

TABLE 2: ILLUSTRATIVE CASE EVIDENCE FOR THE EXPLORATION PHASE¹

Exploratory initiative	Developing distinct skillset	Creating local identity	Taking initiative	Coalition building
Coffee Caps Transition case	++ “The (core coffee unit) wanted to transfer some of their experts, but we preferred to hire external people who could bring in new skills.”* ^B	++ “In the early days, Coffee Caps was very different from FoodGroup. We felt like a start-up and FoodGroup did not matter at all in our activities.”* ^B	+ “Customer tests provided the first evidence of the market potential. The Coffee Caps management used these results to gain corporate support.”** ^B	++ “Our first CEO used his internal network to enlist a growing number of top management sponsors.”* ^B
Nutrition Transition case	++ “At FoodGroup, we understood candy bars, but not sports nutrition. The nutrition unit bought a specialized company to obtain that expertise.”* ^A	++ “We increasingly became a pharmaceutical company. (...) If you are small it is important to develop your own identity.”* ^B	++ “We experimented with value-added service concepts. (...) It gained us much interest and attention at the top management level.”* ^B	++ “Their CEO has 20 years’ experience at FoodCorp. He formed a team of corporate supporters.”* ^A
Icon Transition case	++ “Many of the new hires were luxury marketing experts (...) they brought expertise that we did not have at CarInc before.”* ^A	++ “Our interest was Icon, that was where we belonged.”* ^B “Icon developed its own identity that set them apart from us.”* ^C	++ “The buzz created by the designs for the first model helped convince those colleagues in the senior team who remained skeptical about Icon.”* ^A	++ “Without our CEO’s excellent headquarter contacts, we would not exist today. (...) He was relentless in ensuring that we got the support.”* ^B
Basket Transition case	++ “We changed the hiring profile to obtain employees with retail expertise. (...) We did not want any more investment bankers.”* ^B	+ “Since we had to create an entirely new market segment, we needed a different mentality.”* ^B	++ “In the early stages, there is much insecurity around a new venture. You need initiatives with immediate results to gain internal support.”* ^B	++ “I put a lot of effort into positioning Basket at BankCorp. (...) I enlisted strong supporters in the senior management team.”* ^B
Fleet Non-transition case	++ “We hired 100 fleet experts who knew how to serve corporate customers.”* ^B	++ “We adopted a multi-brand identity. (...) That is very different from CarInc, where everything is about their brand, their cars, their history.”* ^B	+ “Fleet’s CEO presented the unit’s innovative service concepts to demonstrate its market potential (...), which actually convinced me to support them.”* ^A	++ “I was constantly talking (to corporate team members) about Fleet. In the beginning, I had quite some success in enlisting them as our sponsors.”* ^B
eBroker Non-transition case	+/- “We brought in some people with new skills in call center operations and IT platform development.”* ^B “From today’s perspective, we did not acquire any capabilities that were truly novel to the bank.”* ^B	-- “We had a separate unit, but since everybody came from BankCorp, it still felt like BankCorp.”* ^B “They had exactly the same processes and regulations as BankCorp.”* ^A	+/- “eBroker’s CEO showed us their product concepts. It all sounded highly innovative and exciting.”* ^A “When everybody turned against us, presenting success stories became counterproductive.”* ^A	-- “We quickly lost our initial corporate support.”* ^B “Maybe we should have been more active. But we simply did not have the buy-in at the top that we needed.”* ^B

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TABLE 3: ILLUSTRATIVE CASE EVIDENCE FOR THE TRANSITION PHASE¹

Exploratory initiative	Clarifying the territories	Identifying strategic complementarities	Building a profile	Defending unit autonomy
Coffee Caps	++	++	++	++
Transition case	“We (...) wrote down the elements differentiating us. We now have guidelines of our territories.”* ^C	“It was clear that only sharing assets in production would give us the scale to be competitive.”* ^B	“Coffee Caps’ premium marketing skills were also valuable for other FoodGroup businesses.”* ^A	“The new capabilities we had created were important for the group, which strengthened our position.”* ^B
Nutrition	++	++	+	+
Transition case	“We negotiated agreements on shared and distinctive R&D capabilities.”* ^B “At that stage, the two units’ charters had become quite clear.”* ^C	“We needed the (core) food unit’s deep knowledge of manufacturing, market practices, and customers. (...) We could probably have built these assets ourselves, but never at the same cost.”* ^B	“Nutrition contributes to Food Group’s much needed transformation from a food to a health and nutrition company. (...) They are the front-runner for our group’s renewal.”* ^A	“After tough negotiations Nutrition took control of the infant nutrition business.”* ^A “What helped us was the nutritional competence we had developed.”* ^B
Icon	++	++	++	++
Transition case	“It was important to have clear dividing lines. We now know what separates us (...). Icon is about small series production and luxury marketing.”* ^C	“While their cars are expensive, they would be priceless if they produced everything themselves.”* ^C “Icon’s skills in small series development and production could help us make our niche models more profitable.”* ^C	“It took us quite some effort to make them understand that we add a set of unique capabilities to the group.”* ^B “The corporate team finally agreed that Icon could develop a new, attractive segment for CarInc.”* ^C	“There were tentative efforts to appropriate our business. For nearly a year, we fought them off.”* ^B “What saved us from being absorbed was that we had become an important part of the group.”* ^B
Basket	++	++	++	++
Transition case	“We had several meetings to define the target customers and products, which was needed to reduce the tension between us.”* ^C	“We sat down and discussed the two units’ roles and how we can work together for our mutual benefit by combining our strengths.”* ^C	“Basket had to prove that they would complement our portfolio. (...) We encouraged them to improve their relations with our other units.”* ^A	“There were several hostile takeover attempts. (...) Our senior team sponsors helped us fend off these attempts.”* ^B
Fleet	--	--	--	--
Non-transition case	“The CarInc guys made it very clear that they perceived us as a threat to their business.”* ^B “I personally never understood how Fleet fit into our group portfolio.”* ^C	“The two units did not talk about synergies.”* ^A “They were the disowned child (...) the odd man out that was never accepted. We never wanted to work with them.”* ^C	“It all looked good in the beginning. But Fleet never gained traction. Most of us lost confidence that Fleet could ever become a vital part of the CarInc group.”* ^A	“If you do not have excellent arguments against integration, you lose your autonomy. There was a gradual process of absorption to which we had no answer. We had to go along with it.”* ^B
eBroker	--	--	--	--
Non-transition case	“There were no differences. What they did was exactly what we did. (...) They were our direct rivals.”* ^C	“We never really discussed shared activities.”* ^B “eBroker was our competitor, we did not support their operations.”* ^C	“The belief that eBroker creates value for the group vanished over time.”* ^A “Online banking is attractive, but we may not need eBroker for it.”* ^A	“If you fail to show how you could contribute to the group, there are no good arguments for defending your autonomy.”* ^B

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TABLE 4: ILLUSTRATIVE CASE EVIDENCE FOR THE EXPLOITATION PHASE¹

Exploratory initiative	Sharing resources	Developing collective identity	Controlling strategic resources	Negotiating decision-making authority
Coffee Caps	++	++	++	++
Transition case	<p>“The two units share product development and production facilities.”**^A</p> <p>“Coffee Caps shared their new coffee roasting process with us.”*^C</p>	<p>“We recognized that we all belong to FoodGroup (...), working together makes both businesses stronger.”*^B</p> <p>“We are now part of the same team.”*^C</p>	<p>“They created the Coffee Caps consumer club and (set up) the group’s first direct sales force.”**^A</p>	<p>“We negotiated with the corporate team for greater autonomy.”*^B</p> <p>“Coffee Caps received full P&L responsibility.”*^B</p>
Nutrition	++	++	++	++
Transition case	<p>“Nutrition has 81 projects in our shared product development centers.”*^C</p> <p>“Nutrition enabled us to add nutritional value to our products.”*^C</p>	<p>“We first had a separate culture, but today we stress that we are proud to be part of FoodGroup far more. That is normal when you are more established.”*^B</p>	<p>“We gained direct control of the R&D. (...) We created a specialty sales force to be less dependent on FoodGroup’s retail sales force.”*^B</p>	<p>“We persuaded the corporate team to change the decision rights (...) They gave us exactly the same status as the established business units.”*^B</p>
Icon	++	++	++	++
Transition case	<p>“We share product development and production assets with the car unit.”*^B</p> <p>“We learned a lot from Icon about premium marketing.”*^C</p>	<p>“We (now) feel far more part of the CarInc group.”*^B</p> <p>“Today we are good CarInc citizens.”*^B</p>	<p>“Icon invested €100 million in its factory (...) and created a separate franchise sales network as well as showrooms around the world.”**^A</p>	<p>“Our decision-making authority increased when our first model was launched.”*^B</p> <p>“We now have full P&L responsibility.”*^B</p>
Basket	++	++	++	++
Transition case	<p>“We collaborate (with the investment banking unit) regarding the back office and IT. This helped us to exploit our products more efficiently.”*^B</p>	<p>“Working with the investment bank made us aware that we all belong together. (...) We still think we are the avant-garde ... but inside the group, not outside.”*^B</p>	<p>“Basket (...) invested in its own trading platform.”*^A</p> <p>“We set up a marketing team with state-of-the-art CRM expertise.”*^B</p>	<p>“We used our first product’s huge market success to convince the corporate team to grant us greater decision rights.”*^B</p>
Fleet	--	--	--	-
Non-transition case	<p>“There was nearly no sharing of operational assets across the units.”*^B</p> <p>“We did not support Fleet in any way. After a while they gave up on us.”*^C</p>	<p>“CarInc’s culture cannot bear other car brands (...) we were the traitors.”*^B</p> <p>“I call them ‘fleet Rambos’ (...) My job is selling CarInc cars. I do not see how they could help me with this.”*^C</p>	<p>“We decided to centralize most of Fleet’s operational functions to better align them with the group. (...) They were obviously against this, but it was the right thing to do.”*^A</p>	<p>“We did not ask for greater authority. It was obvious that the corporate team wanted tighter control rather than granting us even more authority.”*^B</p>
eBroker	--	--	--	--
Non-transition case	<p>“The only ‘transfer’ – if you want to call it that – was that the core units hired our people away.”*^B</p> <p>“Why should we share assets with them? That was not our interest.”*^C</p>	<p>“The two units’ interests were directly opposed (...), they did not want to be part of the same camp.”*^A</p> <p>“It was us against them. There was never a ‘we.’ We were BankCorp, not them.”*^C</p>	<p>“We had some call center and back office resources, but they are now integrated into BankCorp’s corporate support services. There was not much we could do about this.”*^B</p>	<p>“We lost our authority (...) our services are now fully integrated into BankCorp’s service portfolio.”*^A</p>

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