

CORPORATE STRATEGY (DIVERSIFICATION)

- RELATED – STRATEGIC FIT, “THEME”
- UNRELATED (What is theme?)

- VERTICAL
- HORIZONTAL

DIVERSIFICATION

Motives to Strengthen Competitiveness

- SHARING ACTIVITIES
- TRANSFERRING CORE COMPETENCIES
- BLOCKING COMPETITORS
- VERTICAL INTEGRATION
- EFFICIENT INTERNAL USE OF CAPITAL
- BUSINESS RESTRUCTURING
 - FINANCIAL
 - ORG. DESIGN

DIVERSIFICATION

Neutral Effects?

- ANTI-TRUST REGULATION
- TAX LAWS
- LOW PERFORMANCE
- UNCERTAIN FUTURE CASH FLOW
- RISK REDUCTION
- TANGIBLE, INTANGIBLE RESOURCES