Alcoa becomes latest big US company to shrink-to-grow

Here's a look at some companies Alcoa joins in the split-to-grow club



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Alcoa Inc. became just the latest in a string of U.S. companies to split itself into two in what might be seen as a shrink-to-grow strategy. Often, the reason for the maneuver is that one part of a company's business is growing at an accelerated rate and the more established but slower growing division begins to look like an anchor. In other instances, or sometimes a combination of the two, it's determined that it would be more efficient to break a multifaceted company apart so that each division can focus on its own goals.

Here's a look at some of the recent company splits:

**Danaher Corp**.

The Port Washington, New York, company makes products for the industrial and medical sectors. After the split, one company will focus on science and technology and retain the Danaher name. That company generated about $16.5 billion in revenue in its most recent fiscal year. A second company will focus on more diversified industrial products and it generated about $6 billion.

Thomas Joyce will continue to lead Danaher as CEO. James Lico, currently executive vice president with responsibility for Danaher's test and measurement and Gilbarco Veeder-Root businesses, will become president and CEO of the other.

**Hewlett-Packard Co.**

The Palo Alto, California, personal computer maker plans to form a new company called HP Inc. that will focus solely on personal computers and printers. Another company, to be named Hewlett Packard Enterprises, will focus on the fast-growing areas of servers, data storage, software and consulting services for businesses and government agencies.

Current CEO Meg Whitman will run Hewlett Packard Enterprises while Dion Weisler will be CEO of HP Inc.

**The Dow Chemical Co.**

The Midland, Michigan, chemical producer, while not really splitting in two, is breaking off a significant chunk of itself, its chlorine operations, in a sale to Olin Corp. for about $5 billion. Some investors have pushed for the deal, seeing value in a slimmer Dow.

Under the deal, its chlor-alkali and derivatives business will join with Olin in a cash-and-stock deal, after which Dow shareholders will receive about a 50.5 percent stake in the newly formed company.

**Gannett Co.**

The McLean, Virginia, company best known for its flagship newspaper USA Today, will spin off its digital and broadcasting businesses from its publishing business. The newspaper and publishing business will retain the Gannett corporate name, while the new broadcasting company will be called TEGNA. It will be home to 46 television stations and include digital businesses like cars.com and CareerBuilder.

**eBay Inc.**

The San Jose, California, e-commerce company split off its PayPal payments unit in July under growing investor pressure. The maneuver is part of eBay's strategy to focus more on its marketplace business as competition heats up with Amazon.com Inc. and other online retailers.

**General Electric Co.**

While known mostly as an industrial conglomerate, the Fairfield, Connecticut, company's big money-maker has been finance. That had become a problem, at least for some big shareholders, as federal regulators cracked down on the banking sector. GE said in June it would sell its private equity business and is now attempting to sell GE Asset Management, which focuses on loans, credit cards and other financial services. The business had $115 billion in assets as of June 30.