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



Introduction



Underlining the DuPont Corporation under the umbrella of science and technology of this gigantic company the general accepted the strategic management decision making in its performance coatings division. Analyzing the factors that precede such a decision, as well as evaluating its consequences, can help comprehend factors affecting the formation of corporate strategies and value creation.





Background

Another example of DuPont business unit that was in automotive and industrial coatings markets was Performance Coatings that offered the company's advanced technologies for both high and non-high performance coatings. DuPont sold this division because despite its great success, the company realized that other divisions could be its focal area and hence, drew out a plan of delineation.





Financial and Operational Impact

The sale of Performance Coatings had major strategic and economic consequences from DuPont's point of view. From the point of view of the financial effect, it was supposed to bring learn a regular cash flow, which can be channeled to the most efficient business segments or directly to the shareholders. From a business functioning procedure's perspective, it helped DuPont to cut the procedure of globalization and gain a regular format to function, which improved its functionality.



Conclusion

Therefore, the disposal of the PC division was a strategic decision made primarily with the intent of aligning DuPont and reshaping the business organization's portfolio. Thus, this divesting was a good move that helped DuPont to refocus on its strengths and opportunities, as well as to expand broadly in its strategic points of focus. Returning to the case in question, it is possible to conclude that optimization of the portfolio and its consistent orientation towards the long-term goals of the business is the key to success.

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