

Doosan: Cross-Border M&A Strategy to Global Growth

Byung Wan Suh*
Young-Hee Ko**

Doosan is the oldest company in Korea, and it now focuses on business in support infrastructure. Throughout its 120 years of history, Doosan had to make a number of strategic decisions to survive in an evolving economy. Traditionally, Doosan was a company that focused on domestic food manufacturing and retail in the Korean market. However, after the Asian economic crisis, the company decided to change its main business model and try its new global growth strategy. In order to achieve a rapid overseas expansion, Doosan expanded their business into heavy industry and construction with clear Mergers & Acquisitions (M&A) strategies. Now Doosan's revenue grew from 3,400 billion Korean won (KRW) to 18,960 billion KRW. Furthermore, in 2015, 64% their revenue come from overseas, compared to 12% in 1998. In 2009, one of main Doosan company, Doosan Heavy Industries & Construction was ranked fourth among the BusinessWeek's "World Best 40 Companies". Doosan decided in a fast growing strategy with cross-border M&A and focused on building a new organizational culture as PMI (Post Merger Integration). This case examines how Doosan is successfully growing in the global market through cross-border M&A strategies and how it is preparing for its next hundred years.

Key Words: Mergers & Acquisitions, Global Strategy, Business Transformation, Post Merger Integration, Corporate Culture

I. Global Growth Strategy of Doosan

Korean Guinness Association certified Doosan as the oldest company in Korea with its establishment in 1896. The Park Seung-Jik Store (forerunner of Doosan) was just small linen cotton wholesaler, not to mention that it was famous for Pakgabun (meaning Park Family's Powder), a must-have cosmetic powder for 1920's Korean women. A couple of

decades ago, Doosan was fundamentally recognized as a domestic food manufacturing and retail company in the Korean market, with renowned brands such as OB (Oriental Brewery) Lager (Beer), Chongga Kimchi (Traditional Korean Family food), Burger King, and KFC (Kentucky Fried Chicken). However, suffering through the Asian financial crisis in 1997, Doosan realized the need for a change in its business to maintain sustainable growth. Therefore, Doosan decided to become a global

논문접수일: 2016. 09. 14.

1차 수정본 접수일: 2016. 11. 19.

게재확정일: 2016. 12. 20.

* Adjunct Professor, Seoul School of Integrated Sciences & Technologies(byungwan.suh@stud.assist.ac.kr), First Author

** Associate Professor, Seoul School of Integrated Sciences & Technologies(yhko@assist.ac.kr), Corresponding Author

corporation and transformed into a global conglomerate that focuses on the Infrastructure Support Business (ISB).

To transferring the businesses for the global market, Doosan have established an M&A philosophy that requires clear objectives, affordability and the potential to speed up their operations. And Doosan's series of major acquisitions became the "game-changer" of the global construction equipment industry. It was especially the surprising acquisition of Bobcat in 2007, a company that recorded a big market share in the global construction manufacturing product market, that Doosan first attracted worldwide attention. As the result, in 2009, Doosan was ranked fourth among the BusinessWeek's "World's Best 40 Companies," and 471st among the "Fortune Global 500." Doosan, with its 120 years of history, quickly grew into a global corporation with 122 overseas subsidiaries in 38 countries. From 1998 to 2012, Doosan's revenue grew drastically from 3.4 billion KRW to 25.8 billion KRW, its percentage of overseas revenue from 12% to 63%, and its percentage of industrial product from 33% to 90%. Doosan has undergone drastic growth in the global market with the major acquisitions. Now Doosan's core business area recently consists of six subsidiaries: Doosan Corporation, Doosan Heavy Industries & Construction, Doosan Infracore, Doosan Engineering & Construction, and Doosan Engine.

Their main global growth strategy is clear, cross-border M&A. Based on their series of

overseas' M&A, Doosan also has experiences in importance of post-merger integration activities between Korea Headquarter and overseas' companies. Deploying a "Doosan Way", the company's new organizational culture and the principle of doing business is one of success factor to achieve their strategy's goal.

II. Introduction: Doosan

Doosan was founded in 1896 with the launch of the Park Seung-Jik Store, the first modern linen and cotton wholesaler in Korea, in downtown Seoul. The store quickly acquired its name with the famous "Pakgabun (Park Family's Powder)," a cosmetic powder that became the must-have item for 1920's Korean women. In 1925, Park Seung-Jik changed the name of his store to Doosan, which means "the little grains of sand that, all together, add up to make a mighty mountain."

The company quickly grew by starting international trading and establishing Oriental OB (Brewery). During the 1970s and '80s, Doosan posted an 80% market share in the alcoholic beverage business thanks to its continuous systematization both vertically and horizontally. By then, the group's diversified business areas included construction, food and beverages, machinery, media and cultural services. Introduction of professional executives, diversification, partnership with international companies, technological advance-

ment, and acquisition of relevant businesses all contributed to the group's development. By the end of 1980s, Doosan was indeed one of the leading conglomerates in the domestic consumer goods business. Doosan had about a 70% market share in beer, 50% in soft drinks, and about 70% in whiskey.

However, Doosan soon faced difficult challenges in the mid-90s. The domestic consumer goods market got saturated quickly and pushed the group into intense competition. After tremendous efforts to implement measures to overcome the crisis, Doosan decided to completely restructure the company. Following its "selection and concentration" principle, Doosan sold its core business area, the OB, and integrated its multiple subsidiaries under the Doosan Corporation. Although many experts called such actions "death throes", Doosan's foresighted move provided the group a strong basis for the future, allowing it to survive through the Asian financial crisis (known as "IMF Crisis" in Korea) in 1997 and 1998.

Although Doosan successfully overcame the Asian financial crisis as it had restructured the financial structure in advance, the group soon realized that such actions were not the permanent solution. While massive operational improvement initiatives were conducted following the reformation, which resulted in the growth of earnings before interest and taxes (EBIT) from 4.5% to 11.2% within a year, Doosan was still a company extremely vulnerable to similar financial or management crises.

The biggest problem was that Doosan had no core business left. Having sold most of its core businesses, including the OB, Doosan only had group of small and unrelated businesses floating here and there, such as publishing and leisure businesses. None of the leftover businesses seemed able to sustain a good financial condition. Finding a new growth engine was necessary, and it had to be done quickly before another crisis hit the group.

"We had a better balance sheet and better operations, but our portfolio was garbage. We had sold many important anchor pieces and were left with a bunch of unrelated, domestically oriented, modestly competitive businesses. But we had aspirations to become a sizable, competitive enterprise." - Park Yongmaan, Former CEO of Doosan Group

Doosan analyzed the company's corporate culture and business status for a new growth engine, and set up new principles for the global expansion. Then the analysis clearly indicated that the group should no longer pursue the consumer goods business. Doosan was not the "natural owner" of the industry: that is, the group's corporate culture did not match the characteristics of the consumer goods business. Doosan was more than a hundred years old, and yet it was still accustomed to the days when it had the monopoly over the food and beverage market. Although the market became more saturated and thus more competitive, Doosan was not ready to adjust itself quickly enough to such an ever-changing environment. The logic, therefore, point-

ed perhaps to the opposite industry: the industrial products business. And such an industry required new strategies, commitments, and investments in long term planning.

III. Fast Growing with Cross-Border M&A

The industrial products business was not the area in which one could simply jump in and succeed in a day. It required decades of accumulation of technology, and so most companies in the industry were either decades old or government-owned, or, in many cases, both. Almost no precedents that are comparable in size to Doosan existed. Hence Doosan realized that it could not grow organically and decided to acquire something as its growth platform.

A prime acquisition option was Korea Heavy Industries and Construction (formerly known as Hanjung), a power plant manufacturer that focused on power generation, desalination, casting forging, and construction. Korea's sole power generation equipment manufacturer and the world's top in desalination plant construction with a market share of more than 25% worldwide in the 1990s, Hanjung was an excellent option for Doosan. After intense competition with other corporations, including large Korean conglomerates, Doosan acquired Hanjung in 2001 and named it Doosan Heavy Industries. Following was the acquisi-

tion of Koryo Industrial Development in 2003. By merging Koryo Industrial Development with Doosan Engineering & Construction, the company became even more cost competitive and achieved growth of sales revenue and income through synergetic effects. Later in 2005, Daewoo Heavy Industries and Machinery was acquired and became Doosan Infracore.

Following the acquisition, Doosan's implemented its "selection and concentration" strategy. As Doosan made a firm decision to transform into an ISB company and executed the task, it continuously cleared its leftover B2C (Business to Customer) businesses, especially those in the food and beverage area. This is unlike most Korean companies that pursue diversification and so maintain marginal businesses. Through structural reform of the acquired businesses under the mother company, Doosan successfully integrated its subsidiaries into tight units.

Such unexpected and yet carefully calculated domestic acquisitions successfully changed Doosan from a B2C to a B2B (Business to Business) corporation, concentrating its business portfolio around the ISB specializing in power generation, seawater desalination, construction and engineering, heavy machinery and construction equipment, energy, national defense and production facilities. (see Table 1) By 2006, Doosan became the tenth largest heavy industry firm in Korea in terms of the asset size, with a worth of 13.06 trillion KRW and total sales of 11.4 trillion KRW. Doosan changed the ratio of consumer goods revenue

to ISB revenue from 62:38 in 1996 to 15:85 in 2007 and 10:90 in 2012.

It is certainly notable that Doosan's transformation was voluntary and self-sustaining. While some claim that Doosan was forced to

change and blame the Asian financial crisis as it forced many Korean corporations to sell their assets and merge with others, Doosan's restructuring had actually been planned years ahead, and the company was not forced from

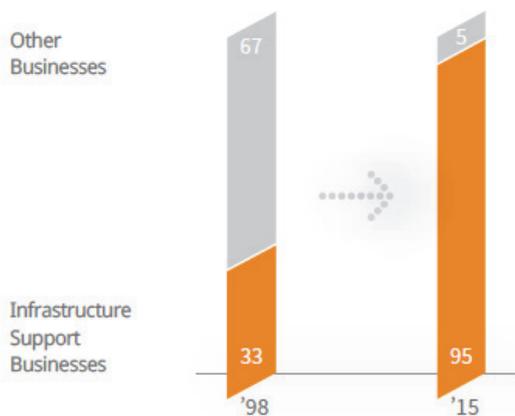
〈Table 1〉 Major Doosan Affiliates

Category	Company	Main Business Areas
Infrastructure Support Business	Doosan Heavy Industries & Construction	Power Plant and desalination facilities, cast products, green energy, etc.
	Doosan Infracore	Construction machinery, machine tools, engines, attachments, and utility equipment
	Doosan Engineering & Construction	Civil works, Building Works, Plant, CPE (Chemical Process Equipment), OSS (Offshore and Subsea Structures) and HRSG (Heat Recovery Steam Generator)
	Doosan Engine	Diesel engines for vessel / power plants, diesel plants, engine parts
	Doosan DST	Mobile weaponry, Homing/Guided weapon systems, Launch systems, Navigation, etc.
Doosan Corporation	Doosan Corporation Electro-Materials	CCL (Copper Clad Laminate), Heat preventing PCB, Masslam, OLED materials (illuminating and common layer for fluorescence phosphorescence)
	Doosan Corporation Industrial Vehicle	Engine-powered forklifts, Electronic forklifts, Parts and services
	Doosan Corporation Mottrol	Hydraulic equipment, Defense
	Doosan Corporation Glonet	Biotech
	Doosan Corporation Information & Communication	IT Consulting, IT Infrastructure, Building and managing IT systems
Consumer & Service Business	Doosan Capital	Installment / Lease financing, Loans, etc.
	BNG Securities	Sales and Trusted Trading of Financial products
	Oricom	Advertising and AD campaigns, Brand marketing, Media service
	Doosan Feed & Livestock	Egg laying, Broiler production, Pig Rearing, Dairy, Cattle fattening, Ducks
	Doosan Tower	Fashion-Specific Mall
	Doosan Bears	Professional Baseball Team
	Doosan Cuvex	Golf club, Condominiums
	Doosan Dong-A	Textbooks, Reference book, Children's Books, Private School Franchise, Digital contents, e-Learning
	Doosan Magazine	Magazine publishing

Sources: Doosan Website, 2011 & 2012 Annual Brochure

outside. During the Asian financial crisis, many other Korean corporations experiencing financial difficulties had to find their way out through the government-controlled programs, including a “Workout Program”, but Doosan’s business transformation came from inside with its hired consultants, many of whom knew the group well as they had previously gone through the restructuring.

Moreover, Doosan had a net in sales from the business transformation. Doosan raised 2.69 trillion KRW by selling its major B2C assets since 1995 and spent 2.56 trillion KRW on acquiring major B2B businesses: the company had around 130 billion KRW net in sales. (see Figure 1)



Source: Doosan Annual Brochure (2015)

(Figure 1) Doosan Sales Distribution by Business Type (Unit, %)

Ever since the transformation into an ISB company, Doosan had the clear vision of becoming one of the leading global brands in the machine industry. This required two pre-

requisites: a profitable and sizable company, and core and original technologies. As already acquired domestic companies were successfully merging into the mother company and growing well, Doosan sought for further global expansion. However, just as previously mentioned, ISB was the area in which companies needed decades of accumulation of technologies, and so Doosan realized that it could not globalize organically. The answer, therefore, was again M&As.

Doosan immediately followed its vision and started acquiring cross-border M&As. In just three years from 2005 to 2007, Doosan acquired AES (USA), Mitsui Babcock (UK), IMGB (Rumania), CTI (USA), and Yantai Machinery (China), all of which had core technologies for which Doosan had long been hungry. However, such acquisitions only fulfilled half of Doosan’s vision—to acquire core and original technologies in the machine industry. In order to become the leading global brand, Doosan still had to acquire a company that is more profitable and sizable. Such acquisition was a must not only because it would make Doosan larger but also because such a big acquisition itself would draw attention from the market. Then, in 2007, Ingersoll-Rand announced that it would sell Bobcat, the world’s largest maker of compact construction equipment, along with smaller units. (See Table 2)

Bobcat in 1995 and it became the leading compact equipment company with 11.4 billion dollars of sales, covering production and

〈Table 2〉 Major Cross-Border M&As

(Unit of Price: 100 Million KRW)

Acquired Company	Country	Year	Price	Business Area
AES (currently Doosan Hydro Technology)	USA	2005	60	Water treatment technology
Kavener IMGB (currently Doosan IMGB)	Rumania	2006	146	Plant for forgings and castings
Mitsui Babcock (currently Doosan Babcock)	UK	2006	1,600	Boiler technology for power generation
Yantai Machinery Ltd	China	2007	26	Wheel loader
CTI	USA	2007	58	Core technology for HCNG engine
Ingersoll Rand 3 business units (Bobcat, Attachments, Utility)	USA	2007	45,000	Compact construction equipment
Moxy Engineering (currently Doosan Moxy)	Norway	2008	853	Heavy dump trucks
ATL (currently Doosan Infracore Logistics Europe GmbH.)	Germany	2008	40	Logistic equipment
Skoda Power (currently Doosan Skoda Power)	Czech	2009	7,850	Steam-Turbine core technology
Enpure (currently Doosan Enpure)	UK	2012	500 ¹	Water/wastewater treatment technology

Sources: Doosan Website, 2012 & 2012 Annual Brochure

1. Price assumption from *Financial News*, November 13, 2012

http://www.fnnews.com/view?ra=Sent0601m_View&corp=fnnews&arcid=201211130100110940006282&cDateYear=2012&cDateMonth=11&cDateDay=13 (in Korean)

service in transportation, construction, and agriculture-related equipment. Bobcat's most famous product was a skid loader, which was selected as one of "America's Best 100 Products" by Fortune magazine in 1988 and 1991. In 2004, Bobcat produced 600,000 skid loaders, outnumbering the sum of all the other brands. In 2007, Bobcat recorded market share of 38% in the United States and 43% in Europe, with a global network of 2,700 dealer units, 16 production plants, 9 Research & Development (R&D) centers, 5,600 employees, and 73 local

subsidiaries in 27 countries. It was the global leader in the manufacture of compact construction equipment.

However, as the subprime mortgage crisis hit the US economy in 2007, the housing market immediately experienced its worst recession. This directly affected the construction industry, and in May 2007 Ingersoll-Rand announced that it would sell Bobcat, along with other smaller units, as part of its restructuring plan. Doosan quickly responded, and only within two months, Doosan Infracore,

the group's construction-equipment arm, completed the big deal on July 30, 2007, winning the competition against Terex of the US, Komatsu of Japan, JDB of Europe, and others. Spending 4.9 billion dollars (approximately 4.5 trillion KRW in 2007), it was the highest price ever paid for an acquisition not only in the history of Korean M&A but also in the history of an Asian corporation acquiring an American one. Such a high price was almost a fourth of Doosan's total assets and doubled the Doosan Infracore's total asset.

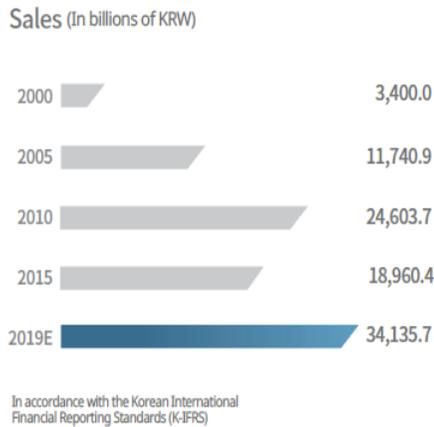
Bobcat was an excellent selection because it was the world's strongest compact equipment company while Doosan Infracore was strong in heavy equipment. With Bobcat, Doosan completed its product line from small to large (similarly compact to heavy) construction equipment. Moreover, Doosan was able to obtain the global manufacture and sales network in China, North America, and Europe, the three largest heavy construction markets. Doosan saw Bobcat as the foundation to dominate the world market. The Wall Street Journal commented, "Doosan Infracore is one of the only few Korean corporations who focused on single strategic businesses instead of indiscriminate acquisitions for sales increase." Doosan Infracore finally drew the market's attention by rising from 19th to 7th in the heavy construction equipment industry.

Although Doosan has not made such a historical deal since the Bobcat acquisition, it certainly continued following its M&A vision.

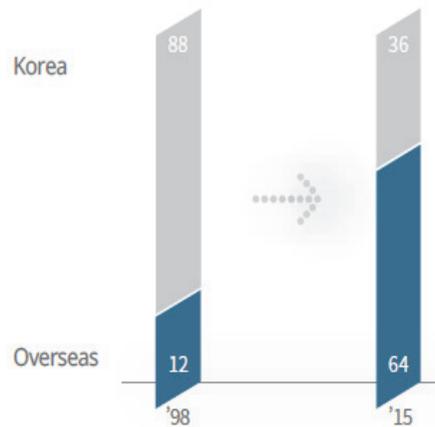
Since 2007 it has acquired Moxy (Norway), ATL (Germany), Škoda Power (Czech), and Enpure (UK). Of these post-Bobcat acquisitions, Škoda Power of the Czech Republic was another major acquisition. In 2009, Doosan spent approximately 785 billion KRW to acquire the company, which possessed core technology for steam turbines. Founded 150 years ago in 1859 as a foundry and engineering works, Škoda is one of the Czech Republic's oldest and most respected business groups. With this acquisition, Doosan Heavy Industries and Construction secured core technologies for boilers, turbines, and generators, the three core facilities for power generation. (see Figure 2)

The acquisition made it possible for Doosan to expand its presence in the retrofit and other profitable power plant service markets, giving the company the ability to compete with the global industry leaders across the entire power generation value chain. Turbines are considered the most technically advanced pieces of equipment in the power generation field. Manufacturers with proprietary technologies in the turbine field have a significant competitive advantage over those who do not. Doosan expected the access to proprietary turbine technologies this acquisition provides to dramatically improve its competitiveness in the power plant equipment business as well as significantly expand business opportunities going forward.

The first benefit the acquisition brings was that Doosan was able to build and supply turbines for engineering, procurement, con-



Source: Doosan Annual Brochure (2015)



(Figure 2) Doosan Business Volume (Left) and Korea vs. Overseas' Revenue (Unite, %, Right)

struction projects rather than purchasing from third-party suppliers. Another benefit was that Doosan will have a full boiler-turbine-generator (BTG) lineup, allowing it to pursue more profitable BTG package orders, a market segment open only to the top industry players. The company expected this ability to supply its own turbines to improve foreign exchange earnings by 30% to 40% on future BTG projects.

Commenting on the deal, President and CEO Park said, "We expect the synergies of the Škoda Power acquisition to generate an additional USD 4.26 billion in annual revenue in 2020. Škoda Power and Doosan Babcock Energy will spearhead our progressive expansion in Europe, the US, and other developed markets." Doosan plant to set up Doosan Power Systems to oversee Škoda Power and Doosan Babcock as well as its power solutions business in Europe and the Americas as it lays the groundwork for a full-scale advance

into those markets. Doosan envisions to be one of the global top 200 companies by 2020, executing people-centered management, the source of global competitiveness, and setting a global standard of business process. This vision based on their fast growing strategy with cross-border M&A.

IV. Building a New Corporate Culture

Every company develops a new corporate philosophy after an organizational change or a business transformation. To boost its growth momentum further, Doosan needed to improve its business capacity and upgrade the integrated regional management systems in global market. Doosan then had to create synergies among its businesses that would help to realize its vision of becoming a global

market leader.

Growth and diversification through M&A has become a generic strategy for last few decade, but not always successful. Growth through unrelated diversification and conglomeration, as compared to related diversification, is accompanied with lower financial performance, lower capital productivity, higher market-related risks, and a higher degree of variance in performance. The lack of integration has led many recent mergers to disastrous performance, and the primary problem in effectively managing merged firms is integrating them into a single unit.

Doosan strove to manage the global operations more efficiently and maximize collaborations among the brands in the Construction Equipment Business Group, including Doosan®, Bobcat®, Geith™, Montabert® and Tramac®, that really accelerated the company's advancement. In 2011, Doosan established integrated management systems based on four geographical regions: AP/E (Asian-Pacific and Emerging markets), China, EMEA (Europe, Middle East, Africa), and NA/O (North America and Oceania). Doosan indeed established a global management system that created synergetic effects among its new subsidiaries and bolstered its operational infrastructure in advanced markets, such as North America and Europe.

And Doosan built out the new global construction equipment organization. Doosan needed the right organizational alignment support the current and long term needs of the business as one Global Construction Equipment

(CE) group. To lead the organization transformation, Integration Management Office (IMO) was positioned in the new organizational structure. Most of all the established organization structure was changed to region-focused global organization, which regional presidents take the full responsibility for both Heavy and Compact CE businesses within their regions. And Doosan transitioned from 3 regions to 4 regions: North America and Latin America, Europe and Middle East and Africa (EMEA), Asia Pacific and Emerging market (India and Russia), and China, to align the resources with the current market demands and future market opportunities. In the organizational structure, Engineering, Manufacturing, and Global Sourcing were led by Global Functional Leaders to ensure global consistency and coordination across regions. Functional staffs in each region had a dual reporting relationship to both Regional Presidents and Global Functional Leaders. As a new position, Global Chief Operations Officer (COO) was created the responsibility of key operational decisions and led the performance enhancement efforts. And Corporate Functional Leaders were led by Global Corporate Functional Leaders to support CEO in envisioning long-term strategy and to ensure global functional coordination. By the new structure Doosan suggested an integrated management system of the global group. (see Figure 3)

Against this change the company introduced "The Doosan Way," the company's new organizational culture and principle of doing business.



〈Figure 3〉 Concept of Doosan Infracore Global Organization

Its aspiration and vision guide Doosan to become the “Proud Global Doosan.” “The Doosan Way” consists of three parts: the Doosan Credo that contains nine core values, the People of Doosan (“The Six Traits of Doosan People”) that demonstrates the values of Credo everywhere it operates, and the Doosan Way Change Model that serves as the foundation by which the people of Doosan realize the Doosan Way.

“The Six Traits of Doosan People” consist of “Limitless Aspiration,” “Cultivating People,” “Inhwa” (A Korean word that means harmonious teamwork in the truest sense of the word, enshrined in Doosan’s definition of fairness and camaraderie. The idea of Inhwa (unity and harmony with people) inspires every colleague to behave and communicate with freedom, transparency and dignity, under a common set of fair rules. It is a caring meritocracy that creates a sense of belonging and trust), “Open Communication,” “Tenacity &

Drive,” and “Prioritization & Focus.

The Doosan Way signifies the unique values and philosophy that has been driving Doosan forward. It is also the basis of a systematic approach aimed at enhancing future competitiveness. And as a global player with an extensive business network around the world and a diverse and vibrant workforce, multifaceted efforts of Doosan are under way to promote the “One Doosan” corporate culture, which would help unite employees worldwide and enhance communication and leadership, ultimately creating a workplace full of pride, trust, and fun.

Doosan imposes the Doosan Way uniformly on its global network of production facilities, sales subsidiaries, branches, research centers, parts distribution centers, along with a dealer network spanning more than 4,000 locations globally, with a belief that the Doosan Way will bring Doosan’s diverse net-

work together to create synergy, enhance global competitiveness, and improve customer value.

Doosan also created a department devoted to Corporate Social Responsibility (CSR) programs and started paying attention to social welfare and communication with local communities across the globe, believing that a sustainable company is only possible not simply with profitable businesses but with the support from community. After Doosan became a global corporation, its CSR program also expanded to the global level. Doosan has been actively taking the initiative in expanding its sharing activities to any region in need, thereby fulfilling its social responsibility as a global company. The company has provided aid to people in the areas around the world that are damaged by natural disasters by donating its resources and talents to help those in need, all in service of its commitment to being a good corporate citizen within the global community. Doosan is actively involved in a number of worldwide social contribution activities starting at the local level in the communities in which it operates.

V. The Future of Doosan

Doosan Chairman Yongmaan Park, former U.S. Secretary of State Condoleezza Rice, and First Minister of Scotland Alex Salmond were present at the 2nd Doosan Global Business Forum that took place in Edinburgh

on July 19, 2013. The forum was a rare occasion that brought together opinion leaders from diverse fields in Edinburgh, the venue of The Open Championship (The British Open) of which Doosan is a title sponsor. Global political leaders, scholars, and CEOs of global enterprises gathered together to review the global economy and diagnose a range of geopolitical issues. In his welcome and closing remarks, Chairman Park said, "We are still facing an environment of poor predictability, so our future will be determined by how we cope with this challenging environment, which hinders companies from making sustainable growth. Integrating the trend of innovative ICT (Information & Communication Technology) convergence with the traditional machinery and infrastructure industry will generate new business opportunities."

Since 1896, Doosan has evolved with its people and is now opening up a new future as a global player. For the last 10 years Doosan has driven successful acquisitions of European and American companies that are the bridgeheads for Doosan to become a true global leader in the infrastructure support industry. Doosan is still ready to make strategic M&As and create new business opportunities if they fit the company's vision of becoming a global Top 200 company by 2020. To realize this goal, Doosan is seeking opportunities to penetrate into European and American markets through both organic and inorganic approaches.

VI. Limitation and Future Research

This Doosan Group Case Study has few limitations. First, their M&As were based on energy and power business area, and these day financial and IT (Information Technology) company has been increase oversea' M&A, so it will be worth to study future in other business area. Second, Doosan is a part of the Korean conglomerate group, and their global strategy may not be work on a smaller, medium sized company. Finally, as seen in multiple cases in the history of older companies in other countries, research can also be conducted in the future.

REFERENCES

- DoognA Ilbo*, "Phenol Shock in the Nakdong River," March 24, 1991 [printed in Korean]
- Doosan Group. <http://www.doosan.com>
- Doosan Heavy Industries & Construction. <http://www.doosanheavy.com>
- Doosan Infracore. <http://www.doosaninfracore.com>
- Financial News*, "DHI acquired UK based water treatment company, Enpure," November 13, 2012 [printed in Korean]
- Financial Times*, "A man of drama, but no soap opera star," May 30, 2010
- Korea Times*, "Doosan offers new model for Korea Inc.," February 14, 2011
- Korea Times*, "Doosan sets example of Korea Inc.s

resilience," October 25, 2010

Korea Times, "Transformation of Doosan Group," August 01, 2011

Korean Herald, "A global heavyweight in infrastructure," March 11, 2013

Korean Herald, "Doosan Ready to pursue strategic M&A," April 5, 2012

Reinventing Doosan, *Samsung Economic Research Institute Quarterly*, April, 2008

Risk, Crisis & Successful Management, *Sung Kyun Kwan University Management Research Center & Federation of Korean Industries*, 2010 [printed in Korean]

Transforming a South Korean chaebol: An interview with Doosan's Yongmaan Park, *McKinsey Quarterly*, September, 2008

국내참고문헌

- 동아일보, '폐놀 쇼크... 분노의 현장', 1991.3.24
성균관대학교 경영연구소의 2(2010), **주요 기업의 위기 극복 성공사례**, FKI 미디어.
- 파이낸셜뉴스, '두산중, 영국 수처리사 엔퓨어 인수', 2012.11.13.

두산: 글로벌 성장을 위한 국경간 M&A 전략

서병원* · 고영희**

요 약

두산은 한국에서 가장 오래된 회사 중 하나로 현재 지원 인프라 분야의 비즈니스에 중점을 두고 있으며 120년 기업 역사를 통해 진화하는 경제환경에서 생존하기 위해 여러 전략적 결정을 내려야 했다. 전통적으로 두산은 국내 식품 제조 및 한국 시장에서의 소매업에 중점을 둔 회사였으나 아시아 경제 위기 이후, 주요 비즈니스 모델을 변경하고 새로운 글로벌 성장 전략을 시도하기로 결정했다. 이에 두산 중공업은 해외 진출의 급속한 진전을 위해 M&A 전략을 수립하여 중공업 및 건설사업으로 사업 영역을 확장했다. 현재 두산의 매출액은 3 조 4,000억원에서 18조 9,600억 원으로 확대되었다. 또한 1998년에 12%에 지나지 않던 해외 매출에 비해 2015년에는 매출의 64 %가 해외에서 창출되는 성장을 보였다. 2009년에는 두산의 주요 기업 중 하나인 두산 중공업이 비즈니스위크가 선정한 “세계 최고 40 대 기업” 중 4위를 차지했다. 두산은 국경간 M&A를 통해 빠르게 성장하는 전략을 결정하고 PMI (Post Merger Integration) 과정을 통해 새로운 조직 문화를 구축하는 데 중점을 두었다. 이 사례는 국경간 M&A 전략과 향후 수백 년을 준비하는 전략을 통해 두산이 글로벌 시장에서 성공적으로 성장해가는 과정을 살펴보고자 한다.

주제어: 인수합병(M&A), 글로벌 전략, 경영 혁신, 인수후 통합(PMI), 기업 문화

* 서울과학기술대학교 겸임교수(byungwan.suh@stud.assist.ac.kr), 제1저자

** 서울과학기술대학교 부교수(yhko@assist.ac.kr), 교신저자

〈Teaching Note〉

Doosan: Cross-Border M&A Strategy to Global Growth

1. Summary of the Case

This case describes how Doosan Group has driven a global growth strategy to survive in the emerging competition and changing business environment as the oldest company in Korea. As of 2013, Doosan runs 25 domestic and 122 overseas subsidiaries in 38 countries and is the leader in the global market of infrastructure support business.¹⁾ Since 1998, several strategic changes have been initiated in Doosan by President Park, Y. M. that led the change and growth of the group. He redesigned Doosan's main business portfolio from B2C businesses to B2B businesses, particularly to heavy industrial product manufacturing, to drive powerful global growth. The case highlights how Doosan carried forward cross-border M&As to enhance its core capability and globalization skills in the infrastructure support businesses. The case eventually provides significant insight and implications into the global growth strategies of an old organization.

2. Target Audiences and Teaching Objectives

This case study purposes to analyze and discuss the global growth strategy of an old company through the case of Doosan. This case has been tested and is proven effective for executive business education courses, business classes for master's degree, MBA, and/or doctoral students as it challenges students in such courses to discuss global management including business transformation, M&A projects, and B2B business. The case study will be particularly useful for those who already understand the need for globalization and innovation but do not yet understand the uncertainties associated with global strategies and related decisions.

The case gives readers (students/participants) the opportunity to think about the global growth strategy of old companies that seek sustainable growth in an uncertain environment. This means that the case will work well as a learning

1) Doosan's Infrastructure Support Businesses are made up of six subsidiaries: Doosan Corporation, Doosan Heavy Industries & Construction, Doosan Infracore, Doosan Engineering & Construction and Doosan Engine. These subsidiaries provide electrical power, desalinated drinking water, construction equipment, advanced machinery, defense supplies, houses, highways and bridges, chemical processing equipment and industrial engines.

tool for implementation where uncertainty is inherent, as an application to lectures on real options and risk, and for discussions related to business change and corporate challenges.

Upon successful completion of the case study, the students will be able to:

- Understand change management and business innovation of old corporations
- Analyze an M&A strategy to global market entrance and core capability enhancement
- Identify the necessity and effectiveness of business transformation
- Explain corporations' global growth strategies to sustainable growth in the future business environment
- Explore strategic skills and tools for changes in corporate culture to become a global company
- Suggest additional directions and ideas for Doosan's future success in global B2B business market

3. Suggested Case Questions

Important discussion points and lessons emphasized by the case include these questions:

- What is global strategy? And what is the globalization leverage point of Doosan Group?
- How did Doosan view and use M&A

strategies? Explain the value and effectiveness of M&As.

- How Brownfield (Foreign Direct Investment, FDI) vs. Greenfield is different and Why Doosan Choose FDI?
- Why does business transform from B2C to B2B, an important strategy for Doosan's growth plan?
- What are the issues faced in driving new organizational culture?
- What advice would you give to President Park regarding his future challenges?

4. Analysis of the Case

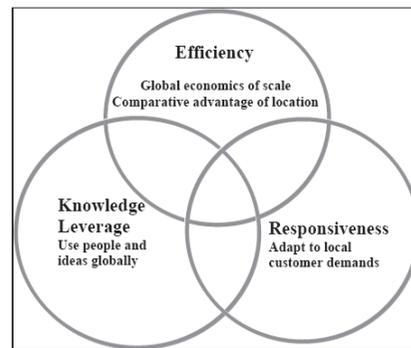
4.1 Global Strategy and Leverage Points

In terms of business, global strategy is defined as "an organization's strategic guide to globalization" (Gupta, 2008). Strategic decision and management in a global setting involves competition in industries that extend across national boundaries and among firms with different national home bases that may tap into strategic resources in more than one location. Global strategies require firms to tightly coordinate their business strategies throughout international markets and locations, and firms that pursue global strategy are highly centralized to choose a multinational entry mode with strategic analyses.

Many researchers indicate conceptual frameworks encompassing a range of different is-

sues relevant to global strategies. Doz, Bartlett, and Prahalad (1981) and Prahalad and Doz (1987) analyze industries along two dimensions—global integrations and local responsiveness in defining the relevant geographic scope of the industry. Ghemawat (2011) identifies CAGE distance framework to address when companies should craft international strategies based on cultural, administrative, geographic, and economic differences or distances between countries. Kim & Hwang (1992) suggest that an express incorporation of global strategic variables into an analysis of the entry mode decision is warranted. Also Yip (2001) discusses in considerable length the factors that lead the internationalization of competition and puts the factors into four primary categories: market, scale, comparative advantage, and regulation.

Bartlett and Ghoshal (1989) identify three particular leverage points: efficiency, knowledge, and responsiveness that can be gained through different types of globalization (see figure 1). These are efficiency resulting from performing specific activities at the right scale in the right place, market access or customer responsiveness that often requires localization of some production or service dimensions, and learning and knowledge leverage to use people and ideas globally. The researchers argue that the key element is that different organizational forms are particularly well adapted to one or another of these dimensions of performance, but that addressing all three is extremely difficult.



〈Figure 1〉 Global Leverage Points

Doosan's global strategy successfully adhered to the efficiency point of the global leverage. The strategy was pursued with strong pressures because of the economic crisis and low scale of the domestic consumer goods market. The company needed to develop business specific growth opportunities in the global market with various execution levels by country, product category, and brand power. Since 1896, the Doosan Group had developed into a multinational conglomerate with particular emphasis on customer goods, manufacturing, trading, and construction. But Doosan's domestic-based businesses with consumer products were of a much lower dimension as a global market driver with highly dispersed production and distribution activities, such as Coca-Cola or P&G.

Doosan consequently decided to transform from B2C to B2B business, focusing on infrastructure support businesses that had very large-scale economies and knowledge advantages, with global entry strategy. Business transformation is about making fundamental

changes in how business is conducted in order to help cope with a shift in market environment (Kotter, 2007). It is recognized as being a critical contributor to realizing the challenges of environmental sustainability due to its potential capacity for innovation and change—locally, nationally, and globally (Elliot, 2011). Doosan's business transformation, providing a foundation for the global growth framework, not only opened future growth opportunities but also achieved efficient global business performance.

Doosan's main businesses are now concentrated in equipment and suppliers in the B2B category. Since 1998, Doosan has provided electrical power, desalinated drinking water, construction equipment, advanced machinery, defense supplies, houses, highways and bridges, chemical processing equipment, and industrial engines in the global industrial products market.

By 2006, Doosan became the tenth largest heavy industry firm in Korea in terms of asset size with a worth of 13.06 trillion KRW and total sales of 11.4 trillion KRW. Doosan changed the ratio of B2C business to B2B from 62:38 in 1996 to 15:85 in 2007 and 10:90 in 2012. Doosan's industrial products grew from 33% to 90% with total revenue of \$9.6 billion in 2012 from sales of thermal power plants, nuclear power plants, seawater desalination plants, casting and forging, and construction in the Middle East, Asia, Europe and North America. Doosan has built over 400 nuclear, thermal, and combined-cycle power plants. Doosan is quickly growing as a global

B2B company.

4.2 M&A Strategy

The rise of globalization has exponentially increased the necessity for global M&A activity, particularly in terms of cross-border deals (Collan & Kinnunen, 2011). With cheaper financing options and more robust market conditions, executives are increasingly confident and thinking more creatively about their growth strategies. Companies also in the emerging and high-growth market countries that were less affected by global economic woes are eager to expand, and one of the quickest routes to do so is via M&A (Baker et al., 2008).

With M&A strategy, it stands to reason that executives overseeing each of these activities face different challenges. Bower (2001) suggests that acquisitions occur for five reasons: to deal with overcapacity through consolidation in mature industries, to roll-up competitors in geographically fragmented industries, to extend into new products or markets, as a substitute for R&D, and to exploit eroding industry boundaries by inventing an industry.

Doosan's M&A strategy belongs to the product and market extension in Bower's five categories. Bower (2001) states that a company seeks product or market extension M&As to extend its product line or international reach. Sometimes these are similar to geographic roll-ups: sometimes they involve deals be-

〈Table 1〉 M&A Strategies: Distinct Activities Mean Differing Challenges (Bower, 2001)

	The Overcapacity M&A	The Geographic Roll-up M&A	The Product or Market Extension M&A	The M&A as R&D	The Industry Convergence M&A
Strategic Objectives	The acquiring company (part of an industry with excess capacity) will eliminate capacity, gain market share, and create a more efficient operation	A successful company expands geographically; operating units remain local.	Acquisitions extend a company's product line or its international coverage.	Acquisitions are used in lieu of in-house R&D to build a market position quickly	A company bets that a new industry is emerging and tries to establish a position by culling resources from existing industries whose boundaries are eroding
Major Concerns	<p>You can't run a merged company until you've rationalized it, so decide what to eliminate quickly. If the acquired company is as large as the acquiring one and its processes and value differ greatly, expect trouble. Nothing will be easy.</p> <p>If it is a so-called merger of equals, expert both companies' management groups to fight for control.</p> <p>These tend to be onetime events, so they're especially hard to pull off.</p>	<p>Member of the acquired group may welcome your streamlined processes. If they don't, you can afford to ease them in slowly.</p> <p>If a strong culture is in place, introduce new values with extreme care. Use carrots, not sticks.</p> <p>These are win-win scenarios, and they often go smoothly.</p>	<p>Know what you're buying: the farther you get firm home, the harder it is to be sure.</p> <p>Expect cultural and governmental differences to interfere with integrations.</p> <p>The bigger you are relative to your target company, the better your chances for success.</p> <p>The more practice you have, the better your chances for success.</p>	<p>Build industrial-strength evaluation processes so that you buy first-class businesses.</p> <p>This category allows no time for slow assimilation, so cultural due diligence is a must.</p> <p>Put first-rate, well-connected executives in charge of integration. Make it a high-visibility assignment.</p> <p>Above all else, hold on to the talent if you can.</p>	<p>Give the acquired company a wide berth. Integration should be driven by specific opportunities to create value, not by a perceived need to create a symmetrical organization.</p> <p>As a top manager, be prepared to make the call about what to integrate and what to leave alone; also, be ready to change that decision</p>
Example	Chemical Bank buys Manufacturers Hanover and Chase; Daimler-Benz acquires Chrysler.	Banc One buys scores of local banks in the 1980s.	Quaker Oats buys Snapple.	Cisco acquires 62 companies	Viacom buys Paramount and Blockbuster; AT&T buys NCR, McCaw, and TCI.

tween big companies. They also involve a bigger stretch—not simply into an adjacent city or a state but into a different country. The likelihood of success depends in part on the companies’ relative sizes. If near equals merge, the problems that crop up in over-capacity deals come into play: difficulties imposing new processes and values on a large, well-established business. On the other hand, for a large player acquiring a small company, chances for success go way up.

Doosan sought to expand its global footprint and become more agile in creating high-performing businesses and cultures across national boundaries. Therefore, Doosan acquired Mitsui Babcock UK (renamed Doosan Babcock), a boiler engineering company, Kvaerner IMGB, the largest casting and forging company in Romania, and Škoda Power, a Czech-based turbine manufacturer, in 2006. In 2007, Doosan acquired Bobcat USA, a construction machinery company that was the world’s largest supplier of small construction

equipment. After the merger of Bobcat USA into Doosan Infracore, one of Doosan’s subsidiaries specializing in medium and large construction machinery, Doosan Group became the world’s seventh largest supplier of construction machinery.

Doosan was willing to pay a premium offer to its target firms as it saw the outlook for the global market value created after the M&A processes. The company also established desalination R&D centers in Tampa, U.S., Damman, Saudi Arabia, and Birmingham, UK. Doosan believes that these M&As will eventually create synergies in the long run by increasing its market share, customer base, and corporate strength.

4.3 B2B business

Business-to-business (B2B) describes commerce transactions between businesses, such as between a manufacturer and a wholesaler, or between a wholesaler and a retailer (Richard,

〈Table 2〉 Foreign Entry Strategy of Doosan’s Global M&A

Type	Brownfield (FDI - Foreign Direct Investment)	Greenfield
Major Characteristics	Buy it & Use it (existing factory & shops) Utilize existing customer & vendors Quick Entry Cultural differences (i.e. geographical, national, company etc.)	Build new site (relatively long-term period) Strong relation with host company, and Easy knowledge transfer Large Capital Investment for different Tax & Law
Doosan Internal/External Environment	Need New Technology for Infrastructure Support Business area Europe and America Market Entry Global Vision, but few global experts Global finance ability by Korean Government’ (Bank) helps	

2008; Shelly, 2011; Garbade, 2011). The overall volume of B2B transactions is much higher than the volume of B2C transactions. The primary reason for this is that in a typical supply chain there will be many B2B transactions involving sub components or raw materials, and only one B2C transaction, specifically sale of the finished product to the end customer.

B2C business is characterized by rapid change and in such markets managers can no longer rely on the resources that they have assembled to provide their extant competitive position (Daniel and Wilson, 2003). While B2B business seeks long term relationships as any experiment with a different brand will have impacts on the entire business, because they involved in the decision making process and technical details may have to be discussed in length for B2B products.

B2B transactions involve many classifications of business products. In particular, it includes fixed pieces of equipment, buildings or complexes used to produce goods in connection with, or as part of, any process or system. Most B2B products are purchased by companies to be used in their own manufacturing, producing goods and services to be sold on. The value added product can then be either sold to yet another company; or to the consumer. Any consumer product would have gone through numerous value-added processes before it is being purchased by the final user. Numerous suppliers from various industries would have contributed to the finished product (Tai et al., 2008).

Doosan's main businesses are located in equipment and suppliers in B2B business category. Since 1998, Doosan has provided electrical power, desalinated drinking water,

<Table 3> Major Differences between B2B and B2C Marketing and Buyers

	B2B	B2C
Marketing	<ul style="list-style-type: none"> Relationship driven Maximize the value of the relationship Multi-step buying process, longer sales cycle Brand identity created on personal relationship Educational and awareness building activities Rational buying decision based on business value 	<ul style="list-style-type: none"> Product driven Maximize the value of the transaction Single step buying process, shorter sales cycle Brand identity created through repetition and imagery Merchandising and point of purchase activities Emotional buying decision based on status, desire, or price
Buyer	<ul style="list-style-type: none"> Often understands your product/service better than you do Wants or needs to buy products or services to help their company stay profitable, competitive, and successful Has high interest in - and understanding of - your product Interested in quality customer service 	<ul style="list-style-type: none"> Looking for the best prices Often looks for trusted brands Will research the competition prior to shopping Interested in quality customer service

construction equipment, advanced machinery, defense supplies, houses, highways and bridges, chemical processing equipment and industrial engines in the global industrial product market.

By 2006, Doosan was the tenth largest heavy industry firm in Korea in terms of asset size, worth 13.06 trillion KRW, and total sales of 11.4 trillion KRW. Doosan changed the ratio of B2C business to B2B from 62:38 in 1996 to 15:85 in 2007 and 10:90 in 2012. Doosan’s industrial products grew from 33 % to 90%, developed thermal power plant, nuclear power plant, seawater desalination plant, casting and forging and construction in the Middle East, Asia, Europe and North America with a total of \$9.6 billion in revenue in 2012. Doosan has built over 400 nuclear, thermal

and combined-cycle power plants. Doosan as a global B2B company quickly is growing.

4.4 Organizational Culture

Dension (1996) asserts that culture is the deep structure of organizations, rooted in the values, beliefs, and assumptions held by organizational members. Organizational culture refers to a system of shared assumptions, values, and beliefs that show employees what are appropriate and inappropriate behaviors. These values have a strong influence on employee behavior as well as organizational performance (Chatman & Cha, 2003). In transition from nationally restricted to international company activity, companies are no-

〈Table 4〉 Classification of B2B business (considered the NAICS and NACE)²⁾

Business	Definition
Raw materials	A raw material is the basic material from which a product is manufactured or made agriculture and mining business are concerned with the production of raw materials such as plants or minerals
Component Parts	Manufacturers produce products from raw materials to component parts which they then sell at a profit. Companies that make physical goods such as cars or pipes are considered manufacturers
Equipment	Equipment included product used in production activities and operational activities. Equipment includes large building that serve as places of business for other companies.
Processed Materials	These products are created from raw materials and are used in the production of another product
Business services	Service businesses offer intangible goods or services and typically generate a profit by charging for labor or other services provided to government other business or consumers
Suppliers	These products facilitate both production and operations but are not part of the final product.

2) NAICS: North American industry classification System and NACE: Statistical Classification of Economic Activities in the European Community

tably responsible for reducing friction in the communication between parent and subsidiary companies and for realizing the overall corporate strategy in diverging cultural environments. The corporate developments and innovations are eventually revealed in between the parent company and other international subsidiaries with diverging organizational languages, behavioral routines and cognitive patterns (Dorow & Blazejewski, 2003).

Even though culture may not be immediately observable, identifying a set of values that might be used to describe an organization's culture helps researchers identify, measure, and manage culture more effectively. For this purpose, several researchers (Probst & Raisch, 2005; Sheridan, 1992; Weber, 2005) have proposed various culture typologies. One typology that has received a lot of research attention is the organizational culture profile (OCP) that identifies a measure of culture and values as one facet of culture at the organizational level and instruments to provide details concerning reliability and validity as another (O'Reilly, Chatman and Caldwell, 1991).

Chatman and Jehn (1991) describe the seven dimensions of organizational culture profile in which culture is represented by seven distinct values. According to the organizational culture profile framework (see Figure 2), companies that have '*innovative cultures*' are flexible, adaptable, and experiment with new ideas; '*aggressive cultures*' value competitiveness and outperforming competitors; '*outcome-*

oriented cultures' emphasize achievement, results, and action; '*stable cultures*' are predictable, rule-oriented, and bureaucratic; '*people-oriented cultures*' value fairness, supportiveness, and respecting individual rights; '*team-oriented cultures*' are collaborative and emphasize cooperation among employees; '*detail-oriented cultures*' emphasize precision and pay attention to details; in '*strong cultures*,' most employees in the organization show consensus regarding the values of the company.



〈Figure 2〉 Dimensions of Organizational Culture Profile

Doosan Group grew into a multinational corporation with a cross-border M&A strategy that is one of the important drivers for globalization. However, it also meant that Doosan needed to rebuild its corporate credo and organizational culture for multinational networks. In particular, Doosan has paid much more attention to building innovative

and people-oriented organizational culture in the dimensions of OCP.

The Doosan Group philosophy was reformed with the slogan "People are the future," which means that human growth drives business growth. The company believed that empowered people who can creatively deliver the organization's promise could quickly adapt to the corporate innovation. The group then announced "The Doosan Way: The Six Traits of Doosan People" that symbolizes the company's unique aspiration and vision to become the "Proud Global Doosan." The Doosan Credo that contains nine core values serves as the foundation for the Doosan Way. A people-centric organizational culture also evolved into Doosan's unique 2G (Growth of People, Growth of Business) Strategy, a virtuous circle in which people drive business growth and in turn receive opportunities for advancement.

Doosan has focused on spreading positive energy throughout the organization through vigorous communication, both horizontally and vertically. The company has also encouraged its members around the world to take the initiative and set their own examples, believing that such innovative efforts can improve the working methods and processes.

REFERENCES

- Baker, D. R., R Slotegraaf and I. Kesner(2008), "Performance implications of firm resource interactions in the acquisition of R&D-intensive firms," *Organization Science*, 19, 327-340.
- Bartlett, C. and S. Ghoshal(1989), "Managing across borders: the transnational solution". *Harvard Business School Press*.
- Bower, J. L.(2001), "Not all M&As are alike and that matters," *Harvard Business Review*, March 2001.
- Chatman, J. A. and E. S. Cha(2003), "Leading by leveraging culture," *California Management Review*, 45, 20-34.
- Chatman, J. A. and K. A. Jehn(1991), "Assessing the relationship between industry characteristics and organizational culture: how different can you be?," *Academy of Management Journal*, 37, 522-553.
- Choi, Y. J. and K. H. Kwon(2015), "Continuous Growth through Acquisition: A Case Study on LG H&H's Entry into Soft Drink Business," *Korea Business Review*, 19(1), 229-244. [printed in Korean]
- Collan, M. and J. Kinnunen(2011), "A procedure for the rapid pre-acquisition screening of target companies using the pay-off method for real option valuation," *Journal of Real Options and Strategy*, 4, 117-141.
- Daniel, E. M. and H. N. Wilson(2003), "The role of dynamic capabilities in e-business transformation," *European Journal of Information Systems*, 12, 282-296.
- Dension, D.R (1996), "Organizational Culture and Organizational Climate? A Native's Point of View on a Decade of Paradigm Wars," *Academy of Management Review*, 21(3), 619-654.
- Dorow, W. and S. Blazejewski(2003), "Global corporate cultures: management between cultural diversity and cultural integration," *A Culture*

- Forum, An International Workshop*, November in Gutersloh.
- Doz, Y., C. Bartlett and C. K. Prahalad(1981), "Global competitive pressures vs. host country demands: managing tensions in multinational corporations," *California Management Review*, 23, 64-74.
- Elliot, S.(2011), "Transdisciplinary perspectives on environmental sustainability: a resource base and framework for IT-enabled business transformation," *MIS Quarterly*, 35, 197-236.
- Garbade, M.(2011), *Differences in venture capital financing of U.S.: UK, German and French Information Technology Start-ups A Comparative Empirical Research of the Investment Process on the Venture Capital Firm Level*. München: GRIN Verlag GmbH.
- Ghemawat, P.(2011), "World 3.0: Global Prosperity and How to Achieve it," *Harvard Business Review Press*, 54-60.
- Jung, W. O. and K. A. Jeon(2013), "Outbound Tax Planning of Korean Multinational Companies: The Case of Doosan Heavy Industries & Construction Co.'s Acquisition of Mitsui Bobcock," *Korea Business Review*, 17(2), 229-244. [printed in Korean]
- Kim, S. T. and R. V. Aguilera(2008), *Corporate Social Responsibility in a Comparative Perspective*. In Crane, A., et al. The Oxford Handbook of Corporate Social Responsibility. Oxford: Oxford University Press.
- Kim, W. C. and P. Hwang(1992), "Global strategy and multinationals' entry mode choice," *Journal of International Business Studies*, 23, 29-53.
- Kotter, J. P.(2007), "Leading change: why transformation efforts fail," *Harvard Business Review*, January 2007.
- O'Reilly, C. A., J. A. Chatman and D. F. Caldwell (1991), "People and organizational culture: a profile comparison approach to assessing person-organization fit," *Academy of Management Journal*, 34, 487-516.
- Prahalad, C. K. and Y. Doz(1987), *The Multinational Mission: Balancing Local Demands and Global Vision*, New York: The Free Press.
- Probst, G. and S. Raisch(2005), "Organizational crisis: the logic of failure," *Academy of Management Executive*, 19, 90-105.
- Sandhusen, R(2008), *Marketing.*, NY: Barron's Educational Series.
- Shelly, G(2011), *Systems analysis and design*. Boston, MA: Course Technology, Cengage Learning.
- Sheridan, J.(1992), "Organizational culture and employee retention," *Academy of Management Journal*, 35, 1036-1056.
- Shrivastava, P.(1986), "Post-merger integration," *Journal of Business Strategy*, 7(1), 65-76.
- Tai, J. et al.(2008), *Killer Differentiators-13 Strategies to Grow Your Brand*. Marshall Cavendish Business.
- Vijay, G. and A. K. Gupta(2008), *The quest for global dominance: transforming global presence into global competitive advantage*, Jossey-Bass.
- Weber, G.(2005), Preserving the counter culture. *Workforce Management*, 84, 28-34.
- Yip, G.(2001), *Total Global Strategy*. New York: Pearson.

국내참고문헌

- 정운오, 전규안(2013), "한국다국적 기업의 Outbound Tax Planning: 두산중공업의 미쓰이밥콕(Mitsui Bobcock) 인수사례," **Korea Business Review**.

17(2), 229-244

최영준, 권기환(2015), "사업인수를 통한 지속 성장 추구:
LG생활건강의 한국 코카콜라보틀링 M&A를 통한
음료사업 진출," **Korea Business Review**, 19(1),
183-204