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**SCHNEIDER AS AN ACTOR
OF INTERNATIONALIZATION**
(From the 1900's to the 1980's)

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Introduction

Le Creusot (Burgundy, France)

Company founded in 1836

Products: locomotives, arms...

20e Century: Eugène II Schneider, Charles Schneider, Edouard-Jean Empain

A very early internationalization, detailed by his successors?

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**I. THE INTERNATIONALIZATION OF
THE GROUP : EUGENE II' WORK
(1898-1942)**

**A. An early internationalization before
WW1**

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I. THE INTERNATIONALIZATION OF THE GROUP : EUGENE II' WORK (1898-1942)

A. An early internationalization before WW1

1. Abroad sales

Schneider was the usual weapons supplier of 23 countries worldwide: Spain, Greece, Portugal, Nederland, Sweden, Norway, Denmark, Bulgaria, Romania, Serbia, Russia, Chili, Brazil, Argentina, Uruguay, Mexico, Dominican Republic, Haiti, Transvaal, Morocco, Japan, China and Turkey

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I. THE INTERNATIONALIZATION OF THE GROUP : EUGENE II' WORK (1898-1942)

A. An early internationalization before WW1

1. Abroad sales

2. The production based in Europe
Mainly in Russia, but, also partly in
Switzerland, Belgium, Italy and Spain

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I. THE INTERNATIONALIZATION OF THE GROUP : EUGENE II' WORK (1898-1942)

A. An early internationalization before WW1

1. Abroad sales
2. The production based in Europe

3. An effective production out of Europe?

Nothing but a few attempts in China or South America

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I. THE INTERNATIONALIZATION OF THE GROUP : EUGENE II' WORK (1898-1942)

A. An early internationalization before WW1

B. Globalization increased during the interwar period

1. The post-war peak

233 societies belonged to the Schneider group in 1921

The group was set up in 18 countries, including 4 out of Europe

46 subsidiaries located in Europe (Benelux: 11, Russia: 9, Central Europe: 8) and only 6 in the rest of the World

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2. The multiform internationalization of the Schneider group

Instead of a geographical spreading, the abroad sets up took place via the development of new activities

Favorite means: the joint ventures

Eugene II, an international VIP. Many titles and official decorations

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I. THE INTERNATIONALIZATION OF THE GROUP : EUGENE II' WORK (1898-1942)

B. Globalization increased during the interwar period

1. The post-war peak
2. The multiform internationalization

3. An international strategy that was not approved unanimously

His own sons disputed his strategy

Schneider, as seen as the representative of the international “businessmen” and “cannon dealers” lobbies.

Many anti-Schneider posters and hostile written works

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II. EUGENE'S SUCCESSORS AND THE INTERNATIONALIZATION DEEPENING (the 1940's to the early 1980's)

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**II. EUGENE'S SUCCESSORS AND THE
INTERNATIONALIZATION
DEEPENING(the 1940's to the early
1980's)**

**A. Charles Schneider: a respectful heir
(1942-1960)**

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II. EUGENE'S SUCCESSORS AND THE INTERNATIONALIZATION DEEPENING (the 1940's to the 1980's)

A. Charles Schneider: a respectful heir (1942-1960)

1. The exports, both a purpose and a restricting necessity

The French government encouraged the national firms to export in order to restore the trade balance

A necessity to escape from a too restricted national market controlled by the french government

The need of an organized and performing commercial network under Charles Schneider' control

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II. EUGENE'S SUCCESSORS AND THE INTERNATIONALIZATION DEEPENING(the 1940's to the 1980's)

A. Charles Schneider: a respectful heir (1942-1960)

1. The exports, both a purpose and a restricting necessity

2. The spreading of the market
“Americanization” of the minds and the firm

The development of the group all over the American continent

The constant hostility to the European construction and the welcome of a new client: the USSR

Charles as an international VIP
(commander of the Brazilian Cruzeiro do Sul Order in 1956)

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A. Charles Schneider: a respectful heir (1942-1960)

1. The exports, both a purpose and a restricting necessity

2. The spreading of the market

3. A real offer diversification abroad?

The production subsidiaries specialized in the traditional productions of the group

Technological and financial joint ventures with local companies in order to develop new activities as petroleum or nuclear

Engineering

The multiplication of trade companies

Abroad remains a favorite place to borrow or to invest

The accidental death of Charles in 1960 lead to a severe succession and strategy issues

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**II. EUGENE'S SUCCESSORS AND THE
INTERNATIONALIZATION
DEEPENING (the 1940's to the 1980's)**

**A. Charles Schneider: a respectful heir
(1942- 1960)**

**B. Empain-Schneider, or the pursuit of
the internationalization of the group (1960's
and 1970's)**

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B. Empain-Schneider, or the pursuit of the internationalization of the group (1960's and 1970's)

1. A international strategy conducted by a group that had to remain French

The selling of the shares to the Belgium citizen Baron Empain by members of the Schneider family

The French government opposition to a foreign take-over of one of the most representative firms of French industry

Despite Empain never became a French citizen... the group remained French!

The failure of the alliance with Westinghouse due to the French government opposition

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B. Empain-Schneider, or the pursuit of the internationalization of the group (1960's and 1970's)

1. A international strategy conducted by a group that had to remain French

2. Discourses and reality of the very deep internationalization of the group

The increase of the group's turnover abroad: 42% 1977, 50% 1977-1981

In 1981, a very international group, third French exporter following Peugeot and Renault

A new selling geography: less in Europe (50 to 44%) and in South America (21% to 9) but more in the developing countries (26 to 40%)

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Conclusion

* Eugene II Schneider

He can be seen as an innovator, a forerunner

The geography of his business remained European and he favored production, trade, investments and loans, shares, societies and patents purchases

The background: supranational organizations premises, poor reputation of a very controversial man and his international strategy

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Conclusion

* Eugene II Schneider

* Charles Schneider

Favorable background

America and communist Europe

The increase of numerous trade firms set
globalization on a long-term basis

Capital goods replace weapons supplies

21.

Conclusion

* Eugene II

* Charles

* Edouard-Jean Empain

The French governments mistrusted this Belgium shareholder

Empain has not been allowed to enter into an alliance with the Americans

He operated in the developing countries on a long-term basis and he increased internationalization