5. Maneuver—place the enemy in a disadvantageous position through the flexible application of combat power
6. Unity of Command—for every objective, ensure unity of effort under one responsible commander
7. Security—never permit the enemy to acquire an unexpected advantage
8. Surprise—strike the enemy at a time, at a place, or in a manner for which he is unprepared
9. Simplicity—prepare clear, uncomplicated plans and clear, concise orders to ensure thorough understanding

Instructions

Step 1 Consider the extent to which each of the nine maxims listed are applicable in formulating and implementing strategies in a business setting.

Step 2 Rank order the nine maxims above, from 1 = most important to 9 = least important in formulating and implementing strategies in a business setting.

Step 3 Provide a rationale for each of your rankings in Step 2.

EXERCISE 1B
Gather Strategy Information for PepsiCo

Purpose

The purpose of this exercise is to get you familiar with strategy terms introduced and defined in this chapter. Let's apply these terms to PepsiCo, Inc. (stock symbol = PEP).

Instructions

Step 1 Go to www.pepsico.com (PepsiCo's website). Along the top of the site, click on Relations. Then click on 2012 *Annual Report* and print that document. The *Form 10K* or *Annual Report* document contains excellent information for developing a list of PepsiCo's internal strengths and weaknesses.

Step 2 Go to your college library and make a copy of Standard & Poor's Industry Surveys for the snacks/beverages industry. This document will contain excellent information for developing a list of external opportunities and threats facing PEP.

Step 3 Go to the www.finance.yahoo.com website. Enter PEP. Note the wealth of information on PepsiCo that may be obtained by clicking any item along the left column. Click on Competitors down the left column. Then print out the resultant tables and information. Note that PepsiCo's major competitors are Coca-Cola Company, Kraft Foods, and Dr Pepper Snapple.

Step 4 Using the Cohesion Case, the www.finance.yahoo.com information, the *Annual Report*, and the Industry Survey document, on a separate sheet of paper list what you consider to be PepsiCo's ten major strengths, ten major weaknesses, ten major opportunities, and ten major threats. Each factor listed for this exercise must include a percent, number, dollar, or ratio to reveal some quantified fact or trend. These factors provide the underlying basis for a strategic plan because a firm strives to take advantage of strengths, improve weaknesses, avoid threats, and capitalize on opportunities.

Step 5 Through class discussion, compare your lists of external and internal factors to those developed by other students and add to your lists of factors. Keep this information for use in later exercises at the end of other chapters.

Step 6 Whatever case company is assigned to you this semester, update the information on your company by following the steps listed in this Exerise 1B.

EXERCISE 1C
Update the PepsiCo Cohesion Case

Purpose

Every week PepsiCo updates its website with News Releases of important strategic decisions and information. Since the time this text was published, more than 50 PepsiCo News Releases have been posted. In performing strategic planning and classroom strategic-management case analysis, it is important to have the latest information possible on which to base decisions and processes.

EXERCISE 10B
Evaluate PepsiCo's Global Code of Conduct

Purpose

Different companies have different standards of business conduct. One way to evaluate a firm's standards is to compare company documents to a leading rival firm. A major rival firm for PepsiCo is Coca-Cola Company. PepsiCo has a 38-page Global Code of Conduct document posted on their corporate website. This exercise gives you practice comparing and evaluating standards of business conduct.

Instructions

Step 1 On a separate sheet of paper, list three aspects that you like most and three aspects that you like least about the PepsiCo statement.

Step 2 Explain why having a code of business ethics is not sufficient for ensuring ethical behavior in an organization. What other means are necessary to help ensure ethical behavior? Give the class an example of a breach of ethical conduct that you recall in your work experience.

EXERCISE 10C
Compare and Evaluate Sustainability Reports

Purpose

Sustainability reports are increasingly becoming expected or even required by business organizations. This exercise will give you practice comparing and evaluating sustainability reports. Coca-Cola's most recent sustainability report is found at http://www.thecoca-colacompany.com/sustainabilityreport/index.html. PepsiCo, at the http://www.pepsico.com/Purpose/Sustainability-Reporting.html website, prompts everyone to build their own sustainability report for their operations by clicking on various areas of sustainability. It appears that PepsiCo does not actually have an annual, single, published sustainability report. For purposes of this exercise however, focus on PepsiCo's Environmental Sustainability document.

Instructions

Step 1 Go to the two respective company websites and print off the two documents cited. Compare and contrast the documents. List three aspects of each document that you like most and three aspects that you like least about each company's sustainability report. Which company's document do you like best? Why do you think it is best?

Step 2 Explain why having a sustainability report is not sufficient for ensuring excellent natural environment behavior. What other means besides the document itself are needed to assure ethical behavior in regard to preserving the natural environment?

Step 3 Prepare a two-page executive summary that provides an overview of the PepsiCo document versus the Coca-Cola Company document as well as your assessment of the strengths and weaknesses of each document.

EXERCISE 10D
The Ethics of Spying on Competitors

Purpose

This exercise gives you an opportunity to discuss in class ethical and legal issues related to methods being used by many companies to spy on competing firms. Gathering and using information about competitors is an area of strategic management that Japanese firms do more proficiently than U.S. firms.

Instructions

On a separate sheet of paper, number from 1 to 18. For the 18 spying activities listed as follows, indicate whether or not you believe the activity is ethical or unethical and legal or illegal. Place either an *E* for ethical or *U* for unethical, and either an *L* for legal or an *I* for illegal for each activity. Compare your answers to those of your classmates and discuss any differences.

1. Buying competitors' garbage
2. Dissecting competitors' products
3. Taking competitors' plant tours anonymously
4. Counting tractor-trailer trucks leaving competitors' loading bays
5. Studying aerial photographs of competitors' facilities
6. Analyzing competitors' labor contracts
7. Analyzing competitors' help-wanted ads
8. Quizzing customers and buyers about the sales of competitors' products
9. Infiltrating customers' and competitors' business operations
10. Quizzing suppliers about competitors' level of manufacturing
11. Using customers to buy out phony bids
12. Encouraging key customers to reveal competitive information
13. Quizzing competitors' former employees
14. Interviewing consultants who may have worked with competitors
15. Hiring key managers away from competitors
16. Conducting phony job interviews to get competitors' employees to reveal information
17. Sending engineers to trade meetings to quiz competitors' technical employees
18. Quizzing potential employees who worked for or with competitors

EXERCISE 10E
Who Prepares a Sustainability Report?

Purpose

The purpose of this activity is to determine the nature and prevalence of Sustainability Reports among companies in your state.

Instructions

Visit the websites of at least five different large businesses in your area. Seek answers to the following questions. Follow up with a phone call(s) or actually visit the business if needed. Present your findings in a written report to your instructor.

1. Does your company prepare a sustainability report? If yes, please describe the nature and scope of the report.
2. Are environmental criteria included in the performance evaluation of managers? If yes, please specify the criteria.
3. Are environmental affairs more a technical function or a management function in your company?
4. Does your firm offer any environmental workshops for employees? If yes, please describe them.

Notes

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6. Peter Drucker, *Management: Tasks, Responsibilities, and Practices* (New York: Harper & Row, 1974), 462, 463.
7. www.wikipedia.org.
8. Joe Palazzolo and Christopher Matthews, "Bribery Law Do's and Don'ts," *Wall Street Journal* (November 15, 2012): B1.
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11. Phred Dvorak, Bob Davis, and Louise Radnofsky, "Firms Confront Boss-Subordinate Love Affairs," *Wall Street Journal*, October 27, 2008, B5.
12. Spencer Morgan, "The End of the Office Affair," *Bloomberg Businessweek*, September 20–26, 2010, 74.
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Instructions

Step 1 Go to the www.pepsico.com website and near the bottom of the page, click on News & Press Releases. Read the most recent PepsiCo Press Releases.

Step 2 Type a two-page Executive Summary of PepsiCo's newest strategies being formulated and implemented.

Step 3 Submit your report to your professor.

EXERCISE 1D
Strategic Planning for Your University

Purpose

External and internal factors are the underlying bases of strategies formulated and implemented by organizations. Your college or university faces numerous external opportunities and threats and has many internal strengths and weaknesses. The purpose of this exercise is to illustrate the process of identifying critical external and internal factors.

External influences include trends in the following areas: economic, social, cultural, demographic, environmental, technological, political, legal, governmental, and competitive. External factors could include declining numbers of high school graduates; population shifts; community relations; increased competitiveness among colleges and universities; rising numbers of adults returning to college; decreased support from local, state, and federal agencies; increasing numbers of foreign students attending U.S. colleges; and a rising number of Internet courses.

Internal factors of a college or university include faculty, students, staff, alumni, athletic programs, physical plant, grounds and maintenance, student housing, administration, fund-raising, academic programs, food services, parking, placement, clubs, fraternities, sororities, and public relations.

Instructions

Step 1 On a separate sheet of paper, write four headings: External Opportunities, External Threats, Internal Strengths, and Internal Weaknesses.

Step 2 As related to your college or university, list five factors under each of the four headings.

Step 3 Discuss the factors as a class. Write the factors on the board.

Step 4 What new things did you learn about your university from the class discussion? How could this type of discussion benefit an organization?

EXERCISE 1E
Strategic Planning at a Local Company

Purpose

This activity is aimed at giving you practical knowledge about how organizations in your city or town are doing strategic planning. This exercise also will give you experience interacting on a professional basis with local business leaders.

Instructions

Step 1 Use the telephone to contact business owners or top managers. Find an organization that does strategic planning. Make an appointment to visit with the strategist (president, chief executive officer, or owner) of that business.

Step 2 Seek answers to the following questions during the interview:

- How does your firm formally conduct strategic planning? Who is involved in the process? Does the firm hold planning retreats? If yes, how often and where?
- Does your firm have a written mission statement? How was the statement developed? When was the statement last changed?
- What are the benefits of engaging in strategic planning?
- What are the major costs or problems in doing strategic planning in your business?
- Do you anticipate making any changes in the strategic-planning process at your company? If yes, please explain.

Step 3 Report your findings to the class.

EXERCISE 1F

Get Familiar With the Strategy Club Website

Purpose

You may use for free all the resources provided at the author website, www.strategyclub.com, including the downloadable Excel student template. Thousands of students have found this template to be immensely useful in preparing a strategic management case analysis.

Instructions

Step 1 Go to the www.strategyclub.com website. Review the following free resources:

1. Excel student template
2. sample case analysis PowerPoints
3. live case analysis presentations
4. chapter updates

Step 2 Prepare to give your class an overview of your impression of the website.

EXERCISE 1G

Get Familiar with the Case MyLab

Purpose

The Case MyLab testing feature that accompanies this textbook may be used by your professor to help apply chapter concepts using various of the 29 cases found in this text. This exercise gets you familiar with this new feature.

Instructions

Step 1 Find in the Preface of this textbook the section that describes the Case MyLab testing feature. Read this material.

Step 2 Be able to describe for your professor the purpose and nature of the Case MyLab.

Step 3 For your assigned case company, identify three strategic management concepts represented in your case.

Step 4 Be able to describe for your professor how your assigned case company is performing on the three concepts.

Endnotes

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