

## INTRODUCTION

*The cause of all human evil is not being able to apply general principles to special cases.*  
(Epictetus, c. 60-120; Roman philosopher)

Just as there is not one best way of making strategy, there is not one best way of teaching it either. Throughout the past number of years we have visited many colleagues and observed many different, yet effective, teaching styles, class formats and course structures. Each person has his/her own preferences, each business school has its own peculiarities and each national context has its own particular needs. It would be impossible to detail how Strategy - Process, Content, Context: An International Perspective could be employed to fit with all of these individual circumstances. Each strategy course needs to be individually crafted - we can't give a few simple recipes for designing and running a course.

Luckily, it has been our experience that most professors using or contemplating our book don't want us to tell them how to run their courses. In general they are knowledgeable and experienced, and have intentionally turned away from the simple "how to" textbooks. These professors dislike "instructing" their students on how to follow simplified step-by-step strategy-making procedures. The last thing such professors need is a step-by-step manual instructing them on how to teach a strategy course.

So, what is required is not a manual, but a guide that helps the professor to explore the teaching opportunities offered by the book and aids him/her in extracting as much value as possible from the book's use. In other words, just like the former two editions, the third edition of *Strategy - Process, Content, Context: An International Perspective* is a resource that can be employed in a variety of different ways for professors that would like to become quickly acquainted with all of the possibilities available to them. This insight will allow professors to blend the book into their own specific teaching approach.

Before presenting you the teaching notes that guide you through the process of teaching the cases, we will focus on the conditions you can set in order to ensure that you and your students get the most out of your course and the cases you teach. We will outline a number of the ways in which the book could be applied to teaching strategic management.

## COURSE DESIGN

Attention will be paid to the following aspects of course design:

- *Teaching objectives.* What should students learn and what should be the role of the course and the professor in the learning process? In other words, what is the *course mission*?
- *Teaching approaches.* What type of general approach should the professor take to meet the teaching objectives? In other words, what is the *course strategy*?
- *Teaching formats.* How should the professor mix theory and cases and how should class time be spent? In other words, what are the *course tactics*?
- *Teaching set-ups.* How should the course be organized, in what order should the course cover the topics and how much time should be spent on each chapter? In other words, what is the *course structure*?

## Teaching Objectives

*Perfection of means and confusion of goals characterize our age.*  
(Albert Einstein 1879-1955; German-American physicist)

What do we actually want students in a strategic management or business policy course to learn? It seems an obvious question to start with, especially to strategy professors. Yet, in practice, the large majority of strategic management textbooks on the market do not make their teaching objectives explicit. These books implicitly assume that the type of teaching objectives and teaching methods needed for a strategic management course do not differ radically from any other subject - basically, strategy can be taught in the same way as accounting or baking cookies. Their approach is based on the following teaching objectives:

1. *Knowledge*. To get the student to clearly understand and memorize all of the "ingredients";
2. *Skills*. To develop the student's ability to follow the detailed "recipes";
3. *Attitude*. To instill a disciplined frame of mind, whereby the student automatically attempts to approach all issues by following fixed procedures.

This is an important way of teaching - it is how all of us were taught to read and write, do arithmetic and drive a car. We refer to this type of teaching as instructional, because students are told what to know and do. The instructor is the authority who has all of the necessary knowledge and skills, and it is his/her role to transfer these to the students. Thus the educational emphasis is on communicating know how and ensuring that students are able to repeat what they have heard. Students are not encouraged to question the knowledge they receive - on the contrary, it is the intention of instructional teaching to get students to absorb an accepted body of knowledge and to follow established recipes. The student should *accept, absorb and apply*.

However, while instructing students on a subject and programming their behavior might be useful in such areas as mathematics, cooking and karate, we believe it is not a very good way of teaching strategy. In our opinion, a strategic management professor should have a different set of teaching objectives:

1. *Knowledge*. To encourage the understanding of the many, often conflicting, schools of thought and to facilitate the gaining of insight into the assumptions, possibilities and limitations of each set of theories;
2. *Skills*. To develop the student's ability to define strategic issues, to critically reflect on existing theories, to creatively combine or develop theories where necessary and to flexibly employ theories where useful;
3. *Attitude*. To instill a critical, analytical, flexible and creative mindset, which challenges organizational, industry and national paradigms and problem-solving recipes.

In other words, strategy professors should want to achieve the opposite of instructors - not to instill recipes, but rather to encourage students to dissect and challenge recipes. Strategic thinking is in its very essence questioning, challenging, unconventional and innovative. These aspects of strategic thinking can not be transferred through instruction. A critical, analytical, flexible and creative state of mind must be developed by practicing these very qualities. Hence, a learning situation must encourage students to be critical, must challenge them to be analytical, must force them to be mentally flexible and must demand creativity and unconventional thinking. In short, students can not be instructed, but must learn the art of strategy by thinking and acting themselves - they must *discuss, deliberate and do*. The role of the professor is to create the circumstances for this learning. We therefore refer to this type of teaching as facilitative.

This teaching philosophy has led to a radical departure from traditional textbooks that focus on knowledge transfer and application skills, and that have often been written from the perspective of just one paradigm. This book incorporates a number of features intended to help professors to create a course that can meet the ambitious teaching objectives mentioned above:

- *Broad coverage of strategic management field.* Contrary to conventional textbooks, this book covers all three dimensions of strategic management (process, content and context) and deals with a wide range of issues on each dimension. The underlying philosophy is that strategic thinking requires students to have an overview over all relevant aspects of strategy. A capstone strategic management book should help the professor to present the breadth of the field and challenge students to develop a holistic and integrative perspective.
- *Broad coverage of different schools of thought.* While most other textbooks have been written from one perspective or present only a few opposing ideas, this book makes the fundamental differences in opinion within the field of strategic management its focal point. The underlying philosophy is that strategic thinking requires the ability to recognize perspectives and recipes, and the mental flexibility to shift between paradigms. A strategic management book should help the professor to challenge students to use and combine different perspectives when approaching and tackling strategic issues.
- *Academic depth.* This book goes beyond just understanding and applying relatively simple tools and basic concepts. Strategy is more than "five steps to strategic success." Students are challenged to understand more complex phenomena and to critically reflect upon them. This intellectual stimulus is reinforced by not shielding students from the uncertainties, inconsistencies and disputes within the field of strategic management. The underlying philosophy is that strategic thinking requires an analytical and critical mind, which can see the limitations of simple recipes. A strategic management book must not pretend that strategizing can be learned by following recipes, but should help the professor to challenge students to question existing ideas and develop a tolerance for theoretical complexity, ambiguity and uncertainty.
- *International perspective.* This book has been explicitly developed for professors who want or need to take an international perspective. This is not only reflected in the cases and in the chapters about the international and European contexts, but also in the broad spectrum of approaches that are presented - this allows the professor to discuss which approach might be more suitable to which country or culture. The underlying philosophy is that strategic thinking requires a culturally adaptive mind. A strategic management book must help the professor to challenge students to understand that "the best" approach to strategy may depend on the country one is in.
- *Strong link between theory and cases.* In many other books little effort is made to tie cases and theory together, or at best the theory is directly "applied" to the case. In this book, however, text chapters and cases are closely linked and each case is approached from a variety of perspectives - the theoretical debate is continued as a practical debate on how the case's issues can best be approached. In this way, the case discussions yield two major benefits. First, the theoretical debates become more concrete once they are conducted on the basis of an actual business situation. The usefulness and limitations of each theoretical perspective become much more apparent if students can discuss them in the setting of a practical case. Second, students acquire the ability to employ theoretical concepts in practice, without resorting to "blind" application. Students learn that approaching practical strategic issues does not call for a "fill in the blanks" mindset - "applying" theory is in itself a delicate art. In other words, the underlying philosophy is that strategic thinking requires a mind that can skillfully move from general principle (theory) to specific situation (practice) and back. A strategic management book must help the professor to challenge students to develop this "vacillation" ability.

These characteristics of the book are the embodiment of our teaching philosophy and teaching objectives. Users of the book do not need to agree, nor do they need to follow our approach. However, it is important to acknowledge that the rest of this teaching guide has been based on the characteristics described above.

## Teaching Approaches

*The thinker without a paradox is like a lover without feeling: a paltry mediocrity.*  
(Soren Kierkegaard 1813-1855; Danish philosopher)

Even within the facilitative teaching philosophy, there remains a wide range of teaching approaches that professors can adopt. In our view, the most important choice professors must make is on how to deal with theory diversity. *Strategy - Process, Content, Context: An International Perspective* presents a broad coverage of different schools of thought and professors must decide on how the debate between these different perspectives should be conducted. In principle, there are four ways of structuring a discussion using articles representing rivaling schools of thought:

- *Collection.* The first, and least appealing, teaching approach is to treat the articles as a collection of unconnected readings. In this approach each article is discussed in isolation and the book is viewed as a handy reader bringing together a number of strategy classics. There is no real debate and the different underlying paradigms are not made explicit. This approach is taken if a strategic management course is intended to be no more than an aggregation of individual insights (*non-paradigmatic approach*).
- *Competition.* An alternative teaching approach is to let the various schools of thought compete with one another, to see which perspective has the most descriptive and/or prescriptive value. In this approach each article is seen a combatant and the book is viewed as an arena from which the most fit school of thought will emerge. In other words, the debate focuses on selecting the best perspective, which may also lead to the discrediting of the other contenders. This approach is taken if a strategic management course is intended to result in one clear-cut, yet dogmatic, theoretical perspective (*mono-paradigmatic approach*).
- *Coexistence.* A more appealing teaching approach is to compare the various schools of thought and to explore how each can contribute to a better understanding of strategy. In this approach the articles are treated as complementary and the book is viewed as a set of lenses, each offering a different, yet beneficial, insight. The various schools of thought coexist and the debate focuses on determining the value and limitations of each perspective. This approach is taken if it is the intention of a strategic management course to acknowledge and respect the richness of theoretical perspectives (*multi-paradigmatic approach*).
- *Connection.* Finally, professors can also opt for a teaching approach whereby they attempt to combine the various schools of thought into a more integrated view of strategy. In this approach the articles are seen as building blocks and the book is viewed as a research laboratory, where the various perspectives are mixed and matched to construct a more balanced and complete understanding of strategy. The debate focuses on gaining insight into the conflicting and complementary relations between perspectives. The discussions can lead to cross-fertilization of perspectives and a higher level synthesis. This approach is taken if it is the intention of a strategic management course to challenge students to leverage the set of theoretical perspectives by employing them simultaneously, instead of sequentially (*inter-paradigmatic approach*).

While the book can be used in combination with all four approaches, we believe that the highest added value is obtained in the cases of 'coexistence' and 'connection'. Especially connection has our didactical preference. Understanding and appreciating different points of view, as in the case of a multi-paradigmatic approach, is an important step in the development of strategic thinking. The ability to switch lenses is essential for the creativity, flexibility and critical analyses needed of a strategist. However, the sequential use of lenses can lead to a fragmented and unbalanced view of strategic issues. The more lenses, the more complex and contradictory the analyses - not uncommonly leading to paralysis by analysis. The student will come to understand the paradoxes described in the book, but will not be capable of resolving them.

Being able to combine and balance the various perspectives depending on the strategic issue and circumstances encountered, as in the case of an inter-paradigmatic approach, is ultimately an essential capability for engaging in the art of strategy. Strategists must be able to make the move from thesis and antithesis to synthesis; otherwise they will not be able to move from thought to action. We therefore always try to challenge students to try to resolve the strategy paradoxes by blending the various perspectives into a holistic view of strategic management.

## Teaching Formats

*Strategy. Power and knowledge. Science when mere knowing; Art when doing is the object.*  
(Karl von Clausewitz 1780-1831; German military theorist)

Once professors have chosen their teaching objectives and teaching approach, they must determine how to structure the learning situation. In other words, professors must select a teaching format. In general, there are four types of teaching formats from which professors can choose:

- *Theory only.* A classical university course is one that revolves around the theory, whereby no use is made of cases. Such a teaching format is usually employed if, to paraphrase Von Clausewitz, science and not art is the objective. It is also used if case teaching is too difficult - for example, if one professor must teach a group of more than 100 students.
- *Theory first, then case.* Many professors prefer to supplement a discussion of the theory with a case analysis. Commonly they will spend a class session or the beginning of a class session with a presentation and/or class discussion based on the theory. After this initial exploration, the professor will turn to the case as an exercise for gaining a deeper understanding. This teaching format is usually employed if professors prefer to have a well-structured, theory-driven case discussion. The key questions are 'How can the theories be applied' and 'What are their limitations?'
- *Case first, then theory.* The opposite teaching format is to start with a practical strategic management issue, in the form of a case or otherwise. The class discussion will then focus on understanding the strategic issue and seeking a course of action. Only after the students have finished the case and have developed a 'feel' for the issue, does the professor place it in a broader theoretical context. In other words, the theoretical discussion is grounded in the class's practical case analysis. This teaching format is usually employed if professors prefer an exploratory, theory-seeking case discussion. The key questions are 'What can be learnt from this specific situation' and 'Can these lessons be generalized and transferred to other situations?'
- *Theory and case simultaneously.* Finally, some professors try to combine the theory-driven and case-driven teaching formats by intertwining the two. They will often start with a short theoretical introduction to the topic and then launch into the case. The case discussion will often require a short theoretical intermezzo, for clarification and conclusions, after which the case discussion is resumed. At the end of the case discussion the theoretical insights are consolidated by means of a

final overview. This teaching format is usually employed if professors place much emphasis on students' ability to skillfully move from general principle to practical situations and back.

As stated earlier, there is no best way to teach strategy - no teaching format that is best under all circumstances. The most appropriate format will depend on such variables such as the number of students, their level and abilities, the skills of the professor and the time available. The most important thing is to make a choice that fits with these circumstances and to follow this choice through in a consistent manner.

## Teaching Set-ups

When translating the teaching objectives, approach and format into a course set-up, professors must consider a large number 'design variables'. In other words, strategic management course structures can significantly differ from one another on quite a few dimensions. Some design variables can be determined by the professor, while others must be taken as a given. Some of the most important ones are:

- *Course scope.* Professors must decide whether to cover all chapters in the book and whether to skip, or even add, particular articles.
- *Class session sequence.* The order in which topics will be covered must also be determined. Following the chapters in their numerical sequence is a logical choice. However, some professors might prefer to let section III (strategy content) precede section II (strategy process).
- *Class session length.* The length of class sessions can vary from 45 minutes to 4 hours, although the professor does not usually determine this.
- *Class session frequency.* The number of class sessions can vary from 5 to 45 sessions, and is usually also difficult to influence.
- *Class session density.* Class sessions can be clustered into a compact module of 2 to 5 days or can be spread, so that teaching takes place intermittently - 1 to 3 times a week - over a longer period of time.
- *Class session preparation.* Some professors require students to perform activities prior to a class session, for instance to prepare readings, a case and/or an assignment. Other professors integrate these activities into the class sessions.
- *Class session structure.* Each class session can be a mix of activities ranging from listening and discussions to role-playing and assignments. All of these activities can be plenary, in small groups or individual. Each can involve different levels of student-professor interaction.
- *Course cases.* Professors also need to determine which specific cases will be employed. The chapter coverage table in section VI can be of assistance for making these choices. Especially if professors want to combine the discussion of two or more issues, this table can help to determine the most suitable case.
- *Course assignments.* Beside class session related work, professors can also assign other duties, such as the writing of an essay, desk research or field work. These assignments can be carried out in groups or individually.

- *Course examination.* It must also be determined how the students' progress will be evaluated. Exams can be written or oral, open or closed book, open answers or multiple choice, individual or group work, and can vary in number, length, weight and level.

With so many variables, it is clear why no blueprint course structure can be given. Professors will need to tailor their teaching set-up to meet their own circumstances. *Strategy - Process, Content, Context: An International Perspective* is flexible enough to fit with almost any of these. However, to give interested professors a point of reference, we have made our most recent course outlines available for download from our website.

## TEACHING NOTES

*Those who have read of everything are thought to understand everything too, but this is not always so- reading furnishes the mind only with the materials of knowledge. It is thinking that makes what is read ours.*

*It is not enough to cram ourselves with a great load of collections; unless we chew them over and over again, they will not give us strength and nourishment.*

(John Locke, 1632-1704; English philosopher)

As Locke correctly observed, true understanding requires more than just reading. Ideas, concepts and perspectives must be 'chewed over' before they can be absorbed in our minds. One of the most common and beneficial ways of achieving this is by means of case discussions. Therefore, 22 long cases and 11 short cases have been included in the book, giving the reader ample opportunity to apply the theoretical concepts to practical situations.

To increase the accessibility of the long cases, three tables have been included on the next pages, clarifying the content and potential usage of the cases. These tables deal with the following topics:

1. *Chapter Coverage.* Table 1 indicates which cases are most suited to which chapters. The extent to which cases and chapters *fit* has been expressed by means of stars. Three stars mean that there is an *excellent* fit between the case and the theoretical issues being discussed in the chapter. Two stars indicate that the fit is *good* and that the theoretical issues can be well illustrated by the case material. One star means that there is only a partial (*reasonable*) fit; the chapter's theory is of secondary importance to understanding the case issues. Table 1 shows that at least two cases have an excellent fit with each chapter.
2. *Industry Sector Coverage.* Table 2 indicates which industries are dealt with in which cases. This table reflects the balanced coverage of the cases.
3. *Country Coverage.* Table 3 indicates which countries are dealt with in which cases. Two stars are used to dignify that the country is a primary focus of the case. One star means that the country is discussed in the case, but that it is only of secondary importance to the case topic. Table 3 illustrates the broad international coverage of the cases.

As the link between the theoretical chapters and the cases is the most important, the sequence of the cases in the book follows the chapters with which they have the best fit. The teaching notes are presented in the same order.

Each teaching note has been structured in the same way, to make them more readily usable. Each teaching note consists of the following paragraphs:

- *Case synopsis.* This paragraph gives a short summary of the case's key points.
- *Teaching objectives.* This paragraph outlines which major elements of the corresponding chapter's theory can be illustrated using the case.

- *Teaching guideline.* Subsequently, it is explored how the case can be employed, what its strengths are, whether there are any pitfalls and what the professor should keep in mind while teaching.
- *Case questions.* In this paragraph five case questions are suggested that roughly cover the main case issues.
- *Case analysis.* Here a general analysis is given on the basis of the five case questions.
- *What happened after the case.* Each case discussion is wrapped up by a short review of the major events that have happened after publication of the case. This section is also regularly updated on our website.

**Table 1**  
Chapter Coverage

CHAPTER	1	2	3	4	5	6	7	8	9	10	11
FedEx Corporation	***	*	*	***	***	***	**	***	**	***	*
Honda Motors	***	**	**	*	*	*	*	*	*	*	
Virgin	**	***	*		**	**		**	**		*
Tokyo Inn Group		***			**			**		*	
PowerGen			***	**	*	**		**			
Kao Corporation	**	*	***	**	*	*	*		**	**	*
Continental			**	***	*	***	**		*		
Caterpillar	***	*	*	***	*	***	*	***	**	**	**
Metro					***	**	**	**			
Grupo Elektra					***		*	**		**	
Lego Mindstorms		**	*	*		***	*	**	*		
Shell & Billiton		**	*	**	**	***		**	*		
LoJack and Micrologic			*	*	**		***	**			
Proteome Systems			*		**		***	*	*	**	*
Swatch				*	**	*	*	***	*	*	
Ducati	**		*	**	**	*	**	***	**	*	*
Chicago Museum		**			**		**		***		**
Trilogy University				**	**			***			*
Cap Gemini Sogeti			**	**	*	**	*	*	**	***	
Kentucky Fried Chicken					**	**	*			***	
Cirque du Soleil	***	**			***	**		**	***	**	***
Nike and the University of Oregon								**		**	***

\*\*\* excellent  
 \*\* good  
 \* reasonable

**Table 2**  
Industry Sector Coverage

SECTORS	Consumer Goods	Industrial Goods	Consumer Services	Business Services	Specific
FedEx Corporation			*	*	Express delivery, logistics
Honda Motors	*	*			Cars, motorcycles, engines
Virgin	*		*		Diversified
Tokyo Inn Group			*	*	Hotels
PowerGen			*	*	Electricity
Kao Corporation	*				Household products
Continental	*	*			Tires, chassis
Caterpillar		*		*	Heavy construction equipment
Metro	*				Newspapers
Grupo Elektra	*		*		Electronics, financial services
Lego Mindstorms	*				Toys
Shell & Billiton		*			Mining
LoJack and Micrologic	*	*			Car security systems
Proteome Systems		*			Biotech
Swatch	*				Watches
Ducati	*				Motorcycles
Chicago Museum			*		Museum
Trilogy University				*	Software, corporate university
Cap Gemini Sogeti				*	IT Consulting, software
Kentucky Fried Chicken	*				Fast-food
Cirque du Soleil			*		Entertainment
Nike and the University of Oregon	*				Sporting goods

**Table 3**  
Country Coverage

COUNTRY	AU	CA	CH	DE	FR	GE	IT	JP	MX	NE	PR	SA	SW	UK	US
FedEx Corporation															**
Honda Motors								**							
Virgin														**	
Tokyo Inn Group								**							
PowerGen														**	
Kao Corporation								**							**
Continental						**									
Caterpillar															**
Metro													**	*	
Grupo Elektra									**		*				*
Lego Mindstorms				**											
Shell & Billiton	**									**		**		**	
LoJack and Micrologic															**
Proteome Systems	**														
Swatch			**												
Ducati							**								
Chicago Museum															**
Trilogy University															**
Cap Gemini Sogeti					**					*				*	*
Kentucky Fried Chicken						*			**	*			*		**
Cirque du Soleil						*				*				*	**
Nike & the University of Oregon															**

AU	Australia	GE	Germany	PR	Puerto Rico
CA	Canada	IT	Italy	SA	South Africa
CH	Switzerland	JP	Japan	Sw	Sweden
DE	Denmark	MX	Mexico	UK	United Kingdom
FR	France	NE	Netherlands	US	United States

\*\* Primary focus  
\* Secondary focus