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# ***DUPONT CORPORATION: SALE OF PERFORMANCE COATINGS***



# ***INTRODUCTION***

DuPont Corporation's divestiture of the Performance Coatings division is a strategic decision pursued by the company, which implies its desire to concentrate on the key forms of business development. This decision can be explained by general tendencies in the industry that has recently mentioned increased tendencies in terms of concentrating its production, thus improving the overall value of the industry and its subdivisions.



## ***BACKGROUND***

In another case, DuPont Corporation a global chemical firm planned to sell its Performance Coatings division which was among its strategic business units. This decision was based on the firm's strategic plan of focusing on the growth and profitable businesses that offer better margins. The Performance Coatings division, though was on the profitable side, was not in sync with DuPont's vision and missions of moving into more advanced science and technology.

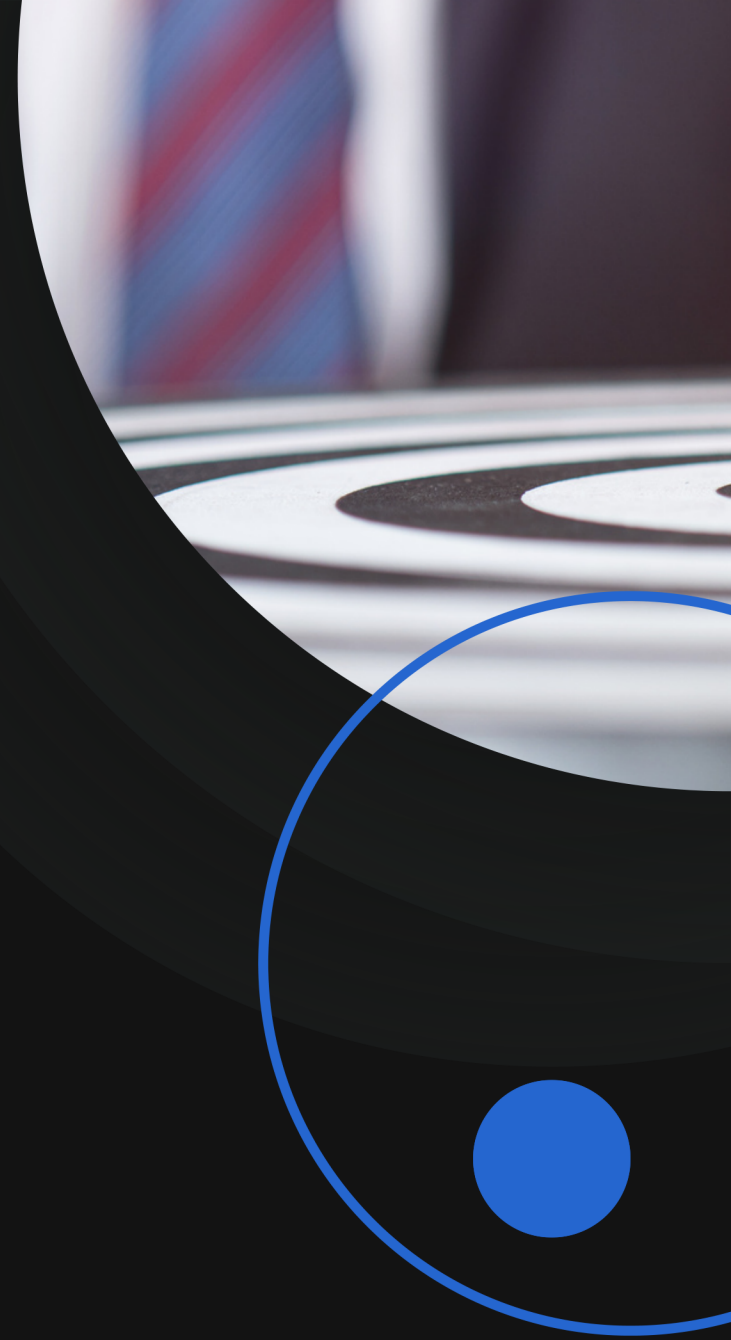
# ***IMPLICATIONS***

The divestment of Performance Coatings division had following impacts on DuPont. It was a strategic change of the companies business model and reoriented the focus of the company on sectors that provide for bigger growth rates. To the stakeholders which include investors and the employees, this strategic change held the possibilities of greater value addition, as well as focus on organizational values.



# **CONCLUSION**

The sale of the Performance Coatings division by DuPont only goes to show its strategic readjustment and development. A specific aim of the strategy is on focusing on growth businesses and innovation, as well as on strong growth markets to ensure it has the right set up for a future market as the current setting continues to undergo changes. The strategy of divestment is a significant aspect of managing and improving the performance and value of a corporate portfolio, as demonstrated by this case.



# RESOURCE

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