Cooper's industries manda

[Business](), [Marketing]()

1)Cooper's corporate strategy is a mix of diversification and complementary building by which the company diversifies into related areas that are closer to its core competence as well as build businesses around complementary strengths like the way in which it started businesses around related areas. This mix of diversification and complementary building around its core strengths has been called " Cooperization". This twin strategy has indeed paid dividends for Cooper because of its related diversification and complementary building around its strengths. The complementary development continued throughout the 1970's as did the diversification into related areas. The main aim of this corporate strategy has been to lessen its dependence on the cyclical natural gas business.

2)Cooper's creates value through building similar businesses around related areas of its expertise and then achieving synergies from these businesses. The value that is created is by combining the strengths of the related diversification and complementary building by which the company achieves capabilities in areas close to each other. This synergy helps it to achieve scale and size in running the business. Hence, Cooper's creates value through these twin processes and by achieving synergies.

3)The key resources of Cooper's are its people and especially those in the upper reaches of management. The company has consciously followed a strategy of hiring the best talent available to run its various businesses and this has resulted in it achieving a corporate culture that has become an asset for the company. The other key resource of Cooper's is its culture of encouraging the various businesses to run autonomously thereby encouraging risk taking and entrepreneurial spirit among the business units.

This is related to the company culture and hence it can be said that Cooper’s key resources are its people and the processes that it has built around them.

4)It is my view that Cooper’s should not acquire Champion Spark plugs. There are many reasons for this and they range from the gigantic restructuring that needs to take place at the organizational and operational level as well as the huge increase in its debt percentage resulting from the deal. Further, the company does not stand to gain from integrating another company that is primarily into manufacturing spare parts as the potential synergies from such a move are debatable. Of course, Cooper’s stands to gain from the brand association and the international exposure of Champion which it can leverage to its advantage. However, the costs of such an acquisition far outweigh the benefits and hence the acquisition should not be undertaken.

5)The limits to Cooper’s corporate strategy arise from what can be called the limits of benefits brought about by expansion through acquisition. In what is now known as “ inorganic” growth i. e. expanding through acquisitions as opposed to organic or natural growth. The management at Cooper’s must realize that they cannot hope for a perpetual expansion drive without compromising on the core competencies that the company has. Hence, there are limits to the way in which expansion can take place and the benefits it brings to the table.