



Preface to the Third Edition

The third edition of *Strategic Management and Business Policy* remains dedicated to my original mission of providing an up-to-date text in strategic management rooted in the Indian context for students, faculty and practitioners. The first edition of my book was titled *Business Policy*; the second one was called *Business Policy and Strategic Management*. The changes in the title are meant to reflect the changing emphases in the subject of strategic management.

It is a tribute, not only to the continuing and growing relevance and vibrancy of the discipline of strategic management, but also to the quality and quantity of contemporary thinking and research in it, that *Business Policy and Strategic Management* had to be thoroughly revised. I have read and reread each sentence, paragraph and chapter several times to strive to create the most current, well-written strategic management text that continues to be useful for the Indian student. Material that was no longer relevant or less relevant has been removed and replaced by the current knowledge. The material in this revised text is an in-depth exploration of the vitals of strategic management. While remaining intellectually rich, the material is eminently practical to apply in real-life situations.

THE APPROACH

During the past decade, India has emerged as one of the most vibrant economies of the world. This vibrancy is reflected within the organisations in terms of newer approaches to managing strategically. While we try to absorb what is best around the world, at the same time, we strive to create our own unique approaches. Internationalisation and the emergence of information technology are the twin forces that have been shaping the contours of the environment outside and impacting the organisation within. At the same time, we are witnessing efforts to adopt cooperative strategies through establishment of interorganisational relationships between organisations—be they public or private. The role of non-governmental organisations is gaining more prominence. There is greater emphasis among organisations to be more socially responsive. This revised edition attempts to capture the unfolding reality of strategic management in the Indian context.

But here a caution was needed. There is a tendency today in management to overemphasise the state-of-the-art, the current, the latest; the “hottest” issues. This is often done at the expense of the older and established ideas that have stood the test of time. This edition, as in the earlier ones, exhibits no such prejudice against the old or for the new. Either way it could be a disservice to the readers. A balanced approach guided the preparation of this third edition of *Strategic Management and Business Policy*.



As with the original edition, this book presents the fundamentals of strategic management in a comprehensive fashion and relates its concepts and techniques to the Indian context. It is positioned to serve the needs of management students, researchers, and faculty members. It is also intended for the middle-level managers who are interested in supplementing their experience with knowledge that can help them prepare for discharging higher-level responsibilities.

STRUCTURE OF THE BOOK

The structure of the textual matter is based on a comprehensive model of the strategic management process provided in Chapter 1. This model is based on the ideas that I have imbibed from the writings of several pioneers in the field of strategic management. The originality of this book manifests in the way the concepts, techniques, and applications of strategic management have been presented and in the manner these have been related to the Indian context.

This book features a balanced combination of theory and application. It is divided into six parts, one of which is devoted entirely to the case method of learning strategic management. There are fourteen chapters divided into five parts covering comprehensively the current state-of-the-art in the discipline of strategic management. The sixth part has a note on the case method and ten all new, comprehensive cases.

ORIGINAL FEATURES RETAINED

This edition of *Strategic Management and Business Policy* continues to offer the time-tested features introduced since the first edition more than 15 years ago.

- Each part begins with an introductory comment that clarifies the overall educational goals, and relates that part with the preceding part.
- Each chapter, similarly, starts with an introductory paragraph that states the learning objectives and the means adopted to achieve them.
- The reading matter in each chapter is divided into sections and sub-sections logically connected to each other. The reader is continually reminded of the particular element in the strategic management process being discussed so that relating to the matter becomes easier. There is a certain amount of deliberate repetition to enable reinforcement of learning to take place.
- An important aspect of the style adopted for this book is the use of exhibits. These present a vast gamut of information regarding special theoretical matter, examples of applying strategic management concepts and techniques, and illustrations drawn from the Indian business environment. Most of the exhibits and examples used in the original edition have been replaced by newer, contemporary ones.
- The textual matter is also liberally interspersed with illustrations taken from the Indian context. Examples are also provided wherever a complex theoretical issue needs additional elaboration.
- A chapter-end summary recapitulates the major issues covered and can serve as a benchmark for evaluating learning or can be used to conduct a quick review of the points covered.
- The reader can benefit from the two sets of questions provided at the end of each chapter. Short-answer questions are intended for a quick review of the concepts described in the chapter and these may be used by the faculty for quizzes and tests for evaluation purposes. Discussion/application questions require more detailed answers and include conceptual as well as applications-oriented issues. These questions may be used for comprehensive, end-of-term examinations.
- References and notes at the end provide a list of further reading and comments on the matter wherever necessary.



SPECIAL FEATURES INTRODUCED

The special features of this third edition of *Strategic Management and Business Policy*, designed to support and enhance learning by the student and teaching by the faculty member, are briefly outlined below.

- Each chapter starts with learning objectives stating clearly what the reader can expect to get from reading that chapter.
- Each chapter has an opening case of a contemporary organisation that sets the stage for the topics to be discussed in that chapter by giving a feel of what is to come.
- New theory has been incorporated at various places appropriately to reflect the state-of-the-art in strategic management. Special emphasis on including research in the Indian context has been heightened as research streams continue to grow and feed into strategic management of Indian organisations.
- A special effort has gone into including theory and examples related to strategic management of a wider variety of organisations while continuing to include private and public sector companies and bring in more governmental and non-government organisations.
- A particular emphasis has been placed on incorporating the phenomenon of internationalisation and digitalisation substantially in the form of relating them to various topics in strategic management.
- A sub-section has been added to discuss the significant emerging issue of stakeholder management.
- The matter on emerging issues such as corporate governance, ethics, and social responsibility has been substantially enhanced to reflect their increasing importance to strategic management of organisations.
- I have introduced a large number of new examples replacing the older ones to bring to the reader the flavour of the times.
- New diagrams and exhibits are liberally interspersed with contemporary material.
- Each chapter has a closing case that is intended for a short case discussion. This could also be used as a home assignment for students.
- Notes and references to each chapter contain sources that the reader could access for more information related to the issues discussed in the chapter.

A PEEP INTO THE CHAPTERS

- Chapter 1 introduces the reader to the interesting course of strategic management. There is a short description of the historical evolution of the discipline of strategic management, a discussion on the most significant concept of strategy, and a description of the strategic management process to set the stage for the rest of the book.
- Chapter 2 addresses the strategic intent consisting of a hierarchy of objectives that organisations set for themselves. This edition of the book includes a description of business model apart from the earlier topics of vision, mission, business definition, goals and objectives.
- Chapter 3 and 4 deal with SWOT analysis and discuss environmental and organisational appraisals. This edition includes the VRIO framework, balanced scorecard, and business intelligence system as means for performing internal analysis. Apart from these, the various sectors of the external environment in the Indian context are described as in the previous editions with new examples and illustrations.
- Chapters 5, 6 and 7 are devoted to discussion of various strategic alternatives at the corporate-level. This edition of *Strategic Management and Business Policy* continues to adopt the four-way classification of corporate strategies but includes new types of strategy of digitalisation to bring in the growing influence of information technology on strategic management. Besides this, the coverage is considerably enhanced to include discussion on internationalisation and cooperative strategies. With respect to internationalisation, readers would be benefited by a discussion of regionalisation as a significant means to expand beyond the borders. Other new types of strategic options such as strategies for the bottom-of-



the-pyramid and strategies for local companies competing with global companies are the other significant highlights. I have continued to include the other established corporate strategies of integration, diversification, cooperation, retrenchment and restructuring with new examples and topical illustrations.

- Chapter 8 on business-level strategies has been substantially augmented as compared to that in the earlier editions. I have included the cost leadership, differentiation and focal business strategies with new examples and illustration and have gone ahead to discuss business strategies under different industry conditions as well their relationship to internationalisation and digitalisation.
- Chapter 9 on strategic analysis and choice continues the tradition set in earlier editions discussing the significant techniques used by organisations to analyse their strategic options. This chapter has been streamlined considerably to bring it in consonance with the current state of knowledge in strategic analysis.
- A significant addition in this edition appears in Chapter 10 that is the first of the trilogy of chapters on strategy implementation. This addition is in the form of a framework of strategy implementation relevant to the Indian context. I have identified three major themes of strategy implementation *viz.* activating strategies, managing change, and achieving effectiveness. Discussions on project implementation, procedural implementation, and resource allocation have been streamlined to make them more relevant to the incumbent Indian business environment.
- Chapter 11 on structural implementation continues the tradition of earlier editions of discussing how organisations match their structures with strategies, while including the recent developments in organisation theory and design. I have included a sub-section on structures for establishing interorganisational relationships that is an emergent global trend and has become more visible in the Indian context as well. A new section has been created to discuss structures for specific business and corporate strategies. A number of new diagrams should be another welcome feature of this chapter.
- Chapter 12 on behavioural implementation discussed issues that have been the strong points of earlier editions. I have thoroughly streamlined the chapter rearranging the material and discussing all the issues that were included earlier such as leadership, corporate culture, corporate politics and power, personal values and business ethics, and social responsibility. New additions to this chapter include a discussion of the agency and stewardship theories and stakeholder management.
- Chapter 13 retains the earlier structure of discussing the functional and operational implementation while replacing most of the older examples and illustrations with newer ones. In operational implementation, I have laid stress on discussing the contemporary issues relating to information technology and how they contribute to enhancing operational effectiveness.
- Chapter 14 on strategy evaluation and control has been thoroughly revised to include new material and illustrations, though the structure of the chapter has been retained.

CASE METHOD AND CASE STUDIES

This new edition has 38 new case studies out of which 28 are the opening and closing cases for each of the 14 chapters and 10 comprehensive cases in Part VI of the book. This part is devoted solely to the case method of learning strategic management. An explanatory note on the case method describes, in a simple way, how learners can use it to apply strategic management to practical situations. A section containing the synopses of the ten comprehensive case studies is included so that the users may conveniently exercise a choice from among the cases for the purpose of analysis and discussion.

The selection of the case studies for this book has been done carefully so as to provide a variety of case material. There are short and long cases; cases from different industries, cases based on manufacturing as well as service organisations, cases on government and non-governmental organisations, and cases that deal with a limited number of issues to cases which have a wider coverage. I have cast a wider net among



contributors within and outside India and have been fortunate to attract contributions from a number of case writers. This helps me in providing a rich repertoire of case studies in this new edition.

SUPPLEMENTS TO THE BOOK

The publisher, Tata McGraw-Hill have a plan to set up a website dedicated to the book that will provide additional learning and teaching resources such as Powerpoint presentations, case teaching notes, and other materials for the students and faculty.

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