

The book was found

The Smartest Guys In The Room



Synopsis

The definitive volume on Enron's amazing rise and scandalous fall, from an award-winning team of Fortune investigative reporters.

Book Information

Audible Audio Edition

Listening Length: 22 hours and 30 minutes

Program Type: Audiobook

Version: Unabridged

Publisher: Penguin Audio

Audible.com Release Date: November 11, 2010

Language: English

ASIN: B004BZQQAS

Best Sellers Rank: #10 in Books > Law > Business > Corporate Law #30 in Books > Audible Audiobooks > Nonfiction > Law #79 in Books > Audible Audiobooks > Business & Investing > Personal Finance & Investing

Customer Reviews

This book will be especially valuable to those who have a keen interest in "the amazing rise and scandalous fall of Enron." I also commend to their attention Smith and Emshwiller's 24 Hours: How Two Wall Street Journal Reporters Uncovered the Lies that Destroyed Faith in Corporate America. The "smartest guys in the room" included Kenneth Lay, Jeffrey Skilling, Rebecca Mark, Andrew Fastow, Kenneth Rice, and Clifford Baxter. Whereas Smith and Emshwiller explored the same company as investigative reporters, McLean and Elkind seem (to me) to have approached their subject as corporate anthropologists. Both books reach many of the same conclusions as to what happened...and why. Two significant differences are that Smith and Emshwiller limit their attention primarily to a period in 2001 extending from October 16th (when Enron announced huge losses caused by two partnerships) to December 3rd (when Enron filed for Chapter 11 bankruptcy); McLean and Elkind cover a two-year period of the company's "amazing rise and scandalous fall." Also, McLean and Elkind devote far more attention to each of the "smartest guys"; Smith and Emshwiller seem far less interested in them, except in terms of the impact of their mismanagement and corruption. Let's say there are two books about the collapse of the twin towers at the World Trade Center; one focuses on the human tragedies associated with it whereas a second book addresses design, construction, and structural issues. Obviously, both approaches are

valid. McLean and Elkind suggest that the eventual collapse of Enron was caused less by the greed of senior-level Enron executives than it was by their arrogance and incompetence. Their lack of basic business acumen is astonishing as is their defiance of regulatory agencies and contempt for customers.

There's blame galore to go around for the spectacular downfall of Enron Corp in that sober year of 2001. Accountants, rating agencies, regulators, lawyers, consultants, bankers--and these are just the bad actors outside the corporation. Look inside, where Bethany McLean and Peter Elkind treat their readers to a thorough journalistic scouring, and the smell of the rot almost wafts off the pages. The authors rightly spend the vast majority of the book examining the personalities and circumstances that allowed the company to become what it was at the end of its life. Mix a potion that's one part hardscrabble Harvard MBAs, one part energy deregulation, and one part hysterical bull market, and you've got a financial molotov cocktail. Sadly, as we all know now, it was largely the little guy who paid the price for all the hubris of the players in this story, a fact that tends to get lost in the authors' painstaking recreation of the most complicated shell game in history. But the story of Enron's fallout could provide the material for a whole other book. In this one we get the tale of the players, people like Ken Lay, Jeff Skilling, Rebecca Mark and Andy Fastow, all filled with an equal mix of remarkable brilliance and fatal arrogance. All are indicted by these authors as rabid players in a game they made up themselves, deeming themselves beyond the petty world of rules and regulation. But coming in for equal excoriation is the system itself, the web of enablement and intimidation that allowed Andy Fastow to quietly hammer together the company's coffin in the form of a maze of phantom accounting entities designed to prop up the appearance of the corpse inside.

It is by now a cliché that arrogance and myopia contribute to many a downfall, whether the downfall is personal or corporate. This book proves that point aptly. Hubris and a sincere belief that Enron could do no wrong in the world contributed to an atmosphere of injudicious superiority. Combine that tumultuous atmosphere with ineffective, weak-willed executives and poor business management skills, Enron always was a precarious edifice awaiting its fate. At least, such is the narrative that the authors offer. They argue that Enron, over the past 15 years, repeatedly found itself in financial trouble, and, rather than come clean to the Street, used financial engineering strategies to make its numbers appear better than they were. This practice arose out of a fanatical devotion to the company's stock price; the company's stock price would not continue to rise if the company missed the Street's earnings expectations for the quarter. Since so much of the

executives' wealth was tied up in Enron stock and options, financial shenanigans became a self-fulfilling prophecy. After all, the authors point out, if most of your wealth is tied up in a company's stock, don't you have an incentive to do everything possible to keep its stock at a high level? Certainly, at this point, financial chicanery becomes more attractive than financial fidelity. Therein lies the fundamental flaw of Enron (as well as numerous other bubble companies): the very compensation scheme created by the company to inculcate a sense of loyalty in its executives created a conflict too gross to manage adequately.

[Download to continue reading...](#)

The Smartest Guys in the Room The Smartest Guys in the Room: The Amazing Rise and Scandalous Fall of Enron Teen to Teen: 365 Daily Devotions by Teen Guys for Teen Guys Guys Write for Guys Read: Boys' Favorite Authors Write About Being Boys Domino: The Book of Decorating: A Room-by-Room Guide to Creating a Home That Makes You Happy Mrs. Howard, Room by Room Design Mom: How to Live with Kids: A Room-by-Room Guide There's Always Room for Chocolate: Recipes from Brooklyn's The Chocolate Room Pocket Guide to the Operating Room (Pocket Guide to Operating Room) The Upstairs Room (Winner of the Newbery Honor) (The Upstairs Room Series Book 1) The Smartest Kids in the World: And How They Got That Way The 365 Smartest Things Ever Said! Page-A-Day Calendar 2017 The Know-It-All: One Man's Humble Quest to Become the Smartest Person in the World Beautiful Jim Key: The Lost History of the World's Smartest Horse How to Be the World's Smartest Traveler (and Save Time, Money, and Hassle) The Good Jobs Strategy: How the Smartest Companies Invest in Employees to Lower Costs and Boost Profits The Smartest Retirement Book You'll Ever Read: Achieve Your Retirement Dreams--in Any Economy Smartest 401(k) Book You'll Ever Read: Maximize Your Retirement Savings...the Smart Way! The Smartest Book in the World: A Lexicon of Literacy, a Rancorous Reportage, a Concise Curriculum of Cool The Smartest Places on Earth: Why Rustbelts Are the Emerging Hotspots of Global Innovation

[Dmca](#)