

## GROKIChing on the Outcome of Warren Buffett's Buyout of majority of shares of The Kraft Heinz Co KHC

My Question to GROK:

I asked the I Ching about the Outcome of Warren Buffett's buyout of the majority of the stock of Kraft Heinz KHC

I asked because in your excellent analysis of the problems of Kraft Heinz you mentioned that Group C3, Buffett's partner, was being too aggressive in bringing changes about in Kraft Heinz and perhaps it would be better if Buffett's managerial style should be applied. In a similar example, Buffett did very well in turning around Solomon Brothers. I think the Oracle I Ching agrees that it will be a good investment for Warren Buffet to buy out Kraft Heinz – the Oracle says he will have Supreme Success. Please provide an analysis of the Hexagram 18. It is also very positive in that it is a solid Hexagram with no changing lines.

GROK Analysis:

Analysis of Hexagram 18: Work on What Has Been Spoiled (Gu) Thank you for sharing the details of your I Ching consultation and the full text of Hexagram 18. I'll provide a structured analysis of this hexagram, drawing from its traditional interpretation (as you've quoted from the Wilhelm/Baynes translation or a similar source) and applying it to the context of a hypothetical buyout by Warren Buffett of a majority stake in The Kraft Heinz Company (KHC). Since there are no changing lines, this is a "solid" or unchanging hexagram, which often indicates a stable situation where the core message applies directly without immediate transformation into another hexagram. This stability can be seen as positive, emphasizing a clear path forward if the advice is heeded, but it also underscores the need for sustained effort rather than quick fixes. I'll break this down into key components: the hexagram's structure and symbolism, the judgment, the image, and then a contextual application to Buffett's potential involvement with KHC. My analysis assumes this buyout is speculative (based on current public knowledge, Berkshire Hathaway holds a significant but non-majority stake in KHC, around 26-27%, with 3G Capital as a key partner), but the I Ching's guidance can illuminate the "outcome" as a metaphorical or advisory framework.

### 1. Structure and Symbolism of Hexagram 18

- Trigrams:
  - Upper: Ken (Mountain) – Represents stillness, rigidity, and inertia. This suggests a state of stagnation or blockage at the "top" level, like unyielding management or entrenched problems.
  - Lower: Sun (Wind/Wood) – Represents gentleness, penetration, and subtle influence. However, when gentle forces meet rigid ones without balance, it leads to "indifference" or ineffective diffusion, breeding decay (as symbolized by the worms in the bowl).
- Overall Imagery: The hexagram depicts corruption or spoilage arising from human neglect – not inevitable fate, but the result of poor choices, such as "gentle indifference" (perhaps overly passive oversight) combining with "rigid inertia" (stubborn resistance to change). In KHC's case, this could mirror the aggressive cost-cutting and brand neglect under 3G's influence post-2015

merger, which led to value erosion, as I noted in my prior analysis. The decay isn't permanent; it's a call to action for renewal.

- No Changing Lines: This reinforces the hexagram's purity and stability. Without changes, the situation isn't volatile or shifting toward another state (e.g., no progression to Hexagram 50, The Cauldron, which might indicate transformation through sacrifice). It suggests the "work" described must be thorough and consistent, leading to a steady, positive outcome if addressed properly. This solidity aligns with your view of it being "very positive," as it implies enduring success without disruptions, but only through deliberate effort.

2. The Judgment: Supreme Success Through Deliberate Action The core message is optimistic: "WORK ON WHAT HAS BEEN SPOILED Has supreme success. It furthers one to cross the great water. Before the starting point, three days. After the starting point, three days."

- Supreme Success: This is the hexagram's headline promise – decay can be reversed, leading to renewal and prosperity. In the context of Buffett buying out a majority of KHC shares, it suggests that taking control could indeed be a "good investment," as you interpret. Buffett's track record (e.g., turning around Salomon Brothers in the 1990s by instilling ethical, long-term management) fits the archetype of the "superior man" who energetically addresses corruption. Unlike 3G's aggressive, short-term cost-slashing (which may have contributed to KHC's "spoilage" through brand devaluation and innovation stagnation), Buffett's patient, value-oriented approach could embody the "decisiveness and energy" needed to replace inertia and indifference.
- Crossing the Great Water: This symbolizes bold, risky action – venturing into uncertainty with potential for great reward. A buyout would be a major financial commitment (KHC's market cap is around \$40-50 billion as of mid-2025 estimates), akin to crossing turbulent waters. It "furthers" progress because the current stagnation (e.g., KHC's underperformance relative to peers like Procter & Gamble) demands intervention. Buffett, at 94 (turning 95 in 2025), might see this as a legacy move, but the hexagram warns against recklessness – success comes from human work, not luck.
- The Three Days Before and After: This emphasizes deliberation and caution:
  - Before the starting point (three days): Investigate root causes of decay. For KHC, this means deeply analyzing issues like over-leveraged debt from the merger, declining market share in packaged foods due to consumer shifts toward healthier options, and cultural inertia from 3G's zero-based budgeting. Buffett would need to "know the causes of corruption" – perhaps through due diligence on operations, supply chains, and employee morale – to avoid repeating past mistakes.
  - After the starting point (three days): Ensure the new path is secure to prevent relapse. Post-buyout, this could involve gradual reforms: reinvesting in brands (e.g., revitalizing Heinz ketchup or Oscar Mayer), fostering innovation, and building a motivated workforce. The hexagram advises against hasty changes, aligning with Buffett's hands-off, empowering style rather than 3G's top-down aggression.

Overall, the judgment supports your positive reading: It's not "immutable fate" that's harmed KHC (e.g., not just market forces, but mismanagement), so Buffett's intervention could promise well, provided it's energetic yet thoughtful.<sup>3</sup> The Image: Regeneration Through Stirring and Strengthening "The wind blows low on the mountain: The image of DECAY. Thus the superior man stirs up the people and strengthens their spirit."

- Symbolic Challenge: Wind (gentle influence) blocked by the mountain (rigidity) leads to spoilage, like debasing fashions corrupting society. This parallels KHC's situation: Post-merger, aggressive efficiencies "blocked" growth, leading to asset write-downs (e.g., \$15 billion in 2019) and stagnant sales amid inflation and competition.
- Superior Man's Response:
  - Stirs up the people: Like wind dispersing stagnation, Buffett could motivate stakeholders – employees, suppliers, and consumers – by communicating vision and encouraging input. This contrasts with 3G's cost-focused culture, which may have bred indifference.
  - Strengthens their spirit: Like the mountain providing nourishment, he could offer stability through long-term incentives, training, and ethical leadership (as in Salomon Brothers, where he prioritized integrity to rebuild trust).

This image reinforces positivity: Improvement comes from orderly, trigram-derived methods – first agitate for change (wind), then stabilize (mountain). In a buyout, Buffett could "regenerate society" (KHC's ecosystem) by addressing cultural decay, potentially leading to renewed growth.<sup>4</sup> Application to Buffett's Potential Buyout of KHCTying this to your query and my prior analysis:

- Alignment with Buffett's Style: You noted 3G's aggressiveness vs. Buffett's measured approach – Hexagram 18 agrees, criticizing "inertia and indifference" (perhaps 3G's rigid cost-cutting leading to passive decline) and calling for energetic renewal. Buffett's success with turnarounds (Salomon: from scandal to stability via cultural reform) embodies the "work" required. A majority buyout could allow him to apply Berkshire's decentralized model, fostering innovation while cutting waste thoughtfully.
- Positivity and Caveats: The unchanging nature makes it solidly affirmative – "supreme success" if acted upon. No lines suggest complications, implying a straightforward path to a "new beginning." However, the hexagram isn't blindly optimistic; it demands work, danger (crossing water), and timing (the three days). If Buffett ignores causes (e.g., evolving consumer trends like plant-based foods) or rushes post-buyout changes, relapse could occur. In 2025's economic context (with food inflation easing but recession risks), this timing aspect is crucial.
- Outcome Projection: Based on the I Ching, the buyout could yield strong returns, revitalizing KHC into a steady cash generator like Buffett's other holdings (e.g., See's Candies). It might involve "crossing water" via financing or regulatory hurdles, but with deliberation, it promises regeneration – stirring KHC's "spirit" for long-term value.

If this is based on recent developments or you have more details (e.g., from the linked icic.com page, which seems to be an I Ching interpretation site), feel free to

share for deeper tailoring. Overall, the oracle's guidance seems to endorse your view: With Buffett's wisdom, this could indeed lead to supreme success.

Outcome of Warren Buffett's Buyout of majority of shares of The Kraft Heinz Co KHC

6		H	T	T		3	2	2		7
5		H	H	T		3	3	2		8
4		H	H	T		3	3	2		8
3		H	T	T		3	2	2		7
2		H	T	T		3	2	2		7
1		H	H	T		3	3	2		8

**Click below to view the interpretations and cases:**

<https://icic.com/?p=8897>

### **Hexagram 18 – Work on What has been Spoiled**

Above KEN KEEPING STILL, MOUNTAIN  
Below SUN THE GENTLE, WIND

The Chinese character Ku represents a bowl in whose contents worms are breeding.

This means decay.

It has come about because

- the gentle indifference of the lower trigram has come together with
- the rigid inertia of the upper, and

the result is stagnation.

Since this implies guilt,

the conditions embody a demand for removal of the cause.

Hence the meaning of the hexagram is

- not simply "what has been spoiled"
- but "work on what has been spoiled."

### **THE JUDGMENT**

WORK ON WHAT HAS BEEN SPOILED

Has supreme success.

It furthers one to cross the great water.

Before the starting point, three days.

After the starting point, three days.

What has been spoiled through man's fault can be made good again through man's work.

- It is **not immutable fate**, as, in the time of STANDSTILL, that has caused the state of corruption,
- but rather the **abuse** of human freedom.

**Work** toward improving conditions promises well, because it **accords with** the possibilities of the time.

We

- must **not recoil** from work and danger – symbolized by crossing of the great water - but
- must **take hold** energetically.

**Success depends, however, on proper deliberation.**

This is expressed by the lines,

- "Before the starting point, three days.
- After the starting point, three days."

We must first know the **causes of corruption** before we can do away with them;

hence it is necessary to **be cautious** during the time before the start.

Then

we must see to it that the **new way** is safely entered upon, so that a **relapse** may be avoided;

therefore

we must pay attention to the time **after** the start.

- **Decisiveness and**
- **energy**

must take the place of the

- **inertia and**
- **indifference**

that have led to decay,

in order that the ending may be followed by a new beginning.

## **THE IMAGE**

The wind blows low on the mountain: The image Of DECAY.

Thus the superior man

- **stirs up the people And**
- **strengthens their spirit.**

- When the wind **blows low** on the mountain,

- it is **thrown back and spoils** the vegetation.

This contains a **challenge** to improvement.

It is the same with

- **debasing attitudes and**
- **fashions;**

they corrupt human society.

To do away with this corruption,

the superior man must regenerate society.

His methods likewise must be derived from the two trigrams, but in such a way that their effects unfold in orderly sequence.

The superior man

- must first remove stagnation by stirring up public opinion,
  - as the wind stirs everything, and
- must then strengthen and tranquilize the character of the people,
  - as the mountain gives tranquility and nourishment to all that grows in its vicinity.