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Contemporary Strategy Analysis (12th edition)
SUGGESTED ANSWERS TO SELF-STUDY QUESTIONS

Chapter 1

The Concept of Strategy

1. *In relation to the four characteristics of successful strategies in Figure 1.1, assess Donald Trump's 2024 presidential campaign.*

At the time of writing (August 2024), Donald Trump is odds-on favorite to win the November 2024 presidential election. Given the legacy of his chaotic and mostly unpopular term as president during 2016-2020, his campaign to date must be viewed as successful. In terms of the four characteristics of successful strategies in Figure 1.1:

- *Clear, consistent, long-term objectives.* Trump's goal throughout the campaign has been highly focused—to win re-election as President of the USA. This goal takes precedent over every other goal typically embraced by presidential candidates. But despite the clarity of this overarching goal, his pursuit of the US presidency risks being compromised by some of his personal goals—notably his sense of grievance over his treatment by the US legal system, his stubborn refusal to accept the result of the 2020 presidential election, and his desire for vengeance over those he views as persecuting him.
- *Profound understanding of the environment.* Trump possesses an intuitive understanding of the concerns of the emotions of his core demographic—notably the fears and anger of white males, especially among the middle aged and the old. His emotional connection with this group forms the core of the MAGA ("Make America Great Again") movement. Trump strategy rests fundamentally upon his recognition that 21st century politics in America is defined by cultural identity where appeals to emotions are more influential than policies. He also demonstrates deep understanding of the potential to intimidate fellow politicians and thereby force a united support from the Republican party. More generally, he demonstrates considerable understanding of the malleability of the political perceptions of others—which he has exploited through the demonization of Democrat politicians and office holders and those supporting liberal and humanitarian causes. However, Trump's understanding of the potential to exploit fear and anger among the electorate, is accompanied by remarkable lack of understanding of the machinery of government and the means by which policies can be transformed into action.
- *Objective appraisal of resources.* Trump's strengths are his ability to empathize with, communicate with, and motivate his core of supporters. However, this divisiveness also represents a weakness—his inability to broaden the base of his political support—especially at a time when his core of supporters is a shrinking part of the US electorate. Trump's personal characteristics—notably his narcissism and disloyalty and vengefulness also create a handicap in gain building the support needed for a presidential campaign that, ultimately, must appeal to a more disparate group—women as well as men, billionaires as well as the poor, and the godless as well as the Christian right,

- *Implementation.* Trump has been highly effective in applying his skills of communication and motivation through social media and political rallies. However, his lack of self-control and lack of restraint over his anger and vindictiveness has made it difficult to run consistent, effective campaigns. His erratic nature and propensity to deflect criticism and blame have made collaboration with those outside his own family exceptionally fraught.
2. *What is your career strategy for the next five years? To what extent does your strategy fit with your long-term goals, the characteristics of the external environment, and your own strengths and weaknesses?*

This question offers an opportunity for personal reflection. I do not wish to impose any of my own preferences or priorities on your own thinking about your strategies. However, in pondering your own futures, the book offers some useful guidance:

- a) The process of engaging in strategic thinking—or to be more formal, strategic planning—can be very helpful in providing guidance your own life. The lessons from the section “Why Do Firms Need Strategy?” (pp. 10- 14) can be applied to individuals as well as to organizations. Thus, formulating a strategy can assist you first, by enhancing the quality of decision-making, second, by facilitating coordination and, third, by focusing you on the pursuit of long-term goals.
- b) Gaining experience in applying the “Common Elements in Successful Strategies” shown in Figure 1.1.

In relation to (b), the exercise offers you an opportunity to consider your career goals—preferably in relationship to the goals for your life as a whole. These life goals may take the form of an overall mission. or the linkages between your work and the other aspects of your life. It is difficult to consider your career strategy without looking at what you hope to achieve with your life.

Understanding the external environment requires knowledge of different occupations, the kinds of opportunities they provide, the key success factors within them, and how they will be impacted by economic and technological changes.

Understanding one’s own resources and capabilities is a critical requirement in formulating a career strategy. What is your profile of skills in terms of strengths and weaknesses? What are your psychological traits? What resources do you possess in terms of educational and professional qualifications and relationships with people and institutions?

In terms of the content, what do we mean by *a career strategy*? The basic questions set out in the section “Describing Strategy” (pp. 17-18): Where are we competing? and (b) How are we competing? Offer a template for describing (the type of job, the sector in which you will work and in which location, and the basis on which you will become a superior performer within that job.

Finally, you can explore implementation: What actions to you need to take to get this strategy off the ground?

Given all the uncertainties concerning our own personal development and a changing external world it cannot be formulated in specific terms. As with companies operating in turbulent industries it is likely to be a set of guidelines underpinned by a recognition of

identity. In addition, such a strategy will be continually evolving. In the words of General Eisenhower: "Plans are nothing; planning is everything."

3. *As the business environment of most firms has become more complex and more turbulent, there has been a growing tendency for firms to express their strategies in simple statements (e.g., Southwest Airlines: "Meet customers' short-haul travel needs at fares competitive with the cost of automobile travel"). Why might firms find this beneficial?*

In discussing "Design versus Emergence" in the process of strategy making, Chapter 1 observes that: "The balance between the two depends greatly upon the stability and predictability of the organization's business environment... As the business environment becomes more turbulent and less predictable, so strategy-making becomes less about detailed decisions and more about guidelines and general direction." (p.19). As a firm's business environment becomes more complex and turbulent, it becomes increasingly difficult to forecast the future. Inevitably, intended strategy cannot be expressed in detail and is increasingly about general direction—which can typically be summarized in a simple statement. At the same time, to ensure that emergent strategy is coherent and aligned with the firm's goals and with its resource/capability strengths, it is vital that there is a consensus among decision makers as to what the core strategy is. Simple statements of strategy help forge consensus.

4. *I have noted that a firm's strategy can be described in terms of the answers to two questions: "Where are we competing?" and "How are we competing?" Applying these two questions, provide a concise description of Taylor Swift's career strategy (see Strategy Capsule 1.2).*

In terms of positioning, we can describe Taylor Swift's strategy as follows:

- Where is she competing? Supplying popular music, music videos, and concerts to a worldwide audience of mainly young people (aged from 12 to 25), with a strong appeal to older generations too, and an emphasis on female fans. Her business model comprised the following revenue streams: live (concert) and TV performances, royalties from recorded music (both as a performer and songwriter), product endorsements/product placements and licensing income from her trademarks (which include "Taylor Swift", "Swiftie", "Swiftmas", and many more. Central to her success has been here repositioning from country into mainstream pop music that has allowed her to access a much bigger market.
- How is she competing? Taylor Swift's competitive advantage rests primarily upon a combination of music and personal image with which her audience—predominantly young, white, and female—can identify with. And which is reinforced through sophisticated social marketing and selective personalized interventions. She has also maneuvered deftly in managing power within the popular music ecosystem—especially in enhancing and deploying her intellectual property.
- In terms of future direction, Taylor Swift's strategy seems to be primarily one of reinforcing her current positioning through reinforcing her relationships with middle America, notably through her romance with Travis Kelce which has allowed her to identify with American football, while also continuing to delight her fanbase through her communications and promotional strategies.

5. *I have argued that, in the two years following Russia's invasion of Ukraine, President Zelensky's strategy of building national resistance while seeking the military, financial, and*

moral support of other nations has been effective. With the war in stalemate and weakening support from the West, would you recommend a change of strategy for Zelensky?

During 2024, Russia's superior military resources—notably manpower and munitions—have become increasingly apparent. Russia has become increasingly able to evade western trade and financial sanctions—particularly through the support of China, India, Iran, Turkey and North Korea. Meanwhile US and EU financial and military support for Ukraine has been flagging. The re-election of Donald Trump as US president would be especially problematic for Ukraine. In these circumstances, Zelensky must continue to build support among both Western politicians and public opinion. However, given Ukraine's vulnerability to a Russian military victory and to continued destruction of its civilian infrastructure (especially electrical power), it seems inevitable that Zelensky will need to abandon his objective of reunifying Ukraine within its pre-2014 boundaries and consider a peace settlement that might involve accepting the annexation of Crimea and parts of Donbas by Russia.

6. *Your business school is considering appointing as dean someone whose entire career has been spent in business management. What challenges might the new dean face in applying their strategic management skills to a business school?*

This question draws upon the differences in strategic management between for-profit and not-for-profit organizations—see “Strategic Management of Not-For-Profit Organizations” (pp. 24-26).

Because business schools operate in a highly competitive, global marketplace, many of the skills of business leader are relevant to a business school leader. For example, forging a compelling vision, understanding the importance of competitive positioning, recognizing, and exploiting relative strengths in resources and capabilities (see Table 1.2).

Probably the greatest challenge is in adapting to the more complex goals of a not-for-profit such as a business school. While most universities and their constituent schools have mission statements—articulating mission in terms of actionable goals is difficult. Is the purpose of a business school to serve business, to serve the interests of its students, to build reputation, to create and disseminate knowledge, to serve its country and its local community, or what? To the extent that all these are probably worthy goals, how are trade-offs among them established?

The process of strategy implementation is also likely to be very different in an academic institution as compared to a business enterprise. Academic institutions—especially universities—have complex governance structures reflecting multiple stakeholder groups: students, faculty, non-academic employees, alumni donors, and—in the case of public universities—government. As a result, implementing strategy is likely to be far more complex in a business school and will require extensive negotiation and persuasion.

The implication is that the skills and personality traits of the effective business school dean tend to be different from those of an effective business leader.