

LAWSON-MARDON GROUP

How to Take Over your European Division

The Canadian operations

Canadian-based conglomerate of companies active in the following sectors: rigid and flexible plastic packaging, folding cartons, graphics, and printing trade finishing.

Its overseas activities

Canadian management of European activities followed a management buy-out (MBO) of the packaging division of a UK-based company. Since then their expansion in Europe has been based on a combination of acquisitions, organic growth, joint ventures, greenfield dedicated factories, and sales networks.

Lessons to be drawn

Following their MBO, the management had to overcome the following difficulties:

- A considerable amount of anxiety could be felt amongst the employees of the acquired companies, especially within the senior management ranks. To reduce those fears, LMG undertook a "cross-fertilisation" programme, sending UK managers in Canada and vice-versa. This helped to share the parent company's corporate culture throughout the group of companies.
- Furthermore, in order to minimise possible problems of understanding linked to variations in business practices, the company pays a lot of attention to the recruitment of international managers or managers with experience in multinational corporations more likely to be used to North American management techniques.
- To fully take advantage of the knowledge of their respective markets that could be found in each of the companies bought, LMG's management designed a decentralised structure by which each company's managing director is fully responsible for his local operations. The Toronto head office oversees only the major financial decisions, the investment policy, the public relations of the parent company, and recruitment at the very senior level.