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

A. An early internationalization before WW1
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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
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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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
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
I. THE INTERNATIONALIZATION OF THE GROUP: EUGENE II’ WORK (1898-1942)

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   2. The multiform internationalization of the Schneider group
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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

   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
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
I. THE INTERNATIONALIZATION OF THE GROUP: EUGENE II’ WORK (1898-1942)
   A. An early internationalization before WW1
   B. Globalization increased during the interwar period

II. EUGENE’S SUCCESSORS AND THE INTERNATIONALIZATION DEEPENING (the 1940’s to the early 1980’s)
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A. Charles Schneider: a respectful heir (1942-1960)
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
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)
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
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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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
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%)
19.

**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
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
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