

BUFFETT'S BID FOR MEDIA GENERAL'S NEWSPAPERS

INTRODUCTION

Analyzing Warren Buffett's activities, it is possible to note that he has always attracted a lot of attention of investors and researchers. There is the outstanding example of Buffett's bid on newspapers that belonged to Media General . This case looks at the use of Buffett to acquire a regional media company and the uncertainty arising from his investment philosophy on newspapers.



BACKGROUND

This was in early 2012 when through his firm, the Berkshire Hathaway, Warren Buffet showed desire in Media General's papers. This was the same time Media General was trying recover from a year on year decline in revenues that were prevalent in the industry as far as newspapers were concerned. This bid could hardly be deemed insignificant not only from the standpoint of sheer financial values, but also from the standpoint of strategies.

FINANCIAL AND OPERATIONAL IMPLICATIONS

Media General requires this deal to fulfill its short term problems and achieve Buffett's long term goals of investment. The include cash and shares in Berkshire Hathaway enabling Media General to recover while on the other hand granting Buffett with a significant weapon. The case being discussed is an analysis of how Buffett's financial sciences and operational experience could likely turn around the operations of Media General and make it financially sound once more.



CONCLUSION

I looked at Buffett's offer for Media's General newspapers shows that he practices diversification in this field of investment by exercising a lot of business efficiency by the use of a lot of economic rationality. The case presents important lessons on the thinking that goes into massive capex plans and the possibilities for change in a beleaguered sector.

RESOURCE

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