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## EXXON: Transforming Energy, 1973-2005

George Cooper  
*Lone Star College*

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*EXXON, Transforming Energy, 1973 – 2005* by Joseph A. Pratt with William E. Hale. Austin; The University of Texas Press, 2013. Contents. Forward, Chapters 1 – 9, Epilogue, Notes. Appendix A – D. Pg. 639. Hardcover. \$49.95

This is the fifth book issued dealing with the 125 year history of ExxonMobil Corporation and its predecessors. It is the first of the series not issued by Harvard University Press. Although the book was issued by The University of Texas Press, it bears the imprint of The Briscoe Center for American Studies. ExxonMobil Corporation donated its historical documents to the Briscoe Center in 2003. Once the collection was in the hands of the Briscoe, William E. Hale, then Senior Advisor to ExxonMobil's Public Affairs Department, made the suggestion to Don Carleton, Executive Director of The Dolph Briscoe Center for American Studies, that the center oversee the publication of the next volume in the ongoing history of the firm. Carleton was responsible for the selection of Joseph A. Pratt from the University of Houston's Department of History and Business. Pratt has frequently written on the oil industry and the history of business in general.

This is an important book. It focuses on the management decisions made by Exxon during the period laid out in the title, and to a degree on the individuals who made them. The period in question is one in which tectonic shifts occurred in the petroleum industry, from an era of stable, cheap crude oil prices in which Exxon was the largest refining company in the world, to an era in which crude is not cheap, nor prices stable. Now ExxonMobil Corporation is still the largest petroleum refiner in the world. Further during the period, Exxon and its competitors had to deal with the rise of national oil companies (nationalization), falling profit margins (not unrelated); the rise of environmentalism, all of which led to attempts to diversify the company.

This was followed by the collapse of the oil prices in the 1980's and a second rise of crude oil prices in the nineties which lead to survival through acquisition and consolidation.

Pratt deals with all of these issues on the managerial level. Because of his approach, this book is more suited for upper level Business Majors than the general reader. He opens with an excellent introductory chapter, "Transformation, from Exxon to ExxonMobil," telling the reader what he will discuss in the following chapters. He closes with a fine epilogue "Transformation, from the Past to the Future," that tells the reader what he has covered and points the direction for the future of ExxonMobil Corporation. In between he deals with the disruption of Venezuela, Saudi Arabia, and Iran and others countries which nationalized their oil holdings and, the creation of national oil companies which eventually become not only partners with Exxon, but in many cases competitors as well and the shock of the related increase in crude oil prices. The later leads to an attempt to diversify, in some cases into fields that Exxon had never attempted before. When the price of crude oil collapsed in the 1980's Exxon decided to divest itself of industries outside their core focus, and sold off most of these unrelated businesses, including the most profitable, Friendswood Development Company. When the price of crude shot up again in the 1990's, Exxon again began looking for ways to survive in the industry. Ultimately this led the company to the acquisition of Mobile Corporation. And Pratt leaves no question that this was an acquisition, not a merger despite the new corporate name.

Pratt does a good job of highlighting the successes Exxon and its successor ExxonMobil Corporation, but he does not hide management's failures. Most notable is the chapter dealing with Exxon's attempts to diversify outside its historical focus on petroleum refining. Most were failures, expensive failures at that, and ultimately management decided to return to its historical focus of petroleum refining with the expansion of the companies petro-chemical activities. The

one criticism of the book is that Pratt uses a gentle hand when taking Exxon to task for the *Exxon Valdez* disaster. And while Carleton in his forward states that ExxonMobil brought no pressure to bear on him, or Pratt, concerning the book, it is quite obvious who provided the funds to make the book happen.

If you are interested in the petroleum industry or management theory and practices, I recommend this book to you. Most readers who do not have an interest in the petroleum or petro-chemical industries, or a general business management mindset will find little of interest, I am afraid. Nonetheless, the book serves its purpose, and will stand as a strong bridge to the next twenty-five years of ExxonMobil's corporate history.

George Cooper  
Lone Star College