shipment to South Africa, the United States, and Europe. David Armstrong, Finance Director of Lonrho, said, "Agriculture was a key target sector and only a vertically integrated approach really makes sense. That means being involved from when you plant the seed right through to delivering it to the customer on the plate." Rollex provided the logistics and processing capability. Armstrong added, "Rollex has always been identified as the spine of the agriculture business because of its logistics and processing capability. It wasn't the biggest one involved in agriculture but it was the only one of sufficient skill involved in the vertically integrated fashion." They also had a good geographical spread with its headquarters in South Africa, and operations in Zimbabwe, Zambia, Mozambique, Botswana, and South Africa.

Lonrho initially acquired 51 percent with an earnout arrangement but moved toward full ownership more quickly in order to bolt on additional businesses and create scale quickly and in doing so have developed the largest processing center in the Southern Hemisphere. The agriculture portion of Lonrho's business is being either grown organically through land acquisitions, through joint ventures, or smaller acquisitions. They purchased the largest farm in Zimbabwe and have established strategic alliances to supply up to 80 percent of material for processing. In addition to Rollex, Lonrho purchased another freight-forwarding business and are moving Rollex onto that systems platform; they also have purchased more processing capacity.

This case highlights the use of acquisition for speed in establishing one's strategic intent. It also demonstrates how companies use a variety of means to achieve their overall objectives—acquisitions, alliances, organic growth, all work in tandem in order to best achieve the organization's strategic ambitions. While the initial division's structure was acquired, it was expanded through a variety of means.

Case 7.3 Lafarge in India

Lafarge, the world's largest cement maker, have grown significantly through a combination of organic growth, joint venture, and acquisition. They coordinate their expansion efforts through their small, centralized acquisition team. One of their successes is their expansion into India via two separate acquisitions. The first was via an acquisition of Tata Industries' former cement operations in 1999. A second operation was then purchased from the Raymond Group in 2001 and the two were combined. As part of the integration, both operations were upgraded and revamped with significant investment. An ambitious organic growth strategy was achieved with great success with production capacity doubling. To build on this success, Lafarge built a further facility to increase capacity an additional 30 percent.

According to those within Lafarge, the key to this acquisition success is twofold. One is the "orphan syndrome" in which both plants came from environments where they were not core industries. As neither was a priority, they possibly did not receive adequate investment or management time. The acquisition

but also greater attention paid to local management. In the Indian operations, Lafarge found in its Indian workforce a "huge talent pool with a lot of knowledge and enthusiasm." Lafarge began by taking some of the key Indian managers and moving them within the Lafarge network to other locations throughout the world. This not only worked in increasing cross-country collaboration and knowledge sharing, but also signaled to the remaining workforce that they were valued and "had found a home with Lafarge." As a result, employee turnover is 15 percent less than the industry norm even though Lafarge pays the average in terms of wages.

The second factor was the combination of "being global but acting local." Lafarge brought to their Indian operations better management practices, technology, and investment, but kept the feel very local, not even changing the corporate name. They found that the local Indian cement market was unique, in that it was heavily skewed toward retail rather than industrial sales. As a result, Lafarge tailored their marketing to that effort with great effect even to the point that they recruited from fast-moving consumer goods companies such as Hindustan Lever, a practice unique to India Lafarge. According to a senior Lafarge executive, employees felt they "were working for their country but under the umbrella of a big multinational's systems and processes." Thus they are able to capitalize on the best of both worlds.