

Foreword

In recent years, the realization of cross-business synergies grew into a major concern of corporate management.

Asked about their most pressing issues on the corporate agenda, managers from different multi-business firms in industries such as telecommunications, engineering, electronics, finance, energy, and automotive, mentioned the realization of cross-business synergies. Nevertheless, ever since Igor Ansoff introduced cross-business synergies into the field in the 1960s, research in strategy and organization has largely neglected their direct investigation. The questions of what cross-business synergies actually are and how they are realized remain largely unexplored.

With this dissertation, the author aims at closing this gap in two steps. As the concept of synergy in the multi-business firm remains underspecified, he first develops a theory-based typology of cross-business synergies. In particular, the author conceptualizes two new types of cross-business synergies, which contrast with the dominant efficiency-focused view of synergy in the multi-business firm (economies of scope): Growth synergies (profitable growth advantages from recombining complementary operative resources across businesses) and corporate management synergies (performance advantages from leveraging corporate management capabilities across businesses). The concept of corporate management synergies is illustrated by a comprehensive case study of General Electric.

In a second step, the author focuses on growth synergies and inducts a mid-range theory for their continuous realization from a longitudinal in-depth single case study. He suggests that the continuous realization of growth synergies is associated with a strategic concept that establishes a selective focus on specific growth synergy opportunities, an organization design that fosters decentralized collaboration between businesses and motivates productive business unit self-interest, and a corporate management approach that guides and balances this self-interest in an evolutionary fashion.

The primary contribution of this dissertation is new insight into the nature of the corporate effect (i.e. value creation at the corporate level). The author further attempts to make a broader contribution to theories of strategy and organization. First, this dissertation suggests a novel organization design that stimulates business unit self-interest and channels this self-interest on productive cross-business collaborations. Thereby, the author proposes a more differentiated view on the corporate strategy-structure choice of related diversifiers than can be found in the existing literature. Second, by providing new insights into the effective (re)combination of complementary resources across businesses, which is the conceptual mechanism underlying the realization of growth synergies,

this dissertation advances emerging research on a recombinative rationale of the M-form as well as research on dynamic capabilities, coevolutionary change and cross-business innovation.

Overall, this study presents interesting insights into the largely unexplored field of cross-business synergies from a strategic and organizational point of view, a field which has so far been left to business-and-society literature. For this reason, the work of Sebastian Knoll advances theory and forms a valuable basis for future research. At the same time, he managed to provide helpful frameworks and tools that make this study equally relevant for business practitioners.

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