Category

Strategy

Strategy for Multi-Business Groups & Conglomerates Playbook

Proving parenting advantage — the case for why a diversified group should own each business at all

- Executive
- Advanced
- Template Included

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- 4 minute(s)

Overview

A framework for testing whether a corporate parent genuinely adds value to each business in its portfolio, and restructuring the parenting model for businesses where that case can't be made.

How is this different from the Corporate Portfolio Strategy &

Capital Allocation Playbook? That playbook focuses on which businesses to fund, hold, or divest based on strategic fit and financial return. This one asks a more fundamental question specific to conglomerates: does the corporate parent actually add value to each business, beyond just allocating capital to it?

What is "parenting advantage" exactly?

The specific, provable ways a corporate parent makes a business unit perform better than it would as a standalone company or under a different owner — shared capabilities, cheaper capital, cross-business synergies, or superior governance, not just historical ownership.

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