Demerged Multinational Enterprises: A Study of Post-Demerger International Strategies

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Abstract:

Demerged Multinational Enterprises (DMNEs) that emerge with an independent corporate status after a demerger from a parent multinational enterprise (MNE) are unique firms with a great variety of post-demerger strengths, weaknesses and international strategic responses. This paper adopts a firm-level internalisation theory approach to MNE strategy to empirically explore the characteristics and post-demerger strategies of four focal case DMNEs. Five years of post-demerger data from annual accounts, newspaper articles and databases were analysed. Analysis of the strategic responses of the four DMNEs has allowed a typology that distinguishes four DMNE types to be proposed. This typology explains the international strategies of DMNEs by the degree of post-demerger strategic dynamism that is possible and the need to address the quality of the firm specific advantages endowed to the DMNE in the demerger.

Keywords: Multinational Enterprise; Demerger; Demerged Multinational Enterprise; Post-Demerger; International Strategy Typology; Case Study

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Introduction

This study focuses on the nature and strategies of the new firms created in demergers by multinational enterprises (MNE), that we call demerged multinational enterprises (DMNE[1]). Demergers are a type of (foreign) divestment and remain an understudied international business phenomenon (McDermott, 2010), especially in comparison to the extensive literature on the different types of foreign direct investment (FDI), such as mergers and acquisitions (Benito, 2005; Burt et al., 2004). Divestment by demerger is an important mechanism for parent MNE managers to reduce the degree of internationalisation of their firm (Buigues et al., 2015), which results in at least two legal entities, the original parent MNE and a new standalone corporate entity (Schaufelberger and Behr, 2004; Wright, 1985), which we named DMNE. This study focuses on the reason for the demerger, the initial endowed FSAs of the DMNE and finally, the strategic response of the DMNE during the first five years of its independent operations.

In contrast to most studies of foreign divestments, that usually focus on the divesting (parent) MNE (Benito, 2005), we focus on those demerged firms that are multinational in nature. We argue that DMNEs are an understudied MNE type, which can provide valuable insights into international strategic responses to the loss and / or misalignment of firm specific advantages (FSA) and country specific advantages (CSA). The study addresses how past integration in the parent MNE and the FSA/CSA endowments upon demerger influence DMNE post-demerger international strategies. We understand international strategy as the decisions of MNE senior managers about the ownership, control and coordination of location- and nonlocation-bound FSAs across home and host countries featured by different natural and advanced factor endowments or country specific advantages (CSA) (Buckley, 2002; Buckley and Ghauri, 2004; Rugman, 2010; Rugman and Verbeke, 1992, 2003a).

Assessing the degree of attention DMNEs have received from scholars is difficult, this is partly due to the lack of data on foreign divestments (McDermott, 2010) and because the resulting MNEs are typically not identified as having a demerger origin when their strategies are studied. At the same time there are also far fewer demergers than mergers or acquisitions and, while in general seen favourably by shareholders, the popularity of demergers varies across countries,

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[1] The abbreviation 'DMNE' adopted in this study has been used to describe other firm types like developed-country multinational enterprises (Govindarajan and Ramamurti, 2011) or dummy separating multinational enterprise affiliates (Kumar and Agarwal, 2006). For this study it will be used to refer to a demerged multinational enterprise (DMNE).

due to differences in legal barriers and tax treatment of demergers (Veld and Veld-Merkoulova, 2009). To address this lack of focus on DMNE strategies immediately after a demerger, especially given the much larger literature on FDI via mergers and acquisitions (M&A) (Ghauri and Buckley, 2003; Xie et al., 2017), this study identifies four focal case DMNEs that have survived independently for at least five years after demerging. Interestingly we found that most divested standalone MNEs either cease to exist or get acquired within five years. We therefore argue that the international strategy of these four DMNEs that have survived, and in some cases even thrived, are a uniquely interesting phenomenon. Such unique cases offer the opportunity to gain new insights about this understudied phenomenon (Miles et al., 2014; Yin, 2014).

A qualitative multiple-case study research design (Eisenhardt, 1989; Yin, 2014) is adopted to study the four focal DMNEs immediately after their establishment as independent corporate and legal entities. The focal cases are Orica Ltd., a chemicals firm with a focus on supplying explosives, Wincanton Plc., a firm specialised in supply chain solutions, Aviat Networks, a communication network solutions provider and aluminium producer Alumina Ltd. These firms are shown to have diverse strategic responses, that can be explained by the endowed FSAs of the DMNE, their initial strategic orientations and the nature of strategic decision-making. A key contribution of the paper is to show how the corporate history of the DMNE has a significant influence on post-demerger strategy, through the endowed FSAs and CSAs. The findings allow an initial typology of four DMNE types to be distinguished by the quality of the critical FSAs endowed post-demerger and the degree to which managers are able to realise a dynamic post-demerger strategy.

The paper proceeds by first addressing MNE demerger activities and the phenomenon of demerged multinational enterprises to provide an initial description and subsequent conceptualisation of DMNEs and their post-demerger strategies. Next, the multiple-case study research design we adopt is explained, before proceeding to draw on four focal case DMNEs to empirically study their characteristics and post-demerger strategies. This is followed by a discussion of the findings in a cross-case analysis and the presentation of a typology of DMNE types and associated strategies. The article concludes by drawing implications for international business (IB) theory and providing suggestions for future research.

Literature Review

The literature review first positions this study in the broader International Business literature on divestments and demergers to conceptually clarify the focal phenomenon. This is then followed by a conceptualisation of the DMNE, using the firm-level internalisation theory of multinational enterprise (MNE) strategy (Rugman, 2010; Rugman and Verbeke, 2008a). We conceptualise the DMNE immediately after the demerger and then develop a conceptual foundation for studying post-demerger strategies of DMNEs.

Divestments, Demergers and the Multinational Enterprise

Demergers are part of the literature on international divestment by MNEs, effectively de-internationalisation strategies, in contrast to MNE international growth via mergers and acquisitions (Boateng et al., 2008). International divestments remain a significantly understudied area of international business strategy (Benito, 2005; Turcan, 2013), despite it already being addressed conceptually as early as Boddewyn (1983a/b). The international divestment literature argues that de-internationalisation emphasises the non-inevitable nature of ever greater internationalisation (Benito and Welch, 1997; Welch and Luostarinen, 1988) and the ongoing process in which MNEs adapt their strategies, structures and firm specific advantages (FSAs) to the international environment (Calof and Beamish, 1995; Pedersen et al., 2002; Petersen and Welch, 2002).

Divestments more generally are a broad range of corporate restructuring transactions, that result in changes of ownership and/or control over the businesses/assets of a firm, that include "sales of assets, or 'sell-offs', management buyouts of divisions, equity 'carve-outs', and spinoffs" (Hoskisson et al., 1994: 1207). Damaraju et al. (2015: 729) explain that "in a sell-off, the business unit is completely sold to another company", in a management buyout the managers of the divested business take ownership of the concern, while in an equity carve-out, "part of the equity in [a] newly formed entity is issued to new shareholders" and finally, that in demergers "the equity in the newly formed firm is distributed pro-rata to the existing firm’s shareholders"; while importantly, in terms of strategic decision making, the demerged firm gains an independent senior management team. These are important mechanisms for MNE managers to implement strategic reversals (Öberg, 2014) or adapt strategies (Calof and Beamish, 1995; Pedersen et al., 2002; Petersen and Welch, 2002), often in response to poor performance (Berry, 2013) or to realise value for shareholders.

While studies of international divestment remain scarce (Benito, 2005), those that have been done, focus on the strategic act of divestment by the parent MNE (Benito, 2005; Berry, 2013; Burt et al., 2004; Mariotti and Piscitello, 1999). Studies have addressed the motives for divestment (Berry, 2013; Mariotti and Piscitello, 1999), the prevalence of foreign divestment (Boddewyn, 1979; McDermott, 2010), the conceptual similarities and differences between foreign direct investment and divestment (Boddewyn, 1983a; McDermott, 2010), and the value creation for shareholders (Gleason et al., 2000; Veld and Veld-Merkoulova, 2009). Other authors have compared foreign and domestic investment and divestment (Benito, 2005; Boddewyn, 1983b; McDermott, 2010), the roles of parent MNE and subsidiary in strategic investment and divestments (Ghertman, 1988), and the divestment strategy as a portfolio of real options (Belderbos and Zou, 2009). These studies reflect the tendency of the literature to predominantly focus on divestments more broadly and on the parent MNE (Kennedy, 1993; Owen and Harrison, 1995). This paper in contrast focuses on the divested entity, the DMNE.

International divestment by demerger, the focus of this study, seeks to unlock unrealised shareholder value (Veld and Veld-Merkoulova, 2009), by reorganising the businesses of a firm into two or more firms that remain under the ownership of the shareholders of the parent MNE, while the managers of the two firms gain independence in making strategic decisions and control over the value creating assets of the parent and demerged MNEs respectively (Ghosh, 2014; Montgomery et al., 2007; Vyas et al., 2015). Singh et al. (2009) outlines several motives for a demerger from the parent firm's perspective. Firstly, the structure of the parent firm may have become too expensive, so the firm decides to demerge activities that have a negative effect on performance. Secondly, demergers are enacted to improve the organisation of the firm and make room for a changing strategic focus. Thirdly, the creation of separate entities might improve access to specific capital for further expansion. Lastly, demergers can improve governance and give management a clearer role. The role of the international strategy of the DMNE in light of these objectives however remains poorly understood. We thus now proceed to focus on the DMNE, drawing on the firm-level internalisation approach to international strategy (Rugman, 1981; Rugman, 2010; Rugman and Verbeke, 1992, 2008a), in the next section to conceptualise the MNE type and post-demerger strategies.

An Internalisation Understanding of Demerged Multinational Enterprises

The firm-level internalisation theory of MNE international strategy (Rugman, 1981; Rugman and Verbeke, 1992) explains both the existence and strategy of a (D)MNE (Rugman, 2008a) in terms of the decision to bring FSAs under the hierarchy of firm ownership and/or control, rather than accessing them via transactions in (intermediary) markets (Rugman, 2010). The nature of the ownership advantages and the internalisation decision in this approach, in contrast to the industry-level eclectic paradigm (Dunning, 1980, 2000), are simultaneously incorporated into the MNE FSA concept used in this paper. This approach is possible due to the firm specific and highly related nature of both these dimensions of the analysis (Rugman, 2010), as it is not possible to separate the internalisation decision from the ownership of the value creating assets. From an internalisation perspective, a demerger thus separates the hierarchies of managerial control of the parent and demerged MNEs. Both the parent and demerged MNE are endowed with a set of FSAs that have previously been internalised under the original (combined) hierarchy and over which the now separate hierarchies exercise independent and distinct ownership and/or control. These parent and demerged MNE FSAs are located in home and host countries, through FSA/CSA bundles, that may or may not be in shared locations (this follows the general logic of the arguments of the internalisation theory; c.f. Rugman, 2010; Rugman and Verbeke, 1992, 2002).

The FSAs endowed to a DMNE by the demerger can be defined as the (1) stand-alone resources, including tangible and intangible assets, (2) stand-alone competences or capabilities, and (3) higher order capabilities of the firm, that allow the recombination of FSAs and CSAs (Hennart, 2009; Luo, 2001, 2002; Rugman et al., 2011). The internalised standalone resources and capabilities enable economising on transaction costs, especially associated with knowledge-based intangible FSAs (Rugman, 2010), through the multinational coordination and control of internationally (non)location-bound FSAs (Rugman and Verbeke, 1992). Internalisation of FSAs can also be analysed from a resource-based perspective, in terms of isolating mechanisms and resource superiority combined with optimal growth patterns (Rugman, 2010; Rugman and Verbeke, 2002, 2004b). The reconcilability of the firm- and industry level internalisation approaches allows both approaches to use Dunning's (1998) four FDI motives to conceptualise the nature of locations; these are the (natural) resource-seeking, efficiency-seeking, market-seeking and (strategic) asset-seeking investment motives.

The international strategy of a DMNE can thus be defined as being concerned with the ownership and/or control of FSAs and their international transferability and/or (re)combination with home and host country CSAs (Buckley, 2002; Buckley and Ghauri, 2004; Rugman, 2010; Rugman and Verbeke, 1992, 2002, 2003a). An international strategy is then executed by a DMNE deploying its capability to 'accumulate, exploit, recombine, and innovate' its available set of FSAs and by accessing external complementary FSAs in different locations (Cerrato, 2006; Rugman et al., 2011). The post-demerger international strategy of a DMNE begins with its endowed combination of FSAs and CSAs, representing the past accumulation of international strategic decisions by the parent and DMNE senior management teams; senior management teams at the same time being a key FSA of the DMNE. This theme will be discussed next, after which in a new section the conceptualisation of the ongoing accumulation, exploitation and recombination of DMNE FSAs in relation to locational CSAs will be done. The conceptualisation of the DMNE international strategy will focus on the (changing) geographic scope (Aggarwal *et al.*, 2011; Rugman and Verbeke, 2004a), the entry modes used (Pan and Tse, 2000), as well as the timing (Ahlbrecht and Eckert, 2013) and the speed of internationalisation (Chetty et al., 2014; Gao and Pan, 2010; Vermeulen and Barkema, 2002) as key concepts.

Dependency on and retention of value creating firm specific advantages

This paper argues that DMNEs are defined by their initial endowment of FSAs in the demerger process and that the resulting FSA/CSA bundles under ownership and/or control of the DMNE hierarchy represents the starting point of the DMNE's international strategising. In seeking to understand the international strategies of DMNEs, it is important to recognise that further internationalisation is not the only option available to the DMNE (Benito and Welch, 1997; Welch and Luostarinen, 1988), as it may equally reduce its international presence. Given how little we know about the international strategies of DMNEs, it remains unclear how these firms respond to the demerger strategically, to adapt structures and FSA/CSA bundles to the international environment (Calof and Beamish, 1995; Pedersen et al., 2002; Petersen and Welch, 2002). The internalisation approach can provide some initial guidance though, based on the FSA/CSA bundles endowed to the DMNE, which will then be explored empirically with the four focal case studies in this paper.

Parent MNEs may endow FSAs with differing degrees of value creating potential to the DMNE. It is important to note that the DMNE need not be endowed with low value creating FSAs, as parent firms can have diverse motives for divesting business units (Singh et al., 2009). The strength of the endowed FSA/CSA bundles is however argued to be critical to understanding DMNE international strategies. In this paper, the quality of the endowed FSAs especially is argued to be the impetus for the international strategy of the DMNE. Both transaction cost economics (TCE) and the resource-based view (RBV) provide theoretical explanations for why the transferal of FSAs from the parent MNE to the DMNE may lead to weaker (than planned) FSA endowments to the DMNE, thereby showing how MNEs may respond to loss or degradation of accumulated FSAs more generally. Adopting the internalisation approach's FSA/CSA matrix model (Rugman, 1980, 2010; Rugman and Verbeke, 2008a) allows the strength and/or weakness of FSA/CSA endowments to be conceptualised systematically.

Figure 1 About Here

In cell 1 of Figure 1, the demerger endows the DMNE with unattractive CSAs and weak FSAs, this for example represents a situation where the parent MNE is demerging a business unit that has had a negative effect on parent MNE performance (Singh et al., 2009). Demergers that fit cell 2 endow the DMNE with strong internalised FSAs, but with a weak endowment of CSAs, this could result from the parent MNE wanting to improve the organisation of the firm and make room for a changing strategic focus (Singh et al., 2009), for example, demerging a business unit that has significant potential, but is not core to the strategic focus of the parent MNE. DMNEs in cell 3 of Figure 1 have been endowed with strong CSAs, but weak FSAs. A possible origin for such a divestment by the parent MNE might again be motivated by the parent MNE wanting to improve the organisation of the firm and make room for a changing strategic focus (Singh et al., 2009) or be an attempt to improve access to capital for developing the demerged entity (Singh et al., 2009). Finally, in cell 4, the DMNE is endowed with both strong FSAs and CSAs and a likely motivation for the demerger is a desire by shareholders to see the unrecognised value of the business reflected in the share price of the firm, by creating transparency about the entity. Alternatively the demerger might be motivated by a desire to improve governance and give management a clearer role in the separate entities (Singh et al., 2009). From an internalisation perspective, the DMNEs in cells 2 and 4 are far more likely to feature internalised knowledge-intensive intangible FSAs or be endowed with other FSAs that have value creating potential according to the logic of the resource-based perspective. Cells 1 and 3 will be associated with DMNEs that have limited degrees of knowledge-intensive intangible FSAs or other FSAs that allow the firm to achieve a competitive advantage and create value in host locations.

Especially the weak FSA endowment column of Figure 1 is interesting. The TCE approach to internalisation would argue that cell 1 and 3 represent cases where DMNEs either did not develop knowledge-intensive intangible FSAs or relied on such FSAs that were parent MNE specific, to which the DMNE now has no access. Continuing access to such FSAs via intermediary markets may be easier for the DMNE, given the shared history with the parent MNE, but the difficulties of contracting for their use will remain (Rugman et al., 2011) and is likely to hinder ongoing access to them by the DMNE post-demerger. The difficulty of transferring knowledge-intensive intangible FSAs and other types of FSAs to the DMNE can also be explained by the resource-based view, given the central role of imperfect imitability of FSAs in the sustained competitive advantage of firms (Barney, 1991; 2001). In particular as FSA transferal is likely to be featured by some degree of partial transferability as a result of causal ambiguity and social complexity (Barney, 1991, 2001); that may even internally be imperfectly understood by the parent and demerged MNEs. The trend for MNEs to be organised into strategic business units (SBU) and to be associated with “a series of discrete value-adding activities (a sales operation, a manufacturing plant, an R&D centre)” (Birkinshaw, 2001: 381), reflects the arguments of Celo and Chacar (2015) that such international coherence of MNE FSAs could also affect performance. Conceptually DMNE FSAs can then be argued to be endowed to different degrees of completeness (incomplete transferal) and coherence (degree of relatedness of endowed FSAs).

The need to address any incomplete and incoherent FSA endowments and the related CSAs will be reflected in the DMNE strategic decisions to internalise strategic FSAs through ownership and / or control in any subsequent strategy. Simultaneously, the retained FSAs of the DMNE may become available to its management in a manner that was not possible within the MNE network, thereby opening up new opportunities for the demerged entity. This FSA availability may lead to new strategies, as DMNE managers gain the 'freedom' for pursuing opportunities that within the MNE network would have been described as subsidiary initiative taking (Ambos et al., 2010). We thus argue that the potential of DMNE FSAs to create value will reflect, (1) the former dependence of these FSAs on the parent MNE, (2) the coherence and completeness of the endowed FSAs for the businesses in which the DMNE is active, (3) the DMNE's ability to control or gain access to needed FSAs, (4) access to external complementary FSAs, (5) the strength of the DMNEs endowed capabilities to internationally coordination and control (non)location-bound FSAs (Rugman and Verbeke, 1992) and finally (6) the DMNEs' endowment of higher order capabilities that enable the recombination of partially transferrable FSAs with host country CSAs (Hennart, 2009; Luo, 2001, 2002; Rugman et al., 2011; Rugman and Verbeke, 1992).

Initial post-demerger DMNE strategic orientation

We conclude our discussion of the nature of the DMNE immediately after the demerger, by drawing attention to the combination of endowed FSAs and CSAs. These represent the initial degree of international presence (Rugman, 2010; Rugman and Verbeke, 2003b) and will shape any subsequent change in post-demerger international strategic orientation. The regionalisation orientations of Rugman and Verbeke (2003, 2004) have been noted to be a key contribution of the internalisation theory of MNE international strategy (Rugman and Verbeke, 2008a). The model of Rugman and Verbeke (2004) is thus useful for conceptualising strategic changes in the geographic scope of the DMNE, as captured in the global, bi-regional and single triad region strategic orientations of their typology. These regionalisation orientations allow the recognition of home country dominance (Rugman and Verbeke, 2004a; 2007), sectorial effects (Li, 2005; Rugman and Verbeke 2008b/c) and (strategic) business unit effects (Proff, 2002; Rugman and Verbeke 2008b) in DMNE post-demerger strategy. This suggest that some DMNEs may be endowed with FSAs more suitable for global or alternatively more regional strategies. Any initial FSA gaps will require the DMNE to respond with investments that seek to fill these gaps. The degree of change in strategic orientation is expected to be related to the dependency that the DMNE used to have on the parent firm. If the DMNE used to be a relatively isolated (Monteiro *et al.*, 2008) SBU within the parent firm, the strategic change after demerging is expected to be minimal.

Conceptualising DMNE Post-demerger Internationalisation

In return for the potential FSA loss through demerging, a DMNE has more freedom to pursue (new) opportunities that it might not have been able to while still being a part of the parent firm and its corporate strategy (Singh et al., 2009). The demerger therefore has the potential to 'force' the DMNE to reconsider its international presence (Pedersen et al., 2002; Petersen and Welch, 2002). Having conceptualised the DMNE immediately after demerging in the previous section, we now proceed to address how the patterns of post-demerger strategies could be conceptualised. DMNEs growth patterns (Rugman and Verbeke, 2002, 2004b) will be observed in the pattern of internationalisation, specifically in terms of its geographic scope, timing, pace and regularity (Vermeulen and Barkema, 2002). We argue that the combination of FSAs and CSAs endowed to the DMNE upon demerging will be fundamentally reflected in the subsequent post-demerger strategy and associated internationalisation. While any changes in strategic orientation will reflect the quality of endowed FSAs and CSAs, such changes are also expected to vary greatly based on firm and industry characteristics (Buckley and Casson, 2009).

Pattern of internationalisation – geographic scope

The geographic scope of DMNE FSAs can be characterised in terms of the number of host locations, the degree of commitment to each of these locations (Aggarwal et al., 2011) and their regional locations. The greater the geographic scope of the DMNE the more likely it may seek to address governance complexities and coordination costs associated with an extensive international presence (Buigues et al., 2015). The level of commitment when internationalising can be assessed by looking at the entry modes used. Internalisation theory can explain the initial choice of entry mode and subsequent changes in mode by the DMNE if relevant (Rugman, 2010). Non-equity modes like exporting and franchising are considered to be lower committed modes, while wholly owned subsidiaries are considered to be featured by greater commitment and higher risks (Pan and Tse, 2000).

The model in Figure 1 argues that DMNEs endowed with weak CSAs and strong FSAs (cell 2) will need to pursue international strategies that change their geographic scope. Those DMNEs with strong CSA and weak FSA endowments (cell 3) will pursue strategies to address their FSAs. The geographic scope is unlikely to change for strongly endowed DMNEs (cell 4) and DMNEs in cell 1 are not expected to survive very long post demerger, one might expect a reduction in geographic scope over time. One way in which the DMNE can manage its geographic scope is to address its presence by changing the degree of commitment and exposure through a change in its entry/operation mode (Rugman, 2010). The industry specific nature of the international competitive environment for a DMNE will affect the urgency of these decisions (Chang and Rhee, 2011).

Pattern of internationalisation – timing, pace and regularity

DMNEs typically originate from large established organisations with significant corporate history. Internalisation theory would suggest that the timing of internationalisation depends on the perceived transaction costs and available FSAs (Buckley and Casson, 1976; Rugman, 1981). The timing of internationalisation can however vary greatly, depending on the degree to which it is the result of an opportunistic strategy or the outcome of a more planned strategy. The matter of timing with respect to DMNE international strategy is arguably a matter of the timing of the resumption of their further (de-)internationalisation. This reflects a more traditional conceptualisation of the MNE and the likely presence of competitors in current and potential new host countries. DMNEs in cells 2 and 3 are expected to implement their international strategies soon after demerging to address weaknesses, while DMNEs in cell 4 will do so to exploit their strengths.

Furthermore, Vermeulen and Barkema (2002) describe how changes in international presence can be described by looking at the pace and regularity of firm expansion. The pace (or speed) of international expansion refers to the number of international expansions undertaken by the MNE, i.e. the more subsidiaries and number of locations the firm establishes in host locations in a given period of time, the higher the pace (Chang and Rhee, 2011; Chetty, et al., 2014; Vermeulen and Barkema, 2002). The regularity of international expansion refers to the consistency of the pace of expansion, i.e. a regular pace of expansion is featured by a consistent number of expansions per time period over time (Vermeulen and Barkema, 2002). An irregular pattern of expansion can have periods of rapid expansion dispersed between irregular periods of inactivity (Vermeulen and Barkema, 2002). A high and/or irregular pace of expansion can cause diseconomies of time compression due to the lack of time that a firm has to absorb the knowledge they gain from expansion (Cohen and Levinthal, 1990). Chang and Rhee (2011) however provide evidence that high paced internationalisation can be an advantage for firms with strong FSAs (cells 2 and 4) in industries featured by high globalisation pressures. There is also evidence that cumulative experience of internationalising firms may allow higher paced expansion (Chetty, et al., 2014; Gao and Pan, 2010). Depending on the FSAs that were lost and those that were retained/endowed during the demerger, the DMNE may need to fill FSA gaps, which could limit rapid expansion. Alternatively, the greater the pressure to fill FSA gaps, arguably the more likely the DMNE will need to pursue an international strategy with an (ir)regular and high pace of expansion (cells 1 and 3). Those DMNEs endowed with FSAs that include internationalisation experience will be in a stronger position to address the costs of rapid and irregular international expansion (cells 2 and 4).

Methodology

A qualitative multiple-case study research design (Eisenhardt, 1989; Yin, 2014) was adopted for this phenomenon-driven study (Doh, 2015; Eisenhardt and Graebner, 2007). As is typical with this approach to case studies, our study is featured by the specification of "the type of organisation and data that will form the case(s), and [the] a priori specification of constructs before approaching the data" (Shepherd and Sutcliffe, 2011: 9). To ensure that we meet the quality criteria for such a qualitative multiple-case study (Yin, 2014), the construct validity, internal validity, external validity and lastly the reliability of the study were actively considered. The specification of the central constructs contributes to keeping the study focused on the relevant theoretical issues and later guides the data collection and analysis (Eisenhardt, 1989; Yin, 2014). This approach enables the researcher to avoid being overwhelmed by the data and contributes to the theoretical sampling of the most appropriate cases for the intended theory building (Eisenhardt, 1989; Miles et al., 2014; Shepherd and Sutcliffe, 2011). Importantly, while this study specifies its central constructs, in keeping with Eisenhardt (1989), these constructs are tentative and subject to possible adjustment or omission in the final conceptualisation of the DMNE (international strategy). Construct validity is ensured by such prior conceptual development of core concepts and strengthened by the inclusion of data and method triangulation strategies (Yin, 2014). The prior development of the conceptual foundation, the initial model for the study, also contributes to realising the internal validity, or confidence in the causal relationships we identify, as well as contributing to external validity, in the form of theoretical generalisation (Yin, 2014) of the research. The remainder of the section provides a detailed documentation of the research design to ensure the reliability of the study (Yin, 2014).

Four firms, Orica, Wincanton, Aviat Networks and Alumina (see Table 1), were identified as theoretically relevant and having a sound empirical basis to study as focal examples of DMNEs that had 'survived' the demerger. These focal cases (Miles et al., 2014) have been selected based on their fit to the theoretical category of a demerged multinational enterprise, and the pragmatic selection criteria of sufficient data availability, firm survival and the uniqueness of the individual cases (Eisenhardt, 1989; Eisenhardt and Graebner, 2007). The number of Zephyr-listed DMNEs identified was especially affected by the fact that unlisted firms did not provide enough information to study and some DMNEs were acquired soon after demerging, making them unsuitable for the study. While selecting four cases is at the lower end of the recommended number of cases (Eisenhardt, 1989), it does follow disciplinary conventional for international business research (Piekkari et al., 2009) and provides greater potential for contributing sufficient detail for engaging in a dialogue with existing literature, thereby enabling new insights (Ridder et al., 2014; Yin, 2014).

Table 1 About Here

The initial data set contained completed full demergers of listed firms on any stock exchange worldwide since 1997, resulting in a total of 62 possible DMNEs to sample. The Zephyr database played a central role in identifying possible demerged multinationals from which to sample case firms. Following this initial selection, the number of firms was reduced by looking at whether they had been acquired within five years after demerging. The 19 firms that did not get acquired within five years were then assessed in terms of five-year data availability in newspapers, annual reports and databases of (de)mergers and acquisitions. This resulted in the sampling of the four focal DMNEs of this study as the most viable cases as can be seen in Table 1, which provides more background information per case, including deal size and a brief summary of the industry. This limited number highlights the real strategic challenges DMNEs face and the need to understand the strategic alternatives available to these firms.

Data was collected using newspaper reporting, company accounts and databases, to identify company details, as well as (de)merger and acquisition activity. Reflecting the approach of Bergh (1997), five years of post-demerger newspaper articles were collected using LexisNexis Academic, focusing mainly on recognised business related news publications when coverage was extensive. Company annual reports were gathered from the companies' websites for the same time period. Additionally, the Zephyr database provided more precise sources of quantitative data, which is not always easy to access (Yin, 2014), as well as qualitative reporting on the four focal DMNEs. Data was collected on the principle of data saturation, also defined as data adequacy, "operationalised as collecting data until no new information is obtained" (Morse, 1995).

The analytical strategy combined the use of quantitative and qualitative sources to identify broad strategic changes post-demerger for each focal DMNE; the ability to integrate quantitative and qualitative data is one of the strengths of the multiple-case study design (Yin, 2014). A thematic coding strategy (Ryan and Bernard, 2003; Saldana, 2016), using the widely accepted software package NVivo (Bazeley and Jackson, 2013), was adopted for analysing the qualitative reporting on strategic choices to understand these changes. NVivo was used to thematically code themes in the data to key concepts defined in the conceptual foundation of the study (Bazeley and Jackson, 2013; Ryan and Bernard, 2003). The codebook specified thematic codes at two levels, where the top level codes reflect the key concepts derived from the literature and the second level codes capture the specific characteristics of the top level codes. This thematic coding was used for both the within- and cross-case analysis (Ryan and Bernard, 2003, Welsh, 2002).

Following similar studies that draw on an extensive data and analysis archive, we do not systematically cite every source on which the analysis is based, only for direct quotations (Maguire and Hardy, 2009) or for significant dimensions of a case; specific sources are available from the authors on request. The cases are thus presented as a synthesised account, with key sources provided as appropriate. Finally, this analysis is presented in analytical tables for each of the within-case analyses, cross-case analysis and discussion (Miles et al., 2014). This data analysis supported the refining of the conceptualisation of the DMNE as a unique MNE type and enabled the development of the presented DMNE typology. The study now proceeds to analyse the strategies of the four focal DMNEs sampled for this research project.

Findings from the Within-Case Analyses

Case 1: Orica

Orica demerged from Imperial Chemical Industries (ICI), where it had been ICI's Australian explosives and pharmaceutical division. Orica had been an explosives supplier for almost 130 years when it demerged, both independently and as a part of ICI. Throughout the five years after demerging, Orica underwent significant change. Immediately after demerging, Orica strengthened their core business by focussing on explosives, as can be seen in Table 2, and pursued a broader geographic scope.

Dependency and FSA retention

Due to over-diversification and financial struggles, Imperial Chemicals Industries (ICI) demerged their pharmaceutical and explosives business ICI Australia, now known as Orica (Orica, 1998). Orica had a history of being an explosives provider before it merged into ICI. This experience made Orica more of a standalone subsidiary (Monteiro et al., 2008) within ICI. Orica agreed with ICI to retain the ICI brand name for up to a year after demerging; the desire to postpone the loss of this intangible FSA acknowledges the importance of the parent MNE brand name. Due to the demerger, Orica could no longer rely on scale benefits of the ICI conglomerate, but Orica did retain important CSAs and benefited from financial resources generated through a number of large divestments of FSAs in non-core SBUs (Orica, 1998). To face the challenges upon demerging, Orica assigned three new board members (Orica, 1998), which complemented the existing senior management team, arguably strengthening this key FSA for the firm.

Strategic orientation

Upon demerging, Orica needed to reconsider the value of many of its businesses and its strategic focus. As a separate entity, Orica was able to make large divestments, like their profitable pharmaceutical business (Orica, 1998). With almost $400 million divested and $690 million invested in 1999, the renewed focus of Orica became apparent (see Table 2). The restructured Orica internationalised early, from having limited international presence to different business segments in a wide variety of countries. Orica's rapid renewal and expansion of businesses can be seen as a significant recombination of nonlocation-bound FSAs and CSAs, which is argued to enable new opportunities for value creation and improved learning (Luo, 2002, Rugman and Verbeke, 1992). The strength of Orica's FSAs is illustrated by the purposeful, smooth and unimpeeded international expansion of the firm post-demerger.

Table 2 About Here

Pattern of internationalisation - geographic scope

As can be seen in the regionalisation data of Table 2, Orica became more globally oriented in the years following the demerger by expanding into new countries (Aggarwal et al., 2011), which was in line with their desire to boost their international presence (Orica, 1998). In the first year, Orica adopted a more committed expansion strategy, buying access to mining facilities, since Orica is limited to the locations with strong natural resource endowments. This led to significant changes in geographic scope and market segments to re-establish themselves as a strong and sustainable entity. In the years following 1998, the majority of deals done were lower commitment joint-ventures (see Table 2). This type of non-equity expansion can be effective for firms that want to stay flexible and pull out of certain businesses or countries relatively fast. When measuring the degree of internationalisation, it becomes clear that the dramatic increase in foreign assets from acquiring firms in year one did not influence the total revenue growth significantly. This can be explained by the divestment of profitable businesses or alternatively that specialisation and the creation of economies of scale did not have a significant effect on Orica's performance.

Pattern of internationalisation – timing, pace and regularity

As Table 2 illustrates, the timing of (de)internationalisation is very irregular and highly paced. Six acquisitions and eight divestments were completed in the first year after demerging, compared to a total of five acquisitions and six divestments in the following four years. Annual accounts show that Orica suffered from major losses in 2001 and 2002, although no reason is given, their fast-paced irregular expansion could have led to diseconomies of time compression (Dierickx and Cool, 1989), due to the lack of learning curve advantages (Cohen and Levinthal, 1990), with negative performance effects (Vermeulen and Barkema, 2002). When looking at the home-region to host-region ratio in Table 2, it shows that in only five years Orica went from a home-region oriented firm to gaining 40% of their revenue from host-regions, making them a bi-regional DMNE (Rugman and Verbeke, 2004a).

Case 2: Wincanton

Wincanton was a logistics business unit before it demerged from British food group Uniq. The demerger was mutually agreed upon because it was thought to boost performance of both Uniq and Wincanton in the long run. Wincanton initially managed to grow steadily in their home-country the United Kingdom. Through strategic acquisition of P&O Trans European, Wincanton gained access to the continental European market (Wincanton, 2003). They have been able to do so because they retained significant valuable FSAs after the demerger, which put them in a strong position for further growth. The findings are summarised in Table 3 and discussed below.

Dependency and FSA retention

Wincanton signed many new long-term contracts after demerging (Wincanton, 2004) and its turnover grew ever year. Although Wincanton chose to reorganise, there are no signs that previous dependency on their parent firm Uniq has negatively affected firm performance. A possible explanation for this might be found in the fact that Wincanton had always been operating under the same corporate name. It seems like Wincanton was a highly independent SBU (Rugman, Verbeke and Nguyen, 2011) and could arguably be described as a rather isolated subsidiary (Monteiro et al., 2008). Wincanton had specific FSAs that it managed to retain, reflecting the relatively high level of subsidiary independence. Additionally, at the time Wincanton became listed on the London Stock Exchange, it acquired a newly assigned board of directors to guide the demerger and stimulate growth (see Table 3), representing an arguable important new FSA for the firm.

Strategic orientation

Although Wincanton seems to have been relatively independent, it is argued to have been restricted by Uniq in its performance and internationalisation ambitions (Wincanton, 2002). Changing ambitions, the desire for flexibility and speed in decision-making were mentioned as important reasons for demerging (Wincanton, 2002). Wincanton successfully expanded into Continental Europe, while stimulating organic growth in the UK and Ireland. Within two years, Wincanton became the second largest supply chain management services company in the UK and the third largest in Europe (Wincanton, 2004).

Table 3 About Here

Pattern of internationalisation - geographic scope

As can be seen in the regionalisation data of Table 3, Wincanton changed from a home-country oriented food distributor to a London Exchange listed distribution solutions firm in 15 European countries within five years after demerging. By expanding in European gateway countries like The Netherlands and Belgium and geographically attractive countries like Germany and France, as Luo (2002) would argue, Wincanton gained competitive advantages in new business segments by recombining their strong FSAs with new host country CSAs. This sudden change in regional presence can also be seen by the title of their annual report in 2002 being 'Delivering supply chain solutions' (Wincanton, 2002), whereas in 2003 it became 'Delivering supply chain solutions across Europe' (Wincanton, 2003). This shows a home regional strategy being pursued by Wincanton, which reflects the complexity that an inter-regional (Rugman and Oh, 2010) international logistics company would face.

During the five post-demerger years, Wincanton set up two joint-ventures in the UK and acquired three firms in Europe (see Table 3). These acquisitions created a much broader geographic home region scope, but when looking at the number of employees it shows that these acquisitions did not change Wincanton's business that much. The number of employees in the UK and Ireland remained almost four times as high as the amount in Continental Europe (Wincanton, 2006) and the operating profits were only £4,2 million for Continental Europe and £37,8 million for the UK and Ireland combined after five years (Wincanton, 2005). Although the broad expansion using high commitment entry modes, the actual effects on performance were limited. This can be explained by the nature of the logistics sector, for Wincanton limited expansion into Europe was sufficient when combined with guidance from its home country. Another possibility is that Wincanton lacked confidence in its FSAs to perform abroad. This would be in line with the choice to purposely acquire a company to gain access to the European market. Due to Wincanton's European focus, it is defined as a home-region oriented firm

(Rugman and Verbeke, 2004a), and its reliance on the United Kingdom arguably represents a strong 'home country' effect.

Pattern of internationalisation – timing, pace and regularity

The timing of Wincanton's strategy execution to secure strong FSAs, through the breadth of their geographic scope, was slow and realised with a large acquisition of P&O Trans European, giving them access to 15 European countries (Wincanton, 2003). For Wincanton the timing of internationalisation was based on the quality of the FSAs gained by expansion; they did not feel like they had to do this immediately and instead waited for the right target firm to quickly gain access to the European market. Wincanton thus did not follow high paced expansion to gain new FSA's and the subsequent growth that Wincanton went through was organic. The search for an attractive deal made the international expansion more irregular in nature, this however was at the same time a calculated strategic decision. This approach arguably reflects the nature of the logistics industry and the relative greater importance of network effects over location-bound recombination of FSAs and location advantages in distribution facilities.

Case 3: Aviat Networks

Aviat Networks is an American communication network solutions provider with a global presence, which demerged from Harris Stratex, which was a previous merger between Harris Corporation and Stratex Networks. Our analysis shows significant prior dependency on Harris Corporation for their key FSAs and we argue that this dependency might have been the cause of their unsuccessful post-demerger strategy (see Table 4).

Dependency and FSA retention

Aviat Networks was a more integrated subsidiary (Birkinshaw *et al.*, 1998, Monteiro *et al.*, 2008). The involuntarily intangible FSA loss of the 'Stratex' brand was valued at more than $10 million based on their own projected discounted cash flow analysis (Aviat Networks, 2009). Aviat Networks (2009) also stated their doubts on whether they could compete as a stand-alone entity, which shows their high level of dependency. A lack of experience in marketing, sales and customer service, combined with a non-favourable financial situation, caused Aviat Networks (2009) to sign an agreement for the use of tools and services provided by Harris. This flexible access to internalised key parent MNE FSAs was needed to compete globally. Throughout the five years after demerging, Aviat Networks suffered from major losses of revenue and assets (see Table 4). Two years after demerging, Aviat Networks was no longer a top supplier and it had lost its market leadership in the microwave industry (Aviat Networks, 2011).

Strategic orientation

Due to the competitive environment and their financial performance, Aviat Networks decided that a strategic turnaround with a focus on their core businesses was needed upon demerging (Aviat Networks, 2009). Aviat Networks wanted to restore profitability by streamlining their organisation, enhancing efficiency and strengthening their product portfolio (Aviat Networks, 2011). They divested their WiMAX business in 2011, which had been acquired two years earlier. This reflects a response by management to a perceived over-diversification, which can have a negative effect on performance (Hitt *et al.*, 1997, Lu and Beamish, 2004). Additionally, Aviat Networks (2009) feared becoming a possible takeover target and a poison pill was adopted to avoid any hostile takeovers.

Table 4 About Here

Pattern of internationalisation - geographic scope

Aviat Networks demerged with a global presence and most of its revenue coming from countries abroad. Throughout the five years after demerging, there was no change in the breadth of the geographic scope—with Aviat Networks entering as many countries as it left. Products by Aviat Networks were present in more than 350 networks worldwide in 2013, compared to 260 in 2009 (Aviat Networks, 2013).

As can be seen in the regionalisation data in Table 4, no major equity or non-equity deals were done and the divestment of their previously acquired WiMAX business is arguably a reduction in commitment. Aviat Networks was, however, active in opening and closing a number of low commitment representative offices. Throughout the five years studied, their home-country the United States and Africa continuously delivered between 20% - 50% of the total revenue (Aviat Networks, 2011; Aviat Networks, 2013), which would define Aviat Networks as a bi-regional oriented firm (Rugman and Verbeke, 2004a).

Pattern of internationalisation – timing, pace and regularity

The 2011 divestment seems like a one-off deal, which did not affect Aviat Networks' geographic scope. Throughout the years Aviat Networks opened and closed offices, resulting in a very irregular pattern of (de)internationalisation. Aviat Networks expanded their presence in the UK, Ghana and New Zealand and retracted all of their presence in Greece and Portugal and some presence in China, India and Australia. This can be explained by the desire to restructure their businesses and focus on their core product portfolio (Aviat Networks, 2009), which can be understood as an active effort to restructure the organisation. Such restructuring is arguably likely to be an attempt to reduce any diseconomies of time compression resulting from earlier expansion (Cohen and Levinthal, 1990).

Case 4: Alumina

Alumina is an Australian mining company that demerged from Western Mining Company (WMC), because both parties thought it would create better shareholder value. Alumina had shown to operate relatively independently of their parent firm WMC, but more dependent on their joint-venture with Alcoa, called Alcoa World Alumina and Chemicals (AWAC). Alumina was able to retain their locations and other related key FSAs after the demerger and did not change their strategy. The findings are summarised in Table 5.

Dependency and FSA retention

The reason for demerging was that WMC felt like their AWAC joint-venture was undervalued and that demerging would lead to a proper valuation of which investors could benefit more directly. AWAC produced almost 25% of the world's alumina and was market leader in this industry (Alumina Ltd., 2002). Newspaper coverage and annual reports show no sign of FSA loss or some form of dependency on WMC. Alumina seems to have been a rather independent SBU within WMC. The intangible FSA of brand name was that of AWAC, not WMC, and the knowledge was at the local refineries, which were retained. The network of refineries that AWAC owns provides over a quarter of the total aluminium production worldwide. This means that Alumina, together with AWAC, had strong CSAs and Hymer (1976) type monopolistic FSAs, including a strong brand name, significant tangible assets and economies of scale to provide stability. What is interesting however is the difference in post-demerger stability of WMC and Alumina. Although the two companies seem similar, WMC's copper and nickel business, has shown to be very volatile compared to the relatively stable AWAC business, as measured by dividends distributed to investors. So although WMC Resources was more diversified, it suffered more from the demerger than Alumina and was eventually taken over by BHP Billiton Ltd (Wilson, 2005). Finally, a new board of directors, of which four were not previously related to Alumina, is argued to be a key and strong FSA endowed to the firm because of the demerger.

Strategic orientation

Because of the demerger, Alumina could now focus on their alumina, aluminium and bauxite business and on delivering the right shareholder value, through a strategic reorientation towards organic growth and reduced costs (Alumina Ltd., 2002). Although the Alumina was very dependent on AWAC revenues, they still showed independent decision-making, as shown by a number of deals done by Alcoa in which Alumina chose to not participate.

Table 5 About Here

Pattern of internationalisation - geographic scope

The scope by Alumina is aligned with that of AWAC. This means a presence in Australia, Brazil, Suriname, Spain, Jamaica, the Republic of Guinea and the United States (Alumina Ltd., 2007). After five years, these were still the countries in which Alumina was present, so with regard to geographic scope there was no change. This can be explained by the nature of the firm and the location-bound FSAs that it requires (Rugman et al., 2011).

Although Alumina is in a joint-venture, the locations abroad owned by this joint-venture are mostly greenfield investments. High priority has been given to incremental growth within their owned refineries by looking at brownfield investments to improve refinery efficiency and capacity. This kind of capacity expansion is preferred because it is less costly, less risky and easier to implement than equity and non-equity committed expansion into new locations. The geographic scope has not changed throughout the five years after demerging. Although the revenues are not given per region, the production capacity of Australia is almost 60% of their total production capacity (Alumina Ltd., 2002) so Alumina is argued to have been home-region oriented (Rugman and Verbeke, 2004a).

Pattern of internationalisation – timing, pace and regularity

Because there has been no (de)internationalisation, there is no regularity of expansion and the pace of expansion is very slow.

Cross Case Analysis and Discussion

Analysing the patterns of strategic decision-making that emerge across the four focal case DMNEs allows an evaluation of the findings and the drawing of implications through theoretical generalisation (Eisenhardt, 1989; Yin, 2014). This comparative analysis, as summarised in Table 6, is organised into a discussion of DMNE FSA endowments, the DMNE strategic dynamism and strategic patterns. This allows a first typology of DMNEs in a differentiated presentation of the similarities and differences between cases, see Figure 2.

DMNE FSA Endowment: Completeness and Coherence

All four cases provide evidence for the importance of FSA/CSA loss and retention in DMNE post-merger strategies, however the nature of the firm, industry and product characteristics affect the specific nature of this influence. As we argued, DMNE FSA endowments can be described in terms of their completeness and coherence (Celo and Chacar, 2015). Intangible brand FSAs emerge as particularly significant in the Orica and Aviat Networks cases, where contractual agreements enabled continued access to parent firm FSAs for a specified transition period after the demerger. After this transition period, these FSAs needed to be substituted with new brands, reflecting the importance of these downstream FSAs to MNE value creation (Dunning, 1998). Our study was not able to conclusively evaluate the effects on DMNEs of the loss of access to MNE knowledge networks (Birkinshaw et al., 1998; Monteiro et al., 2008).

It is striking that the demergers that were not reported as mutually agreed upon, for Orica and Aviat Networks, both involved previously independent organisations, while Wincanton and Alumina with no prior independent existence were both mutually agreed upon demergers with their parent firms, with the reasoning that they would perform better independently. The mutually agreed demergers are featured by a limited perceived loss of key FSAs, which benefitted the DMNEs. Orica was able to respond to the loss of ongoing access to the parent MNE brand through a temporary contractual solution and a radical restructuring to align the endowed FSAs, with the disposals of non-core FSAs providing capital for this strategy. Aviat

Networks on the other hand was in a highly competitive and fast paced global industry and lacked the financial assets to enable it to respond to its changing conditions.

Opportunities for Strategic Dynamism

Strategic orientations and managerial decision-making emerged as important influences on the demerger of DMNEs from parent MNEs, we argue that these can be conceptualised as the opportunity to realise strategic dynamism, representing DMNE (optimal) growth patterns. These findings reflect the argument that demergers serve to give room for a renewed strategic focus and to give management a clearer role or to improve governance (Singh et al., 2009).

The four focal DMNEs all provide evidence for demergers giving the newly independent firms the opportunity for strategic dynamism to focus their value creation, while enabling more flexibility and speedier strategic endeavours once being 'freed' from their parent's corporate governance structures. The renewal of corporate boards represented an important FSA acquisition to enable the DMNEs to pursue new strategic opportunities, reflecting the critical role of top management teams in strategic renewal and competitive advantage (Barney, 1986; Pearce and Zahra, 1992). This renewal of focus and unique DMNE strategies have led to different outcomes, including different patterns of change in international scale and scope, which the evidence from the four studied DMNEs suggests is highly related to the nature of the post-demerger DMNE FSA endowments. Thus we argue that strategic dynamism emerges as an important feature of DMNE strategies, see Figure 2.

Demerged MNEs in this study showed a strong strategic preference for ongoing corporate independence, while their relatively smaller capitalisation subjected them the threat of acquisition by larger corporate entities. All four firms responded to this threat by seeking to restructure businesses and reconsider strategic foci. In this regard the two DMNEs with a narrower initial geographic presence, Orica and Wincanton, have shown better post-demerger performance and relatively larger strategic changes. Alumina's joint-venture demerger arguable represents a clarification of governance structures and shows limited attempts to change the strategic orientation of the DMNE, arguable due to the coherence of the FSA endowments. Aviat Networks was endowed with a global network and incomplete FSA endowments and the resulting complexity would seem to have constrained the DMNE's ability to enact effective changes in strategic orientation and complicated governance of the DMNE.

Table 6 About Here

International Strategic Responses to Demerging

The narrower business and geographic scope of Orica and Wincanton are associated with better opportunities for the recombination of FSAs in response to the demerger, however the initial FSA endowments are argued to lead to very different strategies. Orica pursues a *strategy of (re)focusing* on its core strategic business unit, related to explosives, using the disposal of unrelated SBUs to generate financing for focused expansion of the SBUs' geographic scope, see figure 2. Wincanton exploited a coherent focused FSA endowment associated with their knowledge of logistics for food related items to pursue a *strategy of international growth* of the business and geographic scope of its operations in Europe, see Figure 2. Alumina in contrast pursued an international *strategy focused on the exploitation* of the focused and complete FSA endowments of the DMNE, see Figure 2, reflecting the original motivation for the mutually agreed demerger to address the perceived unrealised value of the SBU. Aviat Networks in contrast is featured by a *constrained international strategy*, which we argue is explained by the attempts at strategic change being affected by the poor FSA endowments at the time of the demerger, see Figure 2. These patterns are not driven by the specific nature of the FSAs, but rather the coherence and completeness of the endowed DMNE FSAs and the degree of managerial strategic dynamism. Demerging allowing successful DMNEs to re-astablish their long term goals.

Figure 2 About Here

While the initial breadth of geographic scope and degree of commitment (e.g. entry mode) across locations are important influences on DMNE post-demerger strategy. The effects of geographic scope and degree of commitment also show strong sectorial and asset specificity in their nature. DMNEs in this study tended to prefer higher commitment entry modes for their geographic expansion. This reflects the central role of DMNE international strategies for addressing resource availability, (international) ambitions, financial strength after demerging and the timing, pace and regularity of DMNE (de)internationalisation (Vermeulen and Barkema, 2002). The importance of the asset (FSA endowment) specificity for the timing, pace and regularity of DMNE (de)internationalisation is made explicit by the four focal DMNE cases, see Table 6. Wincanton was endowed with a strong and coherent bundle of FSAs and adopted a slow paced and irregular pattern of expansion. Larger DMNE Orica immediately pursued a high paced irregular expansion to regain lost FSAs and reinforce its market position. Aviat Networks in contrast, and interestingly, experienced significant FSAs losses because of the demerger, but was unable to address the gaps in this incomplete FSA endowment due to financial weakness. Alumina was demerged primarily to improve governance structures and was not significantly active. Together these findings suggest (re)internationalisation as a strategy for DMNEs to repair weak FSA endowments and market positions, but that strong financial FSAs are a key contingency in realising a dynamic strategic response. We argue that DMNEs can best be conceptualised with a FSA focused model.

Conclusion

This study has drawn on extant theory to study the under explored DMNE type through four focal case studies. This has allowed the nature of the DMNE to be more systematically captured and suggests that these MNEs represent a unique MNE type, that is best conceptualised in terms of the 'completeness' and coherence of the FSA endowments the demerger provides the DMNE and the opportunities for strategic dynamism post-demerger. This is however a first attempt and undoubtedly much work remains to be done.

Limitations and future research

A first limitation is that this study is based on only four focal DMNEs, who are often unique in their industries, size, locations, year of demerger and ambitions. This means that a second limitation is that the outcomes are broad in scope and difficult to generalise, especially in light of the limited DMNE specific literature. The third limitation of this study is that the data that has been used is gathered from annual reports, databases and news articles instead of at the companies themselves.

It is recommended that future research further studies the characteristics that have proven to be defining in this study. Future research should consider using a different type of data, especially interviews to find out reasoning that is usually not mentioned publicly. Relatedly, more could be done to understand the influence of shareholders on the strategies of DMNEs before and after the demerger. Lastly, future research should focus more on the effects of forced and voluntarily demerging, since this is something that is not explained by current theory, but has shown to be a performance indicator for DMNEs.

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Tables and Figures

	Background information	Home Country	Sector	Deal type	Deal value	Demerger Completion
Orica Ltd.	Orica, previously known as ICI Australia, had been an explosives supplier for almost 130 years when it demerged, both independently and as a part of ICI. Orica went through thorough restructuring by undergoing several divestments but also acquisitions in the years following the demerger. The uniqueness of this case lies in the long history Orica has and the deal value, reflected in the extensive coverage of both pre- and post-demerger activities.	AUS	Chemicals	Demerger by Imperial Chemical Industries (ICI) through the disposal of its 62,4% stake in ICI Australia. The divestment was achieved through a privately negotiated repurchase of shares by ICI Australia from ICI and the purchase of ICI explosives businesses in Canada, Latin America, Europe, and the United States by ICI Australia from ICI.	€1,409,349,000.0*	05-02-1998
Wincanton Plc.	Wincanton is specialised in supply chain solutions. It demerged as a chilled food distribution firm from the food group Uniq. This demerger was initiated with mutual support and the expectation that both businesses would perform better individually. What is interesting about this demerger is that Wincanton got demerged as a rather narrow focused firm, but with the ambitions to steadily grow its business into new host-regions in Europe and new sectors and industries.	GBR	Logistics	100% demerger of Wincanton from Uniq Plc. through the issuing of one share in each company to existing shareholders.	€658,450.7	18-05-2001
Aviat Networks	Aviat Networks is a communication network solutions provider with a global presence. What is interesting about this demerger is the post-demerger performance and FSA loss due to the dependency that Aviat Networks had on their parent firm Harris Corporation. The demerger was forced with Harris Corporation selling their 56% stake in Stratex.	USA	Communications	Demerger by Harris Corp. of its 56% stake in Harris Stratex Networks through a demerger dividend to existing shareholders of 0.24 of a Harris Stratex Networks share for every 1 Harris Corp share held.	€121,525.31	27-05-2009
Alumina Ltd.	Alumina used to be part of WMC, a large mining company. The mutually agreed upon demerger was expected to create a better shareholder value for both firms. The uniqueness about this case is that Alumina's only business is in a large joint-venture called AWAC. Interesting will be to see how de dependency on the joint-venture influences the dependency on Alumina's parent firm WMC.	AUS	Extractive Industries	100% demerger through the issuing of a single share to existing shareholders of WMC Ltd in each of two new entities, Alumina Ltd and WMC Resources Ltd.	€2,894,064.39	4-12-2002

Table 1: Overview of Focal Demerged Multinational Enterprises Cases

Notes: * Based on an expected demerger value of £1 bln on 05-02-1997 as stated in Zephyr database.

Dimension		Evaluation	Analysis	Illustrative quote(s)
Dependency and FSA retention		The demerger led to the intangible FSA loss of their brand. Orica has been an independent subsidiary due to their specialisation and experience before they got acquired by ICI.	Orica had a long history of being an explosives provider. In experience and knowhow, Orica was more of a standalone subsidiary (Monteiro *et al.*, 2008). Over time Orica became more integrated into ICI, which caused the need upon demerger to reconsider their strategy and structure towards a more competitive driven sustainable future. Interestingly, the intangible FSA brand awareness was seen as very valuable to Orica so it kept the name ICI Australia for a year (Han, 2008).	"We agreed with ICI PLC that we had one year to change our name" (Orica, 1998). "… the company's strategy had in the past been aligned to our parent company, and we had to assess whether our businesses, procedures and all parts of our organisational structure were appropriate for our future" (Orica, 2000). 'We have sought efficiencies and economies wherever we can" (Orica, 2000).
Strategic orientation		Strategic focus on narrowing down the amount and types of businesses and reinforcing the focal core businesses by acquisitions and brownfield investments. Orica also assigned three new board members.	Coming from the overly diversified ICI, Orica focused on strengthening its market position to become more competitive as a standalone entity. Orica acquired firms to rapidly gain market share in four core businesses. The acquisition of ICI's remaining explosives division made Orica the world's leading explosives supplier. This was combined with divesting some non-core businesses, which did not fit the new focused strategy.	"We 'are slimming down our businesses' and corporate support functions to provide a more effective and responsive organisation" (Orica, 1999). "We have continued to divest non-core businesses for value and to invest in growing the core businesses, with a continued focus on cost reduction, rationalisation and efficiency improvements" (Orica, 1999).
Pattern of internationalisation	Geographic scope	Orica went from a home-region oriented firm to a global supplier in their core businesses by committed (de)internationalisation.	Orica aimed to become a global supplier in four core-businesses which they did with a series of acquisitions and joint-ventures. This doubled international revenues while home-region revenues declined, after this they expanded to more culturally distant countries with joint-ventures.	"Previously only 5 per cent of our sales came from outside Australia and New Zealand, and now 25 per cent of sales will come from outside the region" (Orica, 1998). "With new management, Orica consolidated its global position with further expansion into new markets with joint-venture partners" (Orica, 2001).
	Timing	Orica immediately (de)internationalised after demerging.	The need to establish a focused international strategy leads to early re-engagement with expansion into key markets and business units and withdrawal from others within the first year.	1998: 6 acquisitions, 8 divestments and 3 joint-ventures 1999: 1 acquisition, 1 divestment and 4 joint-ventures 2000: 1 acquisition, 1 divestment, 6 joint-ventures 2001: 1 acquisition 2002: 2 acquisitions, 2 divestments
	Pace	High initial pace of expansion that went down after global presence was assured.	The pace of expansion in the first three years after demerging was relatively fast. DMNEs can be expected to do so to re-establish themselves. Then expansion pace went down.	
	Regularity	Irregular pattern of expansion with most deals done in the first year.	The pattern of Orica's expansion is relatively irregular. This can be explained by the need and desire to re-establish itself for sustainable future performance.	

	1998	1999	2000	2001	2002
Total revenues (mln $)	**4.073,3 (+4,43%)**	**4.104,2 (+0,76%)**	**3.871,3 (-5,67%)**	**4.254,3 (+9,89%)**	**4.342,5 (+2,07%)**
Home-region	3.238,3 (-1,2%)	2.884,0 (-10,94%)	2.579,7 (-10,55%)	2.598,6 (+0,73%)	2.587,4 (-0,43%)
Host-regions	835,0 (+57,22%)	1.220,2 (+46,13%)	1.291,6 (+5,85%)	1.655,7 (+28,19%)	1.755,1 (+6,00%)
Home/Host ratio (%)	*80/20*	*70/30*	*67/33*	*61/39*	*60/40*
Total assets (mln $)	**3.563,5 (+26,71%)**	**3.272,0 (-8,18%)**	**3.460,1 (+5,75%)**	**3.580,6 (+3,48%)**	**3.365,2 (-6,02%)**
Home-region	2.587,1 (+1,81%)	2.351,2 (-9,12%)	2.314,7 (-1,55%)	2.257.9 (-2,45%)	2.178,6 (-3,51%)
Host-regions	976,4 (+259,90%)	920,8 (-5,69%)	1.145,4 (+24,49%)	1.322,7 (+15,48%)	1.186,6 (-10,29%)
Home/Host ratio (%)	*71/29*	*74/26*	*67/33*	*63/37*	*65/35*
Employees	-	-	8.308	8.692	7.768
Deals made	6 ACQ, 8 DIV, 3 JV	1 ACQ, 1 DIV, 4 JV	1 ACQ, 1 DIV, 6 JV	1 ACQ	2 DIV, 2 ACQ

Table 2: Within-case analysis Orica Ltd.

Sources: Newspaper reporting, annual accounts and Zephyr database

Dimension		Evaluation	Analysis	Illustrative Quote(s)
Dependency and FSA retention		Strong evidence for retention of tangible and intangible FSAs due to Wincanton's independency on Uniq.	Wincanton retained its brand and locations after the demerger. This lack of FSA losses suggests that Wincanton was an isolated (Monteiro *et al.*, 2008) and independent subsidiary of Uniq. This positively influenced post-demerger performance with a higher turnover and extended contracts.	"… these projects were successfully delivered without loss of new business momentum or any reduction in performance on existing contracts" (Wincanton, 2002).
Strategic orientation		Strategically focused on organic growth and a possible acquisition to gain access to Continental Europe.	The demerger and public offering led to a new board of directors at Wincanton. This gave more flexibility and new ambitions which guided Wincanton through successful expansion into Europe. Wincanton was able to keep all of their customers throughout the demerger.	"Our own future is in our own hands, we can make faster decisions, act quicker and take considered risks" "Wincanton plans to move into continental Europe and through organic growth, acquisition, and partnership" Hunter (2001).
Pattern of internationalisation	Geographic scope	The breadth of geographic scope changed significantly from only the UK and Ireland to an acquired presence in 15 countries.	Wincanton started off as a home-country oriented firm with the desire to expand into Europe. Within 2 years after demerging, Wincanton had a presence in 15 European countries. The breadth of geographic scope is now used as one of their key FSAs to get new contracts and reach new target industries like electronics. Wincanton went through home-country joint-ventures and European acquisitions.	"Wincanton has established operations in 15 European countries…" (Wincanton, 2003). "A major strategic step forward is achieved with the acquisition of P&O Trans European" (Wincanton, 2003).
	Timing	Timing of internationalisation as a rational choice (Simon, 1979) after looking for the right firm to acquire.	The timing of internationalisation was purely a matter of searching for that one right acquisition that would allow Wincanton to expand abroad. In the first five years after demerging there had been two new joint-ventures and three acquisitions.	2002: 2 joint-ventures in the UK. 2003: 1 acquisition in Continental Europe. 2005: 2 acquisitions in Continental Europe.
	Pace	Slow pace of expansion looking for suitable firms to acquire for Wincanton's specific needs.	Wincanton chose for organic growth in its home-country and when the opportunity arose they quickly expanded into Continental Europe.	
	Regularity	The expansion shows an irregular pattern, reflecting the search for suitable expansion options.	The pattern of expansion has been irregular, looking to find that deal that would fulfil Wincanton's desire to expand into Continental Europe.	

	2001	2002	2003	2004	2005
Total turnover (mln £) Home-region Host-regions *Home/Host ratio (%)*	**721,8** 721,8 0 100/0	**745,6 +3.30%)** 745,6 (+3,30%) 0 100/0	**998,0 (+33,85%)** 998,0 (+33,85%) 0 100/0	**1.680,5 (+68,39%)** 1.680,5 (+68,39%) 0 100/0	**1.725,9 (+2,70%)** 1.725,9 (+2,70%) 0 100/0
Total assets (mln £) Home-region Host-regions *Home/Host ratio (%)*	**287,0** - - -	**284,7 (-0.80%)** - - -	**638,4 (+124,24%)** - - -	**605.3 (-5,18%)** - - -	**655,7 (+8,33%)** - - -
Employees	>16.000	>24.000	+- 25.000	+- 27.000	26.004
Deals made	IPO	2 JV	1 ACQ	-	2 ACQ

Table 3: Within-case analysis Wincanton Plc.

Sources: Newspaper reporting, annual accounts and Zephyr database

Dimension		Evaluation	Analysis	Illustrative Quote(s)
Dependency and FSA retention		Strong evidence for intangible and tangible FSA loss due to previous dependency. Examples of these losses are brand name and several services and systems.	Aviat Networks showed great dependency on Harris Stratex, paying the parent company for temporary FSA retention upon demerging. Dependency on key FSAs might have been a reason for the bad financial performance in the five years after demerging.	“we determined the fair value of the trade name “Stratex” … to a fair value of $0.4 million with a six-month remaining life” (Aviat Networks, 2009). “Harris … charges us for these services at a stipulated rate based on our actual usage” (Aviat Networks, 2009).
Strategic orientation		Strategic focus on restructuring and a focus on key businesses.	After demerging, the main focus was on restructuring current businesses with an emphasis on a healthy and strong core-business. Interestingly, Aviat Networks divested a large part of their WiMAX business, for which they acquired a firm just before the demerger.	“We consolidated and closed facilities, implemented major cost reductions in both our business and product lines, fully outsourced our manufacturing and successfully sold our non-core businesses; NetBoss and WiMAX” (Aviat Networks, 2011).
Pattern of internationalisation	Geographic scope	Significant bi-regional (Rugman and Verbeke, 2004a) worldwide presence upon demerging with little change.	Aviat Networks demerged with a worldwide presence and bi-regional orientation (Rugman and Verbeke, 2004a). Most of their sales came from host-regions. Aviat Networks their breadth of geographic scope did not change significantly throughout the years. The divestment of their WiMAX business was a committed retraction.	“We are highly dependent on sales to customers outside the U.S. In fiscal 2010, 2009 and 2008, our sales to international customers accounted for 67%, 69% and 73% of total revenue” (Aviat Networks, 2010).
	Timing	Timing of (de)internationalisation was led by bad financial performance.	Aviat Networks their timing of (de)internationalisation was somewhat forced due to their worsening financial performance. This is why they divested part of their business after two years.	2010: New office in Ghana and New Zealand. Closure of two offices in India, one in Greece, China and Australia. 2011: Divestment of WiMAX business 2012: New office in the UK. 2013: Closure of office in Portugal
	Pace	Fast paced expansion and retraction in 2010, slower pace afterwards.	With two new offices and five closures in 2010 there was a high pace of geographic change by Aviat Networks. After this, the pace of expansion went down to one mutation a year.	
	Regularity	Irregular pattern of expansion, with most deals done in 2010.	Offices were opened and closed in an irregular pattern due to restructuring upon demerging.	

	2009	2010	2011	2012	2013
Total revenues (mln $)	**665,3 (-6,24%)**	**478,9 (-28,02%)**	**452,1 (-5,60%)**	**444,0 (-1,79%)**	**471,3 (+6,15%)**
Home-region	227,0 (-2,32%)	175,1 (-22,86%)	160,4 (-8,40%)	164,9 (+2,80%)	180,5 (+9,46%)
Host-regions	438,3 (-5,07%)	303,8 (-30,69%)	291,7 (-3,98%)	279,1 (-4,32%)	290.8 (+4,19%)
Home/Host ratio (%)	*34/66*	*37/63*	*35/65*	*37/63*	*38/62*
Total assets (mln $)	**600,2 (-38,59%)**	**447,0 (-25,52%)**	**383,9 (-14,12%)**	**329,6 (-14,14%)**	**305,8 (-7,22%)**
Home-region	-	-	-	-	-
Host-regions	-	-	-	-	-
Home/Host ratio (%)	-	-	-	-	-
Employees	1521	1380	1000	980	1000
Deals made	1 ACQ (before demerger)	-	1 DIV	-	-

Table 4: Within-case analysis Aviat Networks

Sources: Newspaper reporting, annual accounts and Zephyr database

Dimension		Evaluation	Analysis	Illustrative Quote(s)
Dependency and FSA retention		Strong evidence for FSA retention due to the low level of dependency on WMC. There is a high dependency on FSAs available through the joint-venture AWAC.	Alumina has shown to be an independent subsidiary while being part of WMC with little to no struggles after demerging. An explanation for this is that the brand associated with the product was not WMC, but on the joint-venture name AWAC, which was kept. The refineries and their knowledge were also kept. So Alumina was not depending on WMC, but on AWAC and its FSAs and CSAs.	"They [Alumina] are more focused than us as compared to the rest of the business, but that hasn't changed anything" (Howarth, WMC, 2004).
Strategic orientation		Stable continuation of organic growth in line with post-demerger- and AWAC' strategy led by a board of directors with mostly no previous Alumina and WMC experience.	The demerger enhanced the flexibility and gave the opportunity for Alumina's management to really narrow their focus. Alumina can still decide per case if they want to participate in deals in which Alcoa is involved or not. Four out of the five assigned board members have no previous experience within Alumina or WMC.	"Since the demerger we have created a new organisation, with its own distinct identity and objectives and organisational structure" (Alumina Ltd., 2002). "Melbourne-based Alumina has decided not to coat-tail Alcoa" (FitzGerald, 2004).
Pattern of internationalisation	Geographic scope	No evidence of changes in breadth or depth of geographic scope.	The breadth and depth of geographic scope upon demerging has not changed due to the incremental growth strategy and the location-bound resource driven nature of the firm. Alumina is considered home-region oriented (Rugman and Verbeke, 2004a) with a strong Australian presence.	"'AWAC's interests include operations in Australia, the United States, the Republic of Guinea, Suriname, Jamaica, Brazil and Spain" (Alumina Ltd., 2002).
	Timing	-	No evidence of expansion in focal five years.	-
	Pace	Slow paced with no expansion done in five years	Since there was no further expansion in five years, the pace has been very slow.	
	Regularity	No evidence of expansion and thus no defined pattern of expansion.	Since there was no further expansion in five years, the pattern of expansion is not present. The previously mentioned brownfield investments were done regularly.	

	2002	2003	2004	2005	2006	2007*
Revenues from continuing operations (mln $)	**1,3 (-91,28%)**	**4,8 (+269,23%)**	**8,9 (+85,42%)**	**4,0 (-55,06%)**	**1,4 (-65,00%)**	**2,6 (+85,71%)**
Home-region	-	-	-	-	-	-
Host-regions	-	-	-	-	-	-
Home/Host ratio (%)	-	-	-	-	-	-
Total assets (mln $)	**1.695,1 (-83,04%)**	**1.779,1 (+4,96%)**	**1.823,2 (+2,48%)**	**2.013,5 (+10,44%)**	**2.357,6 (+17,09%)**	**2.688,6 (+14,04%)**
Home-region	-	-	-	-	-	-
Host-regions	-	-	-	-	-	-
Home/Host ratio (%)	-	-	-	-	-	-
Employees	-	-	-	-	-	-
Deals made	-	-	-	-	-	-

Table 5: Within-case analysis Alumina Ltd.

Sources: Newspaper reporting, annual accounts and Zephyr database

		Orica Ltd.	Wincanton Plc.	Aviat Networks	Alumina Ltd.
Dependency and FSA retention		The demerger led to the intangible FSA loss of their brand. Orica has been an independent subsidiary due to their specialisation and experience before they got acquired by ICI.	Strong evidence for retention of tangible and intangible FSAs due to Wincanton's independency on Uniq.	Strong evidence for intangible and tangible FSA loss due to previous dependency. Examples of these losses are brand name and several services and systems.	Strong evidence for FSA retention due to the low level of dependency on WMC. There is a high dependency on FSAs available through the joint-venture AWAC.
Strategic orientation		Strategic focus on narrowing down the amount and types of businesses and reinforcing the focal core businesses by acquisitions and brownfield investments. Orica also assigned three new board members.	Strategically focused on organic growth and a possible acquisition to gain access to Continental Europe.	Strategic focus on restructuring and a focus on key businesses.	Stable continuation of organic growth in line with post-demerger- and AWAC' strategy led by a board of directors with mostly no previous Alumina and WMC experience.
Pattern of internationalisation	**Geographic scope**	Orica went from a home-region oriented firm to a global supplier in their core businesses by committed (de)internationalisation.	The breadth of geographic scope changed significantly from only the UK and Ireland to an acquired presence in 15 countries.	Significant bi-regional (Rugman and Verbeke, 2004a) worldwide presence upon demerging with little change.	No evidence of changes in breadth or depth of geographic scope.
	Timing	Orica immediately (de)internationalised after demerging.	Timing of internationalisation as a rational choice (Simon, 1979) after looking for the right firm to acquire.	Timing of (de)internationalisation was led by bad financial performance.	-
	Pace	High initial pace of expansion that went down after global presence was assured.	Slow pace of expansion looking for suitable firms to acquire for Wincanton's specific needs.	Fast paced expansion and retraction in 2010, slower pace afterwards.	Slow paced with no expansion done in five years
	Regularity	Irregular pattern of expansion with most deals done in the first year.	The expansion shows an irregular pattern, reflecting the search for suitable expansion options.	Irregular pattern of expansion, with most deals done in 2010.	No evidence of expansion and thus no defined pattern of expansion.

Table 6: Cross-case analysis

<table>
<tr><td colspan="2" rowspan="2"></td><td colspan="2">Ownership and/or Control of Value Creating FSAs Post-Demerger</td></tr>
<tr><td>Weak FSA Endowment</td><td>Strong FSA Endowment</td></tr>
<tr><td rowspan="2">Nature of Home and Host Country CSAs Post-Demerger</td><td>Weak</td><td>1 Weak Post-Demerger Endowment

DMNE is likely to experience international strategic challenges and is not likely to survive.</td><td>2 FSA Focused Post-Demerger Endowment

DMNE international strategy will exhibit a focus on reorganisation of geographic scope.</td></tr>
<tr><td>Strong</td><td>3 CSA Focused Post-Demerger Endowment

DMNE international strategy will exhibit a focus on internalising the needed FSAs.</td><td>4 Strong Post-Demerger Endowment

There is unlikely to be significant change in the nature of the DMNE international strategy.</td></tr>
</table>

Figure 1: Internalisation Theory Model of DMNE Initial Post-Demerger Strategic Positioning

Source: Synthesis of Rugman (1981; 2010), Rugman and Verbeke (1992; 2008a)

		Ownership and Access to Critical FSAs Post-Demerger	
		Partial FSA Endowment	**Full FSA Endowment**
Degree of Opportunity for (Strategic) Dynamism	**Limited**	***1 Constrained International Strategy*** Nature of FSA Endowments Limit Opportunities for Strategic Dynamism and Consequently the DMNE Strategy is Constrained (Aviat Networks)	***2 International Exploitation Strategy*** Limited Strategic Dynamism within a Focused Strategy despite Strong FSA Endowments as Part of a Focused Exploitation Strategy to Realise Existing Value Creation Strengths (Alumina)
	Significant	***3 (Re)focused International Strategy*** High Level of Strategic Dynamism is able to Exploit Unrelated and Complete FSA Endowments to Enable Strategic Reorientation and Focus (Orica)	***4 International Growth Strategy*** Full and Coherent FSA Endowments in Combination with High Level of Strategic Dynamism lead to Strong Internationalisation (Wincanton)

Figure 2: DMNE Strategic Positioning Post-Demerger