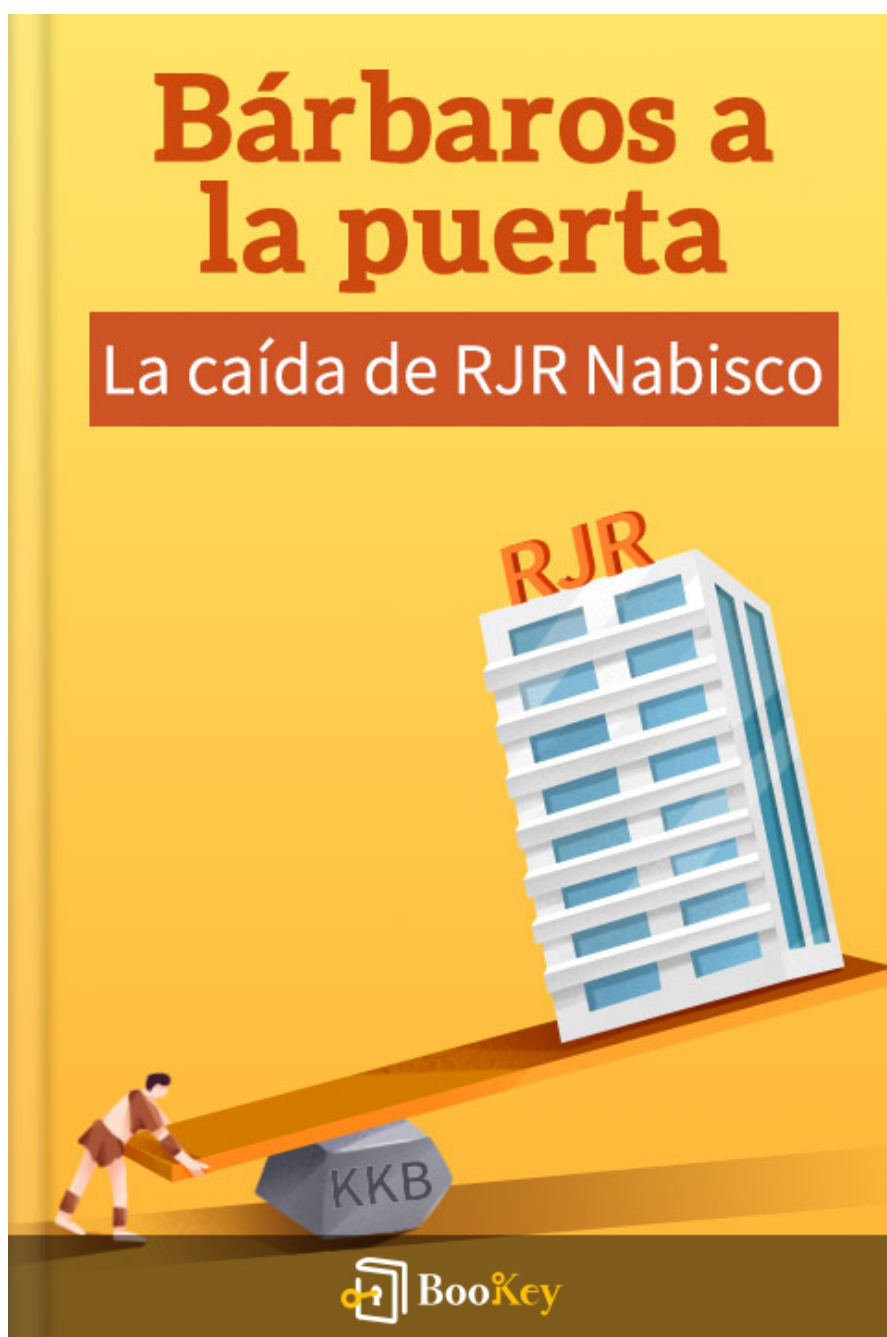


Barbarians At The Gate PDF (Copia limitada)

Bryan Burrough



Prueba gratuita con Bookey



Escanear para descarga

Barbarians At The Gate Resumen

Unraveling the Greed Behind a Corporate Power Struggle.

Escrito por Encuentro de Manuscritos de Ciudad de México Club de
Libros

Prueba gratuita con Bookey



Escanear para descarga

Sobre el libro

Barbarians at the Gate details the dramatic events surrounding the leveraged buyout (LBO) of RJR Nabisco, a tobacco and food conglomerate, which became the largest and most notorious buyout in history in the late 1980s. The narrative unfolds against a backdrop of rampant corporate greed during the era of financial excess and showcases the intense competition among key players in the financial world.

The story begins with RJR Nabisco's CEO, F. Ross Johnson, who envisions taking the company private to enhance its value and streamline operations. However, this ambition quickly transitions into a fierce bidding war. Johnson's initial plan to orchestrate a management buyout sparks interest not only from potential investors but also from powerful private equity firms.

As tensions rise, the main contenders emerge: Johnson and his allies from the company, and the formidable private equity firm Kohlberg Kravis Roberts & Co. (KKR). The narrative highlights the complexities of negotiations, the strategies employed by each side, and the broader economic principles underpinning leveraged buyouts, which typically involve using borrowed funds to boost returns.

With the stakes escalating, the book vividly illustrates how personal ambitions intertwine with corporate strategy. Key figures, such as George

Prueba gratuita con Bookey



Escanear para descarga

Roberts and Henry Kravis from KKR, grapple with not just business decisions but also ethical dilemmas, as the bidding process turns increasingly cutthroat. An array of industry tactics, interest group dynamics, and the impact of media frenzy further complicate the landscape.

The book culminates in the dramatic conclusion of the bidding war, revealing the multi-billion dollar price tag that makes the deal both remarkable and cautionary. The aftermath is addressed in the new afterword, which reflects on the long-term ramifications of the RJR Nabisco saga, emphasizing lessons learned about corporate governance and the risks of unchecked ambition in the financial world.

Through meticulous research and engaging storytelling, Burrough and Helyar paint a vivid portrait of an era defined by corporate machinations, ultimately offering a timely reflection on the ongoing relevance of these themes in today's business environment.

Prueba gratuita con Bookey



Escanear para descarga

Sobre el autor

In the chapters of Bryan Burrough's work, we are immersed in a narrative that intricately weaves together the drama of corporate maneuvering with the larger cultural and economic backdrop of America, particularly during the tumultuous 1980s. The author skillfully introduces key players in the business arena, allowing readers to grasp the high-stakes atmosphere of corporate takeovers and financial dealings.

The prologue sets the stage for the intense competition within corporate boardrooms, highlighting the growth of leveraged buyouts as a dominant strategy among ambitious financiers. Burrough outlines the rise of RJR Nabisco, a conglomerate that became emblematic of corporate excess. Through detailed character studies, we meet influential figures such as Ross Johnson, the charismatic CEO whose desire to take the company private fuels an intense bidding war.

As the chapters unfold, the narrative escalates, revealing the intricate tactics employed by various investment firms vying for control of RJR Nabisco. The scale of the financial battles described not only illuminates individual greed but also comments on the broader implications of capitalism in America. Each chapter builds on the themes of ambition and betrayal, punctuated by vivid scenes of boardroom confrontations and behind-the-scenes negotiations.

Prueba gratuita con Bookey



Escanear para descarga

Amidst the dramatic battles for supremacy, Burrough also sprinkles background information about the economic climate of the time, enriching the reader's understanding of how deregulation and market pressures created a fertile ground for such fierce competition. These contextual details enhance the suspense surrounding the eventual outcome of the bidders, painting a portrait of an era defined by both innovation and moral ambiguity.

As the plot reaches its climax, the stakes become ever higher, culminating in a shocking resolution that serves as both a conclusion to the specific tale of RJR Nabisco and a reflection on the consequences of unchecked corporate ambition. Burrough's deep dives into motivations and strategies consist not only of corporate tactics but also emotional currents, exposing the human cost of an era driven by the pursuit of wealth and power.

In summary, these chapters not only chronicle a pivotal moment in American business history but also serve as a cautionary tale about the lengths individuals will go to achieve success, raising questions about ethics and the true costs of ambition in the high-stakes world of finance.

Prueba gratuita con Bookey



Escanear para descarga



Prueba la aplicación Bookey para leer más de 1000 resúmenes de los mejores libros del mundo

Desbloquea de **1000+** títulos, **80+** temas

Nuevos títulos añadidos cada semana



Perspectivas de los mejores libros del mundo



Prueba gratuita con Bookey



Lista de Contenido del Resumen

Chapter 1: CHAPTER 1

Chapter 2: CHAPTER 2

Chapter 3: CHAPTER 3

Chapter 4: CHAPTER 4

Chapter 5: CHAPTER 5

Chapter 6: CHAPTER 6

Chapter 7: CHAPTER 7

Chapter 8: CHAPTER 8

Chapter 9: CHAPTER 9

Chapter 10: CHAPTER 10

Chapter 11: CHAPTER 11

Chapter 12: CHAPTER 12

Chapter 13: EPILOGUE

Prueba gratuita con Bookey



Escanear para descarga

Chapter 1 Resumen: CHAPTER 1

Summary of Chapter 1 from *Barbarians at the Gate*

In this opening chapter, we are introduced to Ross Johnson, an ambitious executive at Standard Brands, who is embroiled in a fierce power struggle with the company's chairman, Henry Weigl. This internal conflict sets the stage for a dramatic transformation within the company, highlighting Johnson's desire to overturn outdated corporate practices.

The year is 1976, and tensions are escalating as Johnson, facing scrutiny over his extravagant lifestyle and questionable expense accounts, prepares to strike back against Weigl. A pivotal board meeting reveals the deep fractures within the organization, as Johnson rallies his supporters to challenge the status quo and seize control of the company.

Johnson's rise within Standard Brands is characterized by his unconventional, deal-driven approach. Rejecting the rigid confines of traditional business etiquette, he seeks to inject energy and innovation into the company. This philosophy enables him to attract fresh talent and cultivate a lively corporate environment, often at odds with the more conservative elements of the company.



To understand Johnson's motivations, it's essential to consider his formative years. Born in Winnipeg during the Great Depression, his childhood fostered a competitive and opportunistic spirit. He built his early career in various Canadian firms, earning a reputation as a charismatic and inventive marketer.

By the 1970s, Johnson's unorthodox business methods catapult him to the presidency of Standard Brands, where he swiftly implements radical changes—overhauling top management and reshaping corporate operations to reflect his vision. However, his tenure is not without its challenges. Declining profits and various controversies regarding company spending have drawn scrutiny, leading to investigations into his leadership style. Despite these obstacles, Johnson adeptly navigates the criticism and solidifies his authority.

As he settles into his leadership role, Johnson initiates a cultural shift within Standard Brands, favoring an informal and unconventional approach that ultimately causes friction with the more traditional side of the business, especially as the company prepares for a merger with Nabisco. Leveraging his extensive connections in both business and celebrity circles, Johnson enhances Standard Brands' profile, positioning the company for future success.

In conclusion, Johnson's dynamic leadership and bold business strategies not



only enable him to manage crises but also lay the groundwork for an eventual merger with Nabisco. His narrative exemplifies the clash between traditional corporate methodologies and the emerging, more flexible practices of the 1980s, setting the tone for the tumultuous corporate battles to come.

Prueba gratuita con Bookey



Escanear para descarga

Chapter 2 Resumen: CHAPTER 2

Summary of Chapter 2 from "Barbarians at the Gate"

In this chapter, the narrative begins with a poignant reflection on the transformation of R.J. Reynolds Nabisco, likening it to a beloved childhood home being repurposed into an unwanted establishment. This metaphor encapsulates the deep-rooted significance of the R.J. Reynolds Tobacco Company in shaping the identity and development of Winston-Salem, North Carolina. The city's architecture and institutions owe much to the Reynolds legacy, with notable landmarks and philanthropic contributions from the Reynolds family enhancing local education and healthcare.

The chapter delves into the life of R.J. Reynolds himself, who arrived in Winston-Salem in 1874, armed with a tobacco-centric upbringing. He quickly capitalized on this heritage by innovating tobacco products and establishing a reputation for aggressive expansion. His strategic negotiations, especially with influential figures like Buck Duke, allowed Reynolds Tobacco to emerge successfully by the late 19th century, despite facing intense regional competition.

As the narrative progresses, it highlights the company's tumultuous journey through the early 20th century, detailing how Reynolds initially formed a

Prueba gratuita con Bookey



Escanear para descarga

precarious alliance with Duke to secure much-needed capital. Eventually returning to independence, Reynolds's pursuit of national markets culminated in the successful launch of brands such as Prince Albert and Camel. This rapid expansion, however, was not without its challenges, as the company faced increasing competition and shifting consumer preferences.

The internal dynamics of Reynolds Tobacco are notably shaped by Moravian values emphasizing community and self-reliance. R.J. Reynolds fostered a strong corporate culture that invested in employee ownership and introduced programs aimed at improving workers' lives. However, over time, management shifts began to sow seeds of parochialism, resulting in branding missteps that failed to connect with evolving market demands.

As the chapter transitions into the 1950s and 1960s, it explores the changing leadership landscape within the company. Various executives with differing management and marketing philosophies entered the scene, leading to tensions and conflicts, particularly with the established company culture. The culmination of these boardroom battles and the clash between traditional values and modern pressures foreshadows a brewing corporate crisis. This internal discord sets the stage for the RJR Nabisco empire's eventual decline, highlighting the complex interplay of history, culture, and ambition that defines the company's legacy.



Chapter 3 Resumen: CHAPTER 3

Summary of Chapter 3 of "Barbarians at the Gate"

In Chapter 3, titled "Ross Johnson's Ascendancy at RJR Nabisco," the narrative unfolds the dramatic rise of Ross Johnson within the corporate landscape of RJR Nabisco. Johnson, previously the CEO of Nabisco in 1984, took the helm of the newly formed RJR Nabisco in 1986 following a pivotal merger with Reynolds Tobacco the previous year. This powerful conglomerate, benefiting from Reynolds' substantial cash flow, became the platform for Johnson's ambitious and controversial management style.

From the outset, Johnson's approach was marked by significant decisions that raised eyebrows among both colleagues and local elites. One of his first actions was the retention of Ed Horrigan, a seasoned tobacco expert, despite their fraught history. Following this, Johnson purged several members of the Reynolds "Old Guard," replacing them with trusted associates from Nabisco. This shake-up ignited gossip within the community of Winston-Salem, signaling a major cultural shift away from the conservative values traditionally associated with Reynolds.

As Johnson embraced a more extravagant lifestyle, his lavish spending habits drew scrutiny and gossip, particularly surrounding his wife, Laurie



Johnson, whose unconventional behavior added fuel to the fire. The mounting discontent culminated in a backlash against his leadership and plans, especially his contentious proposal to relocate RJR Nabisco's headquarters from Winston-Salem to Atlanta. This relocation not only represented a strategic shift for the company but also embodied Johnson's growing estrangement from local traditions and sentiments.

Simultaneously, Johnson worked diligently to maintain support from the board while facing increasing hostility from the community. He appointed J. Richard Sticht as chairman, a move designed to quell local dissatisfaction while still exerting control over the board. Despite attempts to appease local executives, Johnson's vision conflicted with the established norms of Winston-Salem, further isolating him from potential allies.

The corporate culture under Johnson became synonymous with opulence. The new Atlanta headquarters was a showcase of luxury, complete with lavish decor and an impressive fleet of corporate aircraft, dubbed the "RJR Air Force." This shift towards a high-octane lifestyle was in stark contrast to the cost-cutting measures urged by investment bankers, who were increasingly advocating for leveraged buyouts (LBOs) as a strategy for growth.

Johnson faced external pressure from Wall Street to pursue aggressive acquisitions, but he maintained a skeptical view of LBO risks. Influenced by



advisors like Jeffrey Beck, he toyed with ambitious financial restructuring while dismissing proposals that threatened to disrupt the company's culture or his personal aspirations. Throughout this complex narrative, Johnson's leadership style is revealed to be a tangled web of ambition, privilege, and a relentless pursuit of personal and corporate goals, underscoring the precarious balance he sought to maintain between bold innovation and the looming realities of corporate governance.

Prueba gratuita con Bookey



Escanear para descarga

Chapter 4: CHAPTER 4

Summary of Chapter 4: Barbarians at the Gate

In the wake of the catastrophic stock market crash on October 19, 1987, RJR Nabisco faced a severe downturn, with its stock price plunging from the mid-sixties to the low forties. Despite reporting a 25% profit increase by December, the company's stock remained undervalued, leading CEO Ross Johnson to feel sidelined amid the rising valuations of other food stocks. Frustrated with the market's perception, which heavily identified RJR as a tobacco company rather than a diversified food business, Johnson contemplated mergers or joint ventures to elevate RJR's standing.

He initially considered merging with Pillsbury, but his advisors dissuaded him, arguing that investing in a mediocre entity would not benefit RJR. Instead, they suggested creating dual stock classes for their food and tobacco operations. While Johnson was open to this strategy, he felt the pressure of being viewed primarily as a tobacco company, despite the strong contributions from RJR's food segment.

Amid this uncertainty, influential shareholder Clemmie Dixon Spangler emerged as a vocal critic of Johnson's leadership, attempting to rally support for a potential takeover. Spangler sought alliances with former chairman



Paul Sticht and investment backers, hinting at a leveraged buyout (LBO) strategy that aligned with Wall Street's growing interest in corporate acquisitions following the crash.

As pressures mounted, Johnson took a drastic step by repurchasing over \$1 billion worth of shares in an effort to stabilize the stock price. However, despite these efforts, the stock continued to decline, revealing RJR's vulnerability to hostile takeovers. During this tumultuous period, the merger department at Shearson Lehman Hutton, particularly dealmakers Steve Waters and J. Tomilson Hill III, recognized an opportunity with RJR. Following his exit from Shearson, Waters joined Morgan Stanley, maintaining a close relationship with Johnson as they anticipated significant transactions on the horizon.

As ideas for LBOs gained traction, Johnson found himself at a crossroads, caught between revitalizing RJR through acquisitions and managing debt pressures. Initially skeptical about an LBO, mounting frustrations stemming from stagnant stock prices and failed initiatives eventually led him to reconsider. Conversations with Wall Street insider Andy Sage further fueled his curiosity about the advantages that an LBO structure could offer.

The chapter concludes with personal turmoil for Johnson, as he received distressing news about his son Bruce's serious accident. This tragedy compounded the pressures from both family and corporate responsibilities,



forcing Johnson to navigate a precarious landscape of personal and business crises while looming decisions about RJR's future awaited him.

Instala la app Bookey para desbloquear el texto completo y el audio

Prueba gratuita con Bookey





Por qué Bookey es una aplicación imprescindible para los amantes de los libros



Contenido de 30min

Cuanto más profunda y clara sea la interpretación que proporcionamos, mejor comprensión tendrás de cada título.



Formato de texto y audio

Absorbe conocimiento incluso en tiempo fragmentado.



Preguntas

Comprueba si has dominado lo que acabas de aprender.



Y más

Múltiples voces y fuentes, Mapa mental, Citas, Clips de ideas...

Prueba gratuita con Bookey



Chapter 5 Resumen: CHAPTER 5

Summary of Chapter 5 from "Barbarians at the Gate"

In Chapter 5, the intricate dynamics of merchant banking are spotlighted as Peter Cohen, a prominent investment banker and newly appointed head of Shearson, prepares for a pivotal meeting with Ross Johnson regarding a potential Leveraged Buyout (LBO) of RJR Nabisco. This meeting serves as a significant moment for Cohen, who seeks to gauge Johnson's seriousness and resolve about the deal.

Cohen's professional journey embodies a transformation from a cutthroat negotiator to a more diplomatic figure, reflecting the pressures of Wall Street's predominantly male culture. His leadership style is evolving, revealing his attempts to adapt to the collaborative demands of the investment world while still navigating the competitive landscape.

Despite Shearson's belated entry into the LBO market due to a recent merger with Lehman Brothers, the firm begins to find its footing. However, its initial foray into a major buyout raises concerns about Cohen's approach and the overall understanding of corporate finance within the organization.

As Cohen faces internal strife with Daniel Good, the head of Shearson's



merchant banking division, the chapter delves into the tensions exacerbated by the volatile market, particularly highlighting the aftermath of the Black Monday crash of 1987. This tumultuous period prompts Cohen to reconsider his tactics and the stability of his alliances within both his firm and the broader banking community.

With Johnson signaling his interest in the LBO, the chapter underscores the complex negotiations between Shearson and RJR Nabisco's management. Johnson's assertiveness, characterized by his demands for significant control and a substantial share of the profits, marks him as a formidable player, reflective of his ambition and confidence.

As negotiations unfold, Cohen's team grapples with the competing interests at stake, striving to balance Johnson's high expectations with Shearson's financial considerations. The chapter captures the mounting tension as both sides aim to reach an arrangement that maximizes their gains while minimizing risks.

As the chapter approaches its conclusion, anticipation builds around an impending board meeting where critical decisions regarding the buyout will be made. This moment not only holds the potential to redefine the future of RJR Nabisco but also solidifies Cohen and Johnson's positions in the high-stakes realm of investment banking, setting the stage for dramatic shifts in the corporate landscape.



Chapter 6 Resumen: CHAPTER 6

Summary of Chapter 6 from "Barbarians at the Gate"

The chapter begins with Ross Johnson, CEO of RJR Nabisco, as he prepares for a crucial board meeting. Johnson, despite media reports claiming the company would shy away from mergers, finds humor in the misunderstanding surrounding the imminent leveraged buyout (LBO) effort. Rainy phone calls from peers, alternating between congratulatory notes and concerns about potential effects on pensions and board perks, set a tense atmosphere.

As the board meeting commences, a press release confirming the LBO initiatives is issued, leading to an intense media frenzy that illustrates the dramatic changes brewing in corporate America. This announcement marks RJR Nabisco's transformation into a centerpiece of a historic business narrative that captures widespread attention.

Amidst the turmoil, we're introduced to Jim Robinson from American Express, highlighting the anxiety on Wall Street in the wake of the 1987 market crash. Investors and merchant banking executives are optimistic, hoping to leverage LBOs as a means to regain profits lost during the downturn in a fiercely competitive financial landscape.



As news of the LBO spreads, major investment firms such as Kohlberg Kravis Roberts & Co. (KKR) and Drexel Burnham scramble to position themselves strategically. KKR's co-founder, Henry Kravis, initially reacts with disbelief upon learning that Johnson proposed a \$75 per share deal. Kravis feels slighted, having been instrumental in shaping the idea of the LBO's potential.

The plot thickens when KKR announces a bold \$90-a-share tender offer for RJR Nabisco. This unexpected move sends shockwaves through the corporate environment, forcing Kravis to insist on taking unilateral action, perceiving Johnson's potential for consolidating power as a challenge that must be countered.

In the tension-filled corridors of investment advisory firms, infighting ensues over a leaked bid, showcasing the erosion of trust and cooperation in this high-stakes environment. Amidst the internal strife, Salomon Brothers' chairman, John Gutfreund, contemplates entering the fray with a secretive and aggressive strategy to secure stock, aiming to carve out a significant role in the LBO chase.

As Kravis's ambitious offer looms large, Johnson is eventually faced with the stark reality of the competitive landscape. Initially dismissive of KKR's bid, he begins to grasp the urgency and potential fallout as his allies and

Prueba gratuita con Bookey



Escanear para descarga

advisers react with alarm. The once-promising outlook for his corporate control shifts dramatically, indicating a pivotal transformation in the power dynamics at RJR Nabisco, leaving Johnson in a precarious position as the chapter closes.

Prueba gratuita con Bookey



Escanear para descarga

Chapter 7 Resumen: CHAPTER 7

Chapter 7 Summary

Morning Routine

The chapter opens in the upscale Manhattan apartment of Ted Forstmann, a prominent financier known for his success and wealth. As he savors a lavish breakfast, his mind is preoccupied with frustrations surrounding Wall Street's junk-bond culture, particularly the practices of his rival, Henry Kravis, co-founder of the investment firm Kohlberg Kravis Roberts (KKR). This morning ritual sets the stage for Forstmann's deepening conflict with emerging trends in corporate finance.

Forstmann's Anger

At the age of 49, Forstmann is portrayed as a powerful figure with a deep disdain for the junk bonds that dominate the leveraged buyout market. He views these financial instruments as tainted, allowing less scrupulous investors to threaten established corporations, thereby undermining the integrity of the takeovers commonplace in his industry. This belief is particularly stoked by the impending KKR bid for RJR Nabisco, which he identifies as an example of the detrimental effects of junk-bond financing.



Resistance Against Junk Bonds

Driven by a commitment to his values, Forstmann feels compelled to resist the rise of junk bonds and their associated practices, seeing them as a corruption of the ethical standards he holds dear. His perspective is informed by a traditional approach to finance, one that emphasizes stability and responsibility over quick gains from leveraged buyouts.

Failure to Compromise

As the stakes rise around the RJR Nabisco deal, Forstmann is unwavering in his opposition to any collaboration with KKR. His anger mounts as he perceives an unsettling alliance brewing between RJR Nabisco's management and KKR, a partnership he views as a betrayal of his ideals.

Conflict Among Executives

The chapter introduces tensions among the executives at Shearson, who are grappling with varying strategies to respond to Kravis's offers. Ross Johnson, the CEO of RJR Nabisco, is portrayed as indecisive, torn between aligning with Shearson or the controversial KKR, highlighting the internal strife within the leadership.



Desperation and Negotiation Attempts

As negotiations unfold, numerous attempts to broker a partnership or reach terms with KKR frequently devolve into confrontations fueled by distrust and animosity. The management proposal under discussion is perceived as overly generous, further inflating tensions and complicating the possibility of a productive agreement.

Forstmann's Frustration

Forstmann's frustration peaks when he discovers that Johnson and Shearson have resumed talks with KKR after initially considering collaboration with him. Feeling betrayed, he directs his outrage toward Johnson and his associates, lamenting their departure from shared values.

Dilemma of Alliances

As negotiations reach a crucial juncture with rising stakes, Forstmann faces a significant dilemma: should he withdraw from the fray or choose to collaborate with Shearson while continuing to oppose the morally ambiguous practices he abhors? His strong principles collide with the increasingly pragmatic decisions made by those around him.

End of the Evening

Prueba gratuita con Bookey



Escanear para descarga

The chapter culminates in a lingering sense of tension as Forstmann recognizes that a partnership with KKR is becoming increasingly likely within Shearson. This realization forces him to confront the complexity of balancing his desire to reform the exploitative practices of Wall Street with the demands of navigating corporate alliances and staying true to his convictions.

Prueba gratuita con Bookey



Escanear para descarga

Chapter 8: CHAPTER 8

Chapter 8 Summary of "Barbarians at the Gate"

In this pivotal chapter, the initial hopes for a peaceful resolution to the bidding war for RJR Nabisco dissipate, prompting Cohen's team to refresh their strategy in light of Kravis's competitive \$90 tender offer. The collapse of peace talks propels them into action, as Cohen's advisors expedite plans for divestitures and bank financing to mount a more robust counteroffer.

In the backdrop, Shearson, navigating a shifting financial landscape, finds its traditional strategies outclassed by the innovative tactics employed by Kohlberg Kravis Roberts & Co. (KKR). A critical component of Kravis's strategy involves the introduction of Payment-in-Kind (PIK) preferred stock, a financial instrument that allows for interest payments to be made in the form of additional stock rather than cash. This innovation presents challenges for Cohen's team, struggling to adapt to the more sophisticated financial maneuvers that characterize KKR's approach.

Recognizing the urgency of the situation, Cohen seeks to involve Salomon Brothers as an additional source of capital to solidify their bid's competitiveness. However, internal disagreements within Shearson obstruct this collaboration, illustrating the need for a quick reassessment of strategies



amid escalating competitive pressures.

Simultaneously, the Forstmann Little investment firm prepares to enter the fray, intending to align with Shearson. Their rivalry becomes palpable as KKR continues to assert its dominant presence in the market, heightening the stakes for all parties involved. Meanwhile, personal lives interlace with corporate dealings, as Johnson, entangled in the chaos of the bidding war, attends charity events to bolster his connections and navigate his own insecurities amidst the turmoil.

The chapter also captures the banking rivalries that intensify as Salomon declines to grant Drexel significant control over bond offerings, exposing the competitive ego clashes that define the finance industry. As negotiations heat up, miscommunication among all parties leads to further misunderstandings, necessitating Johnson and Kravis to manage conflicting interests within their teams.

Adding to the complexity, Smith Bagley represents long-standing stockholder concerns, voicing skepticism about Johnson's management decisions and the implications of the escalating bidding war, reflecting the anxieties brewing among RJR Nabisco's legacy shareholders.

In this tense atmosphere, Ted Forstmann seeks potential partners for a coalition to collectively challenge KKR's bid and secure a firmer foothold in

Prueba gratuita con Bookey



Escanear para descarga

the negotiations. As Johnson's team ups their offer to \$92, contention arises over the terms of engagement, prompting pronounced personality clashes and dramatically escalating tensions among the various factions.

With alliances proving increasingly fragile, Johnson's aspirations for a

**Instala la app Bookey para desbloquear el
texto completo y el audio**

Prueba gratuita con Bookey





App Store
Selección editorial



22k reseñas de 5 estrellas

Retroalimentación Positiva

Alondra Navarrete

itas después de cada resumen
en a prueba mi comprensión,
cen que el proceso de
rtido y atractivo."

¡Fantástico!



Beltrán Fuentes

Me sorprende la variedad de libros e idiomas que
soporta Bookey. No es solo una aplicación, es una
puerta de acceso al conocimiento global. Además,
ganar puntos para la caridad es un gran plus!

Fi



Lo
re
co
pr

a Vásquez

hábito de
e y sus
o que el
todos.

¡Me encanta!



Darian Rosales

Bookey me ofrece tiempo para repasar las partes
importantes de un libro. También me da una idea
suficiente de si debo o no comprar la versión
completa del libro. ¡Es fácil de usar!

¡Ahorra tiempo!



Bookey es mi aplicación de
crecimiento intelectual. Los
perspicaces y bellamente c
acceso a un mundo de con

¡Aplicación increíble!



Elvira Jiménez

ncantan los audiolibros pero no siempre tengo tiempo
escuchar el libro entero. ¡Bookey me permite obtener
resumen de los puntos destacados del libro que me
esa! ¡Qué gran concepto! ¡Muy recomendado!

Aplicación hermosa



Esta aplicación es un salvavidas para los a
los libros con agendas ocupadas. Los resu
precisos, y los mapas mentales ayudan a
que he aprendido. ¡Muy recomendable!

Prueba gratuita con Bookey



Chapter 9 Resumen: CHAPTER 9

Chapter 9 Summary: RJR Nabisco Directors' Turmoil and Rising Tensions

On November 7, tensions reached a boiling point among the directors of RJR Nabisco during a critical meeting marked by growing discontent directed at CEO Ross Johnson. His ambitious transformation of the company into a \$20 billion enterprise had backfired, exposing the board to criticism, particularly regarding a controversial management agreement that alienated employees and shareholders alike.

As media scrutiny intensified, revelations of extravagant executive bonuses—including staggering golden parachutes amounting to \$52.5 million—fuelled public outrage. Employees expressed their frustrations in letters, framing Johnson's decisions as akin to "armed robbery." High-profile stakeholders, including Smith Bagley, became vocal advocates for accountability, further escalating tensions within the company and raising alarms about the potentially disastrous implications of the ongoing leveraged buyout (LBO) process.

The auction for RJR Nabisco was not just a corporate transaction; it had ignited a national debate on the risks associated with LBOs, with financial experts and politicians warning of a looming market collapse. Shareholder

Prueba gratuita con Bookey



Escanear para descarga

dissatisfaction erupted alongside multiple lawsuits from insurance companies, illustrating the precarious situation facing the board.

Amid these escalating challenges, the directors acknowledged the need to assert control over the situation. Under mounting pressure, they implemented formal bidding guidelines, all while the notion of restructuring hung in the air. Johnson's attempts to negotiate a merger agreement faltered, leaving him with diminished leverage in the wake of the public auction.

As reputational damage loomed from the media frenzy, Henry Kravis and his team recognized the necessity of seeking guidance from industry experts. They understood that clear governance and reliable financial projections were essential to strengthen their bids. Internal conflict among the directors simmered, with mounting resistance toward Johnson's management style leading to open discussions about accountability.

For the employees at RJR Nabisco, job insecurity loomed large amidst the corporate confrontation. While some rallied behind Johnson and his leadership, grassroots movements began to emerge, voicing dissent against his policies.

In a surprising twist, John Greeniaus, an executive at Nabisco, began to covertly undermine Johnson's authority. Feeling disillusioned by Johnson's management, Greeniaus leaked sensitive information to Hugel, the board's



chairman, in an effort to expose what he saw as gross mismanagement and steer the company away from an inadequate LBO bid.

Meanwhile, Ted Forstmann faced an ethical quandary regarding the use of junk bonds to finance the buyout. Initially excited by traditional financing mechanisms, internal discussions revealed the unsettling reality of the risks associated with such high-stakes financing.

As external speculation hinted at Forstmann backing away from the bidding war, a desperate final effort unfolded to secure RJR Nabisco's future. The interplay of emerging relationships, internal conflicts, and external pressures encapsulated the fraught narrative of the company at a critical juncture in its history.

Prueba gratuita con Bookey



Escanear para descarga

Chapter 10 Resumen: CHAPTER 10

Chapter 10 Summary: Barbarians at the Gate

Auction Framework and Rising Tensions

In the heart of a high-stakes auction for RJR Nabisco, Peter Atkins of Skadden Arps meticulously oversees the proceedings. Despite the mounting anxiety among shareholders, Atkins exudes confidence until a last-minute, desperate proposal from First Boston disrupts the smooth operation, raising the stakes significantly.

First Boston's Strategy and Key Players

Once a prestigious name in investment banking, First Boston faces turmoil after the exit of its influential leaders, Bruce Wasserstein and Joe Perella. New leader James Maher, under intense pressure to restore the firm's reputation, finds himself in a precarious position as his firm risks exclusion from the lucrative RJR Nabisco deal.

Maher's Desperation and Proposal

Caught between the shadow of his predecessors' success and the peril of

Prueba gratuita con Bookey



Escanear para descarga

failure, Maher devises a high-risk acquisition strategy that hinges on an obscure tax loophole. However, his plan meets skepticism and hesitation from colleagues, who recognize the uncertainty of their current situation.

Resistance and Internal Conflict

As Maher assembles his team to rally support for his proposal, he wrestles with self-doubt and insecurity, exacerbated by the absence of his former leaders. A tumultuous culture clash unfolds within First Boston as members confront their past glories while grappling with present challenges.

Rising Competition and Response to Bidding

The auction, fraught with emotional and strategic implications, becomes a battleground for First Boston—more than just a financial opportunity, it's a chance to reclaim credibility in the competitive investment banking field. Tensions mount as the urgency for support grows, making it clear how essential quick action is to their survival.

Conflict of Interests and New Alliances

Negotiations intensify as internal advisers reveal conflicting interests, forcing Maher to navigate a landscape filled with shifting allegiances, including an emerging collaboration with investor Jay Pritzker. This



complicates First Boston's bid and adds layers to their ongoing struggle for stability and agency in the auction.

Final Preparations for Bidding

As the deadline looms, scrutiny of First Boston's high-risk proposal escalates. Intense negotiations culminate in a restructuring of their offer, a desperate attempt to reshape their fate amid the looming threat posed by Wasserstein's new investment firm.

Confrontation and Crisis in Leadership

In the urgent final hours, Maher urges his team to make swift decisions. However, miscommunication and chaos hinder their efforts, resulting in flawed proposals and dwindling morale. The gravity of their impending actions casts a long shadow across Wall Street, amplifying the stakes of their gambit.

Conclusion and Strategic Generational Shift

As First Boston wrestles with the fallout from a potentially devastating strategic misstep, a pivotal weekend meeting brings contrasting efforts to a head. The narrative hints at a generational shift in investment banking, as both emerging and established players brace themselves for the

Prueba gratuita con Bookey



Escanear para descarga

transformative future awaiting them on the horizon.

Prueba gratuita con Bookey



Escanear para descarga

Chapter 11 Resumen: CHAPTER 11

Summary of Chapter 11 - Barbarians at the Gate

Post-Auction Calm on Wall Street

In the aftermath of the RJR Nabisco auction, Wall Street finds itself enveloped in a tense stillness akin to a Western standoff. With commercial banks suspending other transactions to concentrate on this monumental bid, traders await the next developments with bated breath, reflective of a town clearing for a duel.

First Boston's Elation

At First Boston, Jim Maher and his team celebrate their unexpected lead in the takeover bid for RJR Nabisco. Despite the uncertainties ahead, the atmosphere is charged with enthusiasm as they assign tasks for the demanding week, gearing up for what is poised to be the most complex takeover attempt in history.

Concern Among Investors

During a lunch with Jay Pritzker, Maher grapples with the intricacies of the

Prueba gratuita con Bookey



Escanear para descarga

bidding war and strategizes ways to outmaneuver formidable rivals, particularly Henry Kravis, a respected figure in private equity known for his aggressive tactics. Pritzker expresses unease about their competitive edge and hints at potential alliances, illustrating the extent of their worries.

Johnson's Frustrations

Ross Johnson, the CEO of RJR Nabisco, faces growing frustration with his board as he feels betrayed by their actions. As he packs his belongings in anticipation of the second bidding round, his sense of defeat deepens, driving him to uncover the inner workings of his committee's decisions and strategies amid rising tension.

Backchannel Communications and Strategies

Amidst the chaos, insider conversations between Dick Beattie and various traders hint at the excitement and anxiety over the competitive bids. There's a concerted push for the board to explore multiple bidding options, ensuring that shareholders receive the best deal possible, showcasing the delicate dynamics at play behind the scenes.

Anxiety Mounts as Deadline Approaches

The looming deadline for final bids intensifies the pressure on all parties

Prueba gratuita con Bookey



Escanear para descarga

involved. First Boston grapples with securing essential funding commitments, particularly for Greg Malcolm's monetization strategy, while Johnson's management team scrambles to uphold their position against emerging threats from competitors.

Final Bids and Unexpected Twists

As the chapter unfolds, the frenetic nature of the bidding war takes center stage, especially as considerations arise for potentially reopening bids. The rising confidence of rival Kravis introduces new complications for Johnson's team, amplifying their sense of impending defeat.

An Emotional Battleground

This chapter intricately captures the emotional landscape of corporate conflict, where frustration and determination collide amid strategic maneuvering for control over RJR Nabisco. With mounting anxiety as the auction reaches its climax, the interplay of ambition, betrayal, and the relentless quest for financial dominance underscores the high-stakes drama characteristic of Wall Street's takeover culture.



Chapter 12: CHAPTER 12

Summary of Chapter 12: Barbarians at the Gate

Boardroom Meeting Dynamics

In a pivotal board meeting at Skadden Arps, Peter Atkins stressed the necessity of clarity amidst rising tensions as directors convened to discuss competing bids for RJR Nabisco. The atmosphere was charged with urgency, contrasting starkly with Charlie Hugel's lighthearted demeanor during a casual breakfast, underscoring the disparity between social niceties and the gravity of the negotiations.

Review of Events and Secrecy

Atkins briefed the board on key developments, including Jack Nusbaum's ultimatum concerning the bidding process and the collapse of the First Boston bid. He emphasized the critical need for discretion, alerting board members to the seriousness of the situation and urging caution in response to inquiries about the ongoing bidding war.

Ross Johnson's Dilemma

Prueba gratuita con Bookey



Escanear para descarga

Ross Johnson, aware of potential changes in leadership, felt the weight of the corporate rivalry as he considered the new bid strategy proposed by his team. While maintaining a lighthearted public demeanor, he internally grappled with the looming likelihood of defeat as the board commenced voting on the bid from Kohlberg Kravis Roberts & Co. (KKR).

Intense Negotiations

As negotiations heated up, Johnson's management team readied a counteroffer while closely monitoring competitors' moves. The atmosphere grew increasingly tense, with the pressure of impending deadlines pushing the complexity of the bidding strategies to the forefront.

New Bids Entered

When Johnson submitted a higher bid, tensions escalated, prompting KKR to strategize how to respond effectively. Johnson's new offer further complicated the evaluation process, putting additional strain on the board as they deliberated their next steps amidst heightened competition.

Decision-Making Challenges

The board faced difficult decisions with significant implications. They struggled to balance the financial merits of the bids against their corporate



responsibilities and personal biases. Despite a desire to choose based on objective value, the board members' sentiments increasingly favored KKR, reflecting the tangled emotions often present in high-stakes corporate decision-making.

Final Cut and Victory for KKR

In a decisive moment, the board chose to award the deal to Kohlberg Kravis Roberts, leading to a mix of reactions in the room. Atkins communicated this outcome to Johnson and his team, marking a crucial turning point in a dramatic corporate saga.

Aftermath and Reflections

In the wake of this defeat, Johnson displayed grace, focusing on rallying his team for future endeavors. Meanwhile, KKR celebrated their significant victory, signaling the conclusion of an intense and fiercely competitive battle for control of RJR Nabisco.

Conclusion

Chapter 12 encapsulates the intricate strategies and high-stakes negotiations that defined the RJR Nabisco bidding war, revealing the interplay between the cutthroat nature of corporate finance and the emotional investments that



shape monumental business decisions.

**Instala la app Bookey para desbloquear el
texto completo y el audio**

Prueba gratuita con Bookey





Leer, Compartir, Empoderar

Completa tu desafío de lectura, dona libros a los niños africanos.

El Concepto



Esta actividad de donación de libros se está llevando a cabo junto con Books For Africa. Lanzamos este proyecto porque compartimos la misma creencia que BFA: Para muchos niños en África, el regalo de libros realmente es un regalo de esperanza.

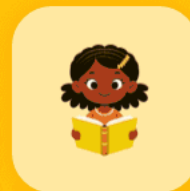
La Regla



Gana 100 puntos



Canjea un libro



Dona a África

Tu aprendizaje no solo te brinda conocimiento sino que también te permite ganar puntos para causas benéficas. Por cada 100 puntos que ganes, se donará un libro a África.

Prueba gratuita con Bookee



Chapter 13 Resumen: EPILOGUE

Summary of Chapter 13: Barbarians at the Gate

Context of the Chapter:

Chapter 13 explores the aftermath of Ross Johnson's defeat in the fiercely contested bidding war for RJR Nabisco, highlighting the emotions and tensions among key players after Kohlberg Kravis Roberts & Co. (KKR) emerged victorious.

Immediate Reactions to the Bidding Outcome:

In the wake of the bidding conclusion, Ross Johnson flew to Atlanta and publicly acknowledged KKR's win, which angered Peter Cohen, a key member of the Johnson team, suggesting feelings of betrayal were rife. Cohen's concerns were expressed in a heated call with Johnson, who, despite the personal disappointment, emphasized a shift in focus towards the company's future rather than personal grievances.

Transition of Power:

After KKR's win, Johnson smoothly transitioned control of RJR Nabisco,

Prueba gratuita con Bookey



Escanear para descarga

granting KKR unprecedented access to the company's operations while retaining his official title for the moment. KKR's strategy included courting significant executives, such as Ed Horrigan, who had initial reservations but eventually clashed with the new management structure, leading to his resignation for a substantial severance package—an indication of the high stakes involved during corporate takeovers.

Financial Maneuvering:

KKR orchestrated a record-breaking buyout, financing \$18.9 billion to secure RJR Nabisco. As Johnson officially resigned, he left with a lavish goodbye, though the local response in Winston-Salem was mixed, with many residents favoring KKR's prospective leadership over Johnson's tenure.

Community Impact:

The buyout's repercussions were felt deeply in Winston-Salem, where locals struggled with the duality of new wealth and a sense of loss regarding RJR Nabisco's legacy. While Johnson became a target of local resentment, KKR was tentatively accepted as the new stewards of the company, tasked with guiding it through the complexities introduced by the acquisition.

Repercussions for RJR Nabisco:

Prueba gratuita con Bookey



Escanear para descarga

Following the acquisition, RJR Nabisco faced significant operational and financial challenges, leading to a reevaluation of strategies under new CEO Lou Gerstner. The chapter illustrates the dramatic transformation of the company in a highly scrutinized environment, as it struggled to maintain competitive standing amidst rivals like Philip Morris.

Reflections on Leadership and the Era:

Through the perspectives of those involved, the narrative reflects on the evolving ethos of corporate leadership, characterized by ambitions of equity and wealth accumulation. The RJR Nabisco takeover emerges as a critical moment in corporate history, underscoring tensions between innovative strategies and traditional business norms.

End of an Era:

The chapter concludes by examining the wider implications of the RJR Nabisco acquisition, showcasing it as a dramatic intersection of ambition, greed, and corporate strategy. This pivotal moment on Wall Street sets the stage for future corporate governance developments, reflecting the tumultuous and transformative nature of this period in American business.

Conclusion:

Prueba gratuita con Bookey



Escanear para descarga

Chapter 13 captures a crucial and chaotic chapter in corporate America, illuminating the emotional and strategic intricacies surrounding one of the largest leveraged buyouts in history. The experiences of the characters and their responses reveal deeper insights into the ramifications of ambition within an evolving business landscape.

Prueba gratuita con Bookey



Escanear para descarga