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## Ackman's Desperate Target Fight 6 comments

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There's another of Bill Ackman's song-and-dance shows today: he's waging what the FT [calls](#) "one of the largest and most expensive proxy battles in US corporate history" against Target ([TGT](#)), and eliciting some pretty compelling [pushback from Bill George](#) in the process. George is no lightweight: he's the former CEO of Medtronic, is a professor at Harvard Business School, and is a board member of both Exxon Mobil and Goldman Sachs.

The Ackman fight is confusing, especially given the very peculiar quote he gave to the FT:

"This is not a poorly managed company," he told the Financial Times in an interview. "This is really just about improving the board."

I really have no idea what this is supposed to mean. No one spends \$15 million on a monster proxy battle just because he thinks that one set of independent directors will be marginally better at giving direction to existing management than the current set of independent directors. But Ackman has backed himself into a corner.

When he started his fund, Ackman had all manner of bright ideas about how Target could achieve better results through financial engineering. But the world was different then, and much more amenable, in principle, to such suggestions. Today, talk of spin-offs and lease-backs is extremely unfashionable: we're living in a back-to-basics business culture, and that's no bad thing.

The problem for Target is that Ackman still has a fund to run, and pushing financial engineering is the only way that he knows to try to justify that fund's existence. The fund might have been a bright idea when it was set up in 2007, but not all bright ideas turn out well, and this is one which turned out badly. So we get mission creep: Ackman is now targeting the board, rather than management, for reasons which are increasingly vague.

Most investors, if their investment in a company doesn't work out, sell it and move on. But Ackman can't do that, because he's running a single-stock fund. So he's liable to be an expensive annoyance to Target for the foreseeable future. He has very little choice.

Disclosure: No positions