

Book Review:

Strategic Management and Competitive Advantage: Concepts and Cases

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Book Information

Book Title: Strategic Management and Competitive Advantage: Concepts and Cases
Author: Jay B. Barney and William S. Hesterly
Publisher: Prentice Hall: Financial Times Press, UK
Edition: 2nd edition
Year: 2007
Pages: 656 pages
ISBN: 0132338238
Price: £39.59

Keywords: strategic management, competitive advantage, cases

BOOK REVIEW

This is the second edition of a textbook on strategy aimed at undergraduate students. Its key differentiator to other similar books is that it uses the so called “VRIO” (Value, Rarity, Imitability, and Organisation) framework to integrate the positioning perspective and the resource based view. The book does this by reviewing some of the key strategies, such as cost leadership and product differentiation, and then trying to address a series of key questions related to the VRIO approach.

In the first part the book provides some introductory elements of strategy. It does so, by introducing the key strategic concepts to students. It then explains the key tools for strategic analysis such as Porter’s five forces model. The concluding chapter in this part focuses on the resource based view and explains how it can be used to evaluate a firm’s internal capabilities.

In the second part the book focuses on the development and implementation of business level strategies. In contrast to many other strategy textbooks which focus on the implementation process of strategy, the authors of this textbook focus directly on the key business strategies that a firm can follow such as cost leadership and product differentiation. I think this is a refreshing approach and helps students easily evaluate a firm’s strategy.

Finally in the third part the book focuses on the development and implementation of corporate strategies. In this section the book explains high level strategies such as vertical integration, corporate diversification, and strategic alliances. Similar to the previous part, the text focuses on the strategies rather than the strategy process.

The book uses a plethora of examples to illustrate the key theoretical points it presents, making it both relevant and easy to read. Furthermore, as the key readership of the book is undergraduate students, the amount of cases makes it easy to find simple examples from the marketplace to associate them with everyday life. This task becomes even easier with the use of households names, names that most US based students would be familiar with and often have an opinion about.

There are three additional distinctive features of the book which make it a good choice for strategy teaching. The first is the link of the theories presented in the main text to the emerging enterprise. The authors make a good effort to associate the knowledge and tools explained in the main text to smaller organizations. This is something which is not very often found in strategy textbooks. As the authors correctly argue in the opening sections of the book, business graduates are more likely to work in smaller organisations rather than larger ones. It therefore makes a lot of sense to add such a section in every chapter.

The second distinctive feature is the “research made relevant box” which also adds considerable value to the strategy student. The authors have done a good job in selecting key research papers and linking them to the discussion in the main text. As a result the text does not read as a prescription to strategy making but also provides critical evidence based views on the theory on current developments of strategy.

The third and final distinctive feature of the book is the case studies at the end of the three sections, which are current, thorough and provide plenty of data for analysis. Furthermore, the choice of the case studies is such that gives students hands on view of the issues and theories examined in the text.

The VRIO approach presented in the book is very convincing and provides an underlining framework which should prove useful and clear for both students and professors to follow. It will of course require an adaptation from current teaching practices but this should be the case whenever a new course textbook is introduced.

One concern for the potential use of the book in international classrooms is that it is significantly US centric. Most of the case studies used to support the arguments in the main text are of companies residing in the USA. This would not necessarily be a problem for non US students had the context been explained in an international basis. In fact quite often the opposite happens. For instance, when describing the case of Ryanair a European low cost carrier, the authors compare it with SouthWest airlines, a US low cost carrier. Furthermore, the “International Context” section of each chapter explains the implications of international strategies for US based organisations. For example when explaining the cost leadership strategy the authors discuss the potential cost benefits that can be gained by US based organisations when moving their operations to low cost countries. This of course is a valid situation. However, this may be of little value to a Chinese student trying to understand how companies in China would like to move up the value chain.

The case studies at the end of each part, however, are considerably more international using companies such as Vodafone, Samsung, and Toyota. Therefore, instructors deciding to adopt this book for their teaching could use these case studies to illustrate the points they want to make.

In conclusion I think this is a very good book that can significantly add value to the teaching of strategy at the undergraduate level. Both the structure and the clarity of writing make the key perspectives of strategy easily understood and relevant.