

The Exodus: Executing a Hostile Takeover

by Amram Migdal

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Shabbat shalom and chag sameach. As ever, it's a pleasure to be back at Beth Shalom. During the rest of the year, my day job is to write business case studies, which are educational materials for management classes. For today's teaching, I thought it would be enlightening and a bit of fun to look at the story of Pesach through the lens of a management problem, like we do in business school.

Moshe ben Amram, top manager at 12 Tribes Ltd., hustled to the Egyptian board room. He had to hurry if he was going to have the company ready in time for the deal to go through. After months of negotiations, 12 Tribes was finally coming under new ownership: True God Inc. was acquiring the entire company from PharaohCo. Initially, PharaohCo. had outright refused to make a deal, and later claimed to be negotiating in good faith, only to demand onerous conditions for 12 Tribes to leave its younger employees and all its livestock assets. Moshe was faced with the monumental task of closing the deal for True God to buy out the giant 12 Tribes operating company, which had a workforce of 600,000 male middle managers and around 2-3 million people overall.

How would he ever pull it off in time? And, even if he did, how would he mobilize such a large crew when they hadn't even secured new office space yet?

If you've taken a business or management class, you might recognize the way I've set up the story. This is the classic format of a business school case study. It opens with a main character or protagonist contemplating an organizational challenge or management decision. The purpose of the case study method is to use a real scenario to prompt student discussion about leadership and management skills. After introducing the protagonist and dilemma at hand, a case study gives a brief history of the company, usually based on interviews with executives and employees. Since interviews weren't an option in this case, we'll look to the text and commentaries, instead.

A year earlier, Moshe had been approached by the CEO and Executive Chair of True God Inc.—God—to discuss the idea of the acquisition. Moshe had at first scoffed at the notion of this startup outmaneuvering PharaohCo., a corporate giant with a centuries-long track record of impressive profits and shareholder returns. Sure, they didn't pay their workforce, and some analysts claimed the entire enterprise was just a pyramid scheme, but the CEO, Pharaoh, was known to be a savvy and hard-hearted executive.

Nevertheless, God impressed upon Moshe that the deal made good business sense. 12 Tribes was being completely misused in Mitzrayim, they would be a much better fit at True God, God argued. Moshe had to admit, he saw the logic. The 12 Tribes workforce was both highly skilled and featured a heavy streak of independent thinking—a terrible fit for PharaohCo’s top-down culture. What’s more, 12 Tribes employees had long since given up on PharaohCo’s mission to increase returns for prominent shareholders like the Anubis Pension Plan Investment Board. Only Egyptians were eligible for the pensions, anyway, so where was the motivation?

So, God and Moshe came up with a negotiation strategy. They would start with an in-person approach, with the goal of getting Pharaoh to even acknowledge True God’s existence and the caliber its operations, before pushing for an outright acquisition of 12 Tribes. Pharaoh had said, “Who is this Lord ... I know not the lord.” According to noted analyst Nehama Liebowitz, “Pharaoh did not recognize the Lord—neither His existence nor, less still, His authority to give commands ... most certainly not to Pharaoh, the ruler, nay, the god of the land. ... [Moshe and God made] relentless attempt[s] to break Pharaoh’s arrogant heart and teach him to ‘know the Lord.’”

Moshe and his chief operating officer—and brother—Aharon, met with Pharaoh repeatedly, conveying again and again variations on God's message that 'I am the Lord,' 'there is none like the Lord,' 'the earth is the lord's,' and so on. 10 times they visited Pharaoh with this message, and each time concluded with the firm offer: Let my people go.

When Pharaoh refused, God and Moshe's strategy was to get tough, meting out a series of devastating demonstrations of True God's capabilities. The Spanish consulting firm Abravanel said that the plagues were intended to convince Pharaoh of three aspects of God's power: as the creator of the Universe—God was the ultimate R&D innovator; as the judge of all people's actions, who gave out rewards and punishments, God was thus the ultimate HR manager, using incentive-based best practices; and, as the master of nature, able to change natural processes, and God was the ultimate manufacturing artisan.

Pharaoh simply could not accept that True God, this unknown operator, could possibly out-innovate, out-manage, and out-manufacture his own company. He replied, "Who is the Lord ... I do not recognize the Lord." And so God and Moshe, in each phase of the negotiation, unleashed the plagues.

Some, like R. Bechaye & Partners, wrote "that God brought ten plagues upon the Egyptians, representing measure for measure the ten

evil deeds which they perpetuated. They forced Israel to draw water for their animals, and so God turned their water to blood and the animals could not drink; they forced them to awaken early, leave their beds and go to work, so God sent frogs into their beds and they would not let them sleep.” Etc., etc. Contemporary consultant Rabbi Dov Fischer offers that each of the plagues was in some way meant to undermine PharaohCo’s own strengths, writing: “The god of all life in Egypt was the Nile River, and God Almighty began the plagues by smiting the Nile. The goddess of childbirth in the Egyptian pantheon, the frog goddess Heqet, stood as matron saint of fertility and protector of newborns. So Hashem directed the second plague at frogs. Other Egyptian gods were assigned to protect the fertility of the land, the animals, the environment. Consequently, one by one, each such god was ‘smitten,’ rendered ‘powerless’ as all natural order fell before Egyptian eyes.” The penultimate plague of darkness took down what the Egyptians thought of as their greatest strength: keeping the sun operating in the sky using their patented RaTech® technology.

Despite the threat from this disruptive innovator, even when True God took down the RaTech® servers for three straight days of darkness, Pharaoh would not agree to a deal. As Leibowitz said, “The purpose of the plagues was educational—to instill acknowledgement of God in those who had hitherto refused to acknowledge Him. ... Once more we

are confronted by the refrain, 'But Pharaoh's heart hardened and he refused to let the children of Israel go.'" The "lesson was of no avail." What more could Moshe do to motivate Pharaoh to make a deal?

A typical case study will end there, with the dilemma unresolved. The intent is to give students the opportunity to put themselves into the shoes of the protagonist and debate during class how they would proceed under those circumstances. A good teacher gets students to use the case material, along with theories and frameworks they learned in class, to recommend concrete actions. Frequently, students are able to surface options and explore ideas that neither the teach nor the protagonists themselves might have considered.

After students discuss the case, the instructor will often hand out a brief B case, usually about three-quarters of the way through class, which reveals what happened after the initial scenario in the main case. In our teaching, the B case really consists of a summary of the 10th plague of smiting the first born, which broke PharaohCo's will. When Pharaoh finally capitulated to the hostile takeover of the 12 Tribes business unit, he called Moshe and Aharon to his executive conference room in the middle of the night and cried, "Rise up, go out from among my people, even you, even the Children of Israel. Go and serve God as you have

spoken!” We learn that PharaohCo even sent 12 Tribes away with loads of their own corporate assets (gold and valuables).

A *midrash* proxy report tells us: “This situation is analogous to a noble who sent his servant to buy fish. He bought fish which were rotten and smelled foul. Angered, the noble told him, ‘Choose one of these three punishments. Either you must eat the fish, receive one hundred lashes, or pay a fine of one hundred gulden.’ The servant chose to eat the fish, but after he began he could not go on, they were so rotten. He then said that they should strike him instead. But as soon as they began to flog him he cried that he would rather pay the hundred gulden. In this way, he suffered all three punishments! He ate the fish, was flogged, and ultimately paid the fine. Similarly, the Egyptians were struck with ten plagues, their wealth was taken away by the Jews, and they still were forced to release them from bondage!”

In fact, not only did the prolonged negotiations hurt PharaohCo’s balance sheet, it had a profound humbling effect on its CEO. Pharaoh asks Moshe that, when 12 Tribes leaves for the desert, they pray for and bless him, acknowledging that he indeed still had a lot to learn from God, Moshe, and others as a top executive.

At this point, I would like to emphasize that the analogy comparing the events of the Torah to a business case study can only be stretched so

far. I do not intend to make light of the serious events depicted in the Torah or imply that the same ethics and standards apply in today's corporate world as in the context of the narrative. However, the case study format is useful for understanding certain ideas. In writing this case, I found it helpful as I reviewed the text and commentaries to think about the decision making and incentives that Moshe and Pharaoh were respectively facing.

To me, the plagues seem like a brilliantly crafted if brutal negotiating strategy. They were painful to bear and specifically targeted at traditional Egyptian strengths. They had the effect of forcing Pharaoh to repeatedly engage in negotiations that he at first did not even want to entertain, to acknowledge the existence, power, and, eventually, mastery of God, and, most importantly, of leading him to eventually resign himself to a deal—at least for long enough for the Exodus to take place, at which point 12 Tribes had sufficient leverage to force the issue and control its own destiny—with God's help, of course. For PharaohCo, the deal was ultimately a wash.

As I mentioned, case studies help students take the perspective of key players in a scenario in order to better understand the choices those people faced at the time. However, the events of the story also underscore the limits of the case study method as a mechanism for Torah

study. After all, *Bnei Yisrael* was not a corporation. Power was not distributed through a traditional management structure or org chart. Ultimately, authority flowed from God through the Torah and Moshe. The outcomes of bad management decisions in the business world, meanwhile—while consequential—are not truly comparable to the events laid out in the Torah. Still, I hope this exercise was a useful lens for understanding the dynamics leading up to the Exodus and gave some context for the tactics God and Moshe employed and how Pharaoh reacted. If we had more time, we could more fully explore alternative strategies that may have been effective, the ethics of this strategy, and the idea of whether a negotiation process backed by threat and punishment has any generalizable lessons to teach us. Since our time is short, though, I'll just say Shabbat shalom, and class dismissed.