Table of Contents

Introduction			XI
1	Cori	porate Strategy	1
		From competitive strategy to corporate strategy decisions	1
		Corporate strategy in the literature	2
	1.3	Two approaches to corporate strategy	7
	1.4	Six portfolio strategy models	8
	1.5	Four parenting strategy models	9
	1.6	The evaluation of corporate strategy	10
	1.7	Strategic management in multibusiness firms	13
2	Portfolio Matrices		15
	2.1	A tool for corporate strategy	15
	2.2	Mapping businesses on matrices	15
		2.2.1 Portfolio analysis according to the business logic	16
		2.2.2 Portfolio analysis according to the capital markets logic	18
		2.2.3 Portfolio analysis according to the added value logic	19
		Evaluating the portfolio strategy	22
	2.4	Evaluating the parenting strategy	25
3	The	Integration of Corporate Social Responsibility	27
	3.1	From shareholder value to shared value	27
	3.2	The influence of the external context on CSR	28
	3.3	The different responsibilities of firms	
	3.4	Corporate strategy and CSR: the stages of integration	31
		3.4.1 Stage 1: Informal CSR	32
		3.4.2 Stage 2: Basic CSR	33
		3.4.3 Stage 3: Systematic CSR	33
		3.4.4 Stage 4: Innovative CSR	34
		3.4.5 Stage 5: Dominant CSR	34
	2.5	3.4.6 B-Corps: Dominant CSR	35
		Organizational choices regarding CSR	36
	3.6	Evaluating CSR projects	37

4	Syne	ergies a	and Resources	39	
		The c		39	
			cial and operational synergies	40	
			fication of operational synergies	42	
			synergies to corporate valuable resources	45	
			ive synergies	52	
5			e of the Core Business	55	
		The c		55	
			istorical method	56	
			uantitative method	57	
			ualitative method	58	
	5.5	How t	to choose	60	
6	Scale and Corporate Scope			63	
		The c	-	63	
			ions on growth	64	
			ng growth decisions	67	
			ilemma of growth	67	
	6.5	Dives	titure decisions	69	
7				73	
	7.1		irections of growth	73	
			Operational reinforcement	74	
			Related expansion	75	
			Related exploration	76	
			The discipline of growth	77 79	
	7.2	7.2 The motivations for growth			
		7.2.1	Benefitting from efficiency, growth, and market		
			power advantages	79	
			Exploiting industry dynamics	81	
			Acquiring businesses undervalued by the market.	82	
	7.0		Increasing the parent's ownership interest in a subsidiary	83	
	7.3		th traps to avoid	83	
			Diseconomies of scale	84	
			Loss of flexibility	84	
			Overestimating synergies, or negative synergies	85	
			Limited adaptation to differences across countries	86	
		7.3.5	Limits of vertical integration	87	
8			th a Financial Approach	89	
			th: from a synergy to a financial approach	89	
	8.2	8.2 The motivations for growth		91	
			Benefitting from financial synergies	91	
		8.2.2	Exploiting industry dynamics	92	

Table of Contents VII

	8.	.2.3 Acquisitions of firms undervalued by the market	93
	8.	.2.4 Increasing the parent's ownership interest	93
	8.3 A	historical perspective on diversification strategies	93
	8.4 D	Piversification and performance	96
	8.5 T	he conglomerate discount	98
	8.6 G	food practices for successful growth with a financial approach	100
9	Modes	of Growth	103
		he growth tree	103
		nternal development	104
		Illiances	106
	9.4 N	Mergers and acquisitions	109
		hoosing the right mode	110
		5.1 The buy or build method	110
	9.	5.2 The build, borrow, or buy method	112
10	_	ers and Acquisitions	115
		ecoming a successful acquirer	115
		1&A waves	116
		I&A performance	118
		ypologies of M&As	119
		he M&A process	122
		0.5.1 Phase 1: Identification of target	123
		0.5.2 Phase 2: Valuation and negotiation	124
		0.5.3 Phase 3: Due diligence and closing	125
		0.5.4 Phase 4: Integration	125
		0.5.5 Phase 5: Post-deal evaluation	126
		Managing the integration phase	127
		0.6.1 Key organizational choices to integrate	128
		0.6.2 Integration archetypes 0.6.3 Choosing a tailored approach to integration	128 130
11	Strate	egic Alliances	133
		ypologies of alliances	133
		he alliance process	136
		1.2.1 Phase 1: Selecting a partner (origination)	137
		1.2.2 Phase 2: Structuring the alliance	138
		1.2.3 Phase 3: Negotiating the agreement	139
		1.2.4 Phase 4: Managing the alliance	139
		1.2.5 Phase 5: Re-evaluating the alliance	140
		he reasons for failure	141
		he development of an alliance competence	142
12	The E	Entry in International Markets	145
	12.1 C	orporate scope and geographic context	145

	12.2 Globalization: drivers, opportunities, and threats	145
	12.3 The world is not flat	147
	12.4 Analyzing differences between countries	149
	12.5 The motives for international expansion	150 152
	12.6 The selection of foreign markets	152
	12.6.1 The strategic importance of the market 12.6.2 The possibility to capitalize on the market's potential	153
	12.6.3 A framework for choosing foreign markets	153
	12.7 Entry modes	154
13	Ownership and Corporate Governance	159
	13.1 The relevance	159
	13.2 The variety of ownership structures	160
	13.3 The role of ownership in corporate strategy	163
	13.4 The centrality of the Board of Directors	167
	13.4.1 Composition, structure, and functioning of the BoD	168
	13.5 Towards a modern view of corporate governance	172
	13.5.1 Strengthening the role of ownership (where it is weak)	172
	13.5.2 Strengthening the role of governance bodies (when ownership	
	is strong)	173
	13.5.3 Increasing the importance of governance in private companies	174
14	Roles and Functioning of Corporate Headquarters	175
	14.1 Multibusiness firms or business groups	175
	14.2 The roles of the corporate headquarters	177
	14.3 The structure of the corporate headquarters	178
	14.4 The value added (or destroyed) by the corporate headquarters	181
	14.5 Prototypes of corporate headquarters' influence	184
15	Organizational Macrostructures	187
	15.1 Structural options	187
	15.2 Evolution of organizational structures (synergy approach)	189
	15.3 Evolution of organizational structures (financial approach)	192
	15.4 Relationships between the corporate headquarters and business units	193
16	Leadership Models	197
	16.1 The need for leadership	197
	16.2 Leadership and the role of the CEO	198
	16.3 The traits and skills of leaders	200
	16.3.1 A traditional interpretation	200
	16.3.2 The Sitkin and Lind method	201
	16.3.3 The FCA model	202
	16.4 The collective nature of leadership 16.5 Negative leadership	203 204
	16 h Niggotura Igodandam	71/1/

Table of Contents IX

17	Strategic and Organizational Change	207
	17.1 The causes of change	207
	17.2 The types of change	209
	17.3 The process of change	210
	17.3.1 Information	211
	17.3.2 Decision	212
	17.3.3 Action	213
	17.3.4 Control	214
	17.4 The causes of resistance to change	215
Bib	oliography	219