entertain our viewers using the best writers and broadcasters that the industry has to offer"
- ☒ C. "We aim to break free of the traditional view of broadcasting and bring the viewer the most innovative and compelling news service in the industry"
- D. "We believe that a news broadcaster should be impartial at all times and should never compromise on ethical standards"

A vision statement is a declaration of where the organization wants to be in the future.

*Difficulty - Hard
McGee - 02. A... #25
McGee - Chapter 2*

26. Another term for 'core competences' is '_____ capabilities'

distinctive

Distinctive capabilities or core competences underpin competitive advantage.

*Difficulty - Easy
McGee - 02. A... #26
McGee - Chapter 2*

27. Two firms with roughly the same set of resources and capabilities are likely to develop the same core competences.

FALSE

Its not as simple as this. The way in which resources and capabilities are interpreted, understood and deployed is highly idiosyncratic because of the complexity of the system as a whole.

*Difficulty - Easy
McGee - 02. A... #27
McGee - Chapter 2*

28. The systemic view of strategy draws on the work of which sociological idea?

- A.** Social embeddedness (Granovetter)
- B. Presentation of self (Goffman)
- C. The generalized other (Mead)
- D. Positivism (Durkheim)

The idea of social embeddedness applied to strategy helps us to understand that strategy cannot be divorced from the social system in which the organization operates.

*Difficulty - Medium
McGee - 02. A... #28
McGee - Chapter 2*

29. The _____ view of strategy is attributed to economist Edith Penrose.

resource-based

This view sees competitive advantage as stemming from the collection of resources that the organization obtains and deploys. This is a much less fatalistic view of strategy compared to the evolutionary view.

*Difficulty - Easy
McGee - 02. A... #29
McGee - Chapter 2*

30. Tacit knowledge is knowledge that
- ___ Is easy to transfer between people
 - X** Is taken for granted
 - X** Is difficult to write down
 - ___ Is easily captured in I.T systems

Tacit knowledge is a different type of knowledge to explicit knowledge. Compare learning how to ride a bike (tacit) with learning how to build a Lego house (explicit).

*Difficulty - Medium
McGee - 02. A... #30
McGee - Chapter 2*

31. Honda's success in the USA motorcycle market has been attributed to good strategic planning, an awareness of social systems and also an outcome of emergent processes. All of these views are partially correct. McGee proposes use of a _____ model of strategy to deal with the complexity of strategic management.

systems

The systems perspective owes much to Russ Ackoff who rejected the reductionist approach of management thinking.

*Difficulty - Hard
McGee - 02. A... #31
McGee - Chapter 2*

ch02 Summary

<u>Category</u>	<u># of Questions</u>
Difficulty - Easy	7
Difficulty - Hard	14
Difficulty - Medium	10
McGee - 02. A...	31
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