

5 Epilogue

This final chapter is taken from the book Turbulence by Anders Allander. It treats partly an imaginative corporation GP (General Products) and GPB (General Products Bruno Bravo) that has great similarities to ASEA/ABB. The “facts” described below is directly taken from ASEA/ABB and its president Percy Barnevik, which in the chapter is named Perry Basevret.

But proved facts are pointed out with real names of the corporation ASEA/ABB and its president Percy Barnevik. However the chapter also contains some surrealistic matters for GP/GPB corporation that can not be considered to be truth. But they act as hot spices on the fantastic story.

During the years 1986-1999 the shares of the GP-group had a very positive development. The value of the shares increased continuously and more and more fantastic results were shown for the corporation year by year. (Corresponds to ABB development)

But the truth behind these magnificent results was not easily observed. It was not at all sure that these results came from positive operative profits from an efficient and well managed business.

A great part of the positive results had to do with fictive capital gains from outsourcing and selling out essential parts of the ABB-corporation. The fixed assets of these sold operations were in the balance deeply underrated and by selling to real values some fictive profits were lifted up. Previously the ABB-corporation had 1200 companies all around the world. The corporation now was slaughtered making only 600 companies remain in the year 2001.

Many of these sold off companies were very profitable - at least in long term. Among these it may be mentioned ABB Surahammar that produced electrical steel sheets, ABB Traction that produced electrical locomotives, ABB Generation that produced electrical Hydro generators and Turbo generators, ABB Atom that produced Nuclear power plants and Nuclear fuel, ABB Fläkt (Ventilation) that produced ventilation equipment, ABB Semiconductors that produced electronic components and ABB Stal (Swedish Turbines Alfa Laval) that produced gas turbines and steam turbines. Outside Sweden we have the same situation for other companies for example : ASEA Greece, ASEA Machines in Brazil, ASEA Motors i Mexico, ABB Persan in France, ABB Machines in France, ABB Birr in Schweiz, many companies in Germany etc...etc... he list is very long. These companies were heavy workshop-industries built up needing a lot of capital. But the main part of this capital was created during a very long time by using own profits from efficient managed operations. This means that the level of external loans was very low at these companies.

A great part of the previous core-business of the ASEA-corporation now was slaughtered due to what was explained as not profitable business. Some of them also were sold out under the explanation that a good (temporary) profit could be obtained when they were sold out.

There are reasons to believe, that some of these slaughtered companies had shown fictive negative results due to dubious financial transactions, making them seem un-profitable and had to be closed down due to this.

But officially it was declared that these companies had created negative operative results. The truth could however be totally different. The case ASEA Elecmac in Argentina is such a

typical example, where the truth has to be found far away from normal sound business principles. A corrupt top management there used a lot of inventive power and ruthless activities in order to make this small well-managed, expansive and very profitable company seem unprofitable motivating a decision to slaughter it and close down its operation.

The same methods could have been used also for many other companies of the ASEA/ABB-corporation.

Added to this we can see a lot of disastrous business such as investing in unprofitable companies that never could be lifted up to generate profit.

For example the rapidly by Percy Barnevik bought company Combustion Engineering that the whole time was running with huge losses in the running business.

The President Percy Barnevik purchased Corruption Engineering (in real Combustion Engineering) that also generated huge costs due to heavy compensation claims due to cancer caused by asbestos in their products and due to dumped radioactive waste from the nuclear business etc.

The purchase of this company had a cost of 2 billion USD for the GPB-corporation (ABB). This cost was booked separately not included in normal operation. But the money received when selling out Corruption Engineering some years later (to Alstom) was booked as operative profit for the GPB-corporation. Remaining from this company Combustion Engineering ABB thereafter had costs due to extent compensation claims of 2,5 billion USD hitting the result of the ABB-corporation from year 2001 to 2007.

There also are many easy ways to transfer money from capital-intensive operations that thereafter seem un-profitable and are motivated to be sold out or to close down. This money

can be moved to companies with small needs of capital for their operation. The received money then may seem as profits of these smaller operations that thereafter show fictive better results year after year.

The profitability, meaning the profit in % of equity, thereafter increases in a fictive way as the equity in the denominator decreases. At the same time the figure in the numerator increases due to capital gain from the sales price compared to an under-valuated property.

All this, together with several other financial manipulations, made the fictive profitability at short term to develop in a very good way until year 2000.

All this apparently positive result made the President of the ABB-corporation Percy Barnevik seem as a bright star in the sky. He seemed like a great hero and dynamic leader and a powerful character, which made the huge ASEA/ABB-corporation dancing easely on its feet again using these methods to slaughter the corporation and “slim” the production and the collection of products.

But he only was a short-sighted economist and financial manipulator, who only managed to transfer money between different accounts and manipulate with figures of profitability and slaughter the operations.

Percy did not create any real values or any spirit of creativity or any real sustainable development of the corporation.

Instead the ABB- corporation had more or less stopped all investments during 20-25 years. The last important workshop project in Sweden was finalized at 1975-1976 during the époque of Curt Nicolin.

All this means that the ABB-corporation now is working with mainly equipment and machinery that are 25-30 years old,

while the competitors of ABB (such as Siemens and General Electrics) have renewed its production equipment and processes continuously. This seems to be one of the many problems when economists take over the lead of industrial corporations – all development in Production Development (and also to a great extent in Product Developmet) is stopped and the corporation starts to dig its own grave.

Short term cash flow takes over long term profitability.

An époque of creative, positive scientists or engineers as managers or as product- and production developer now disappeared. A crew of selected short-sighted economists and shrewd, manipulating intrigue-makers in many cases now was appointed leaders of the operation of ABB. The corporation started in this way digging its own grave.

If a farmer would do his work in the same way - he would use the same type of seed resulting in that the soil becomes sterile and useless. He stops the maintenance of his tractors and other machines and his bulidings etc. When the equipment is to old he sells it all and rent it instead. When it all is close to bankruptcy he sells the remaining seed instead of using it for processing. Thereafter he lives of the remmaining money until it all is consumed. Finally he goes to the authorities claiming for contribution and welfare.

But the moment of truth came year 2000 when the ABB-corporation started to show negative results. The limit now was reached and there were no longer a lot of more companies to slaughter and empty on their real capital values. The real negative operative result now popped up and became visible. No more capital gains of property and inventory could be used in order to hide the negative operative results. The corporation now was de-capitalized!

The out-sourced operations now caused that a huge amount of money had to be paid to suppliers of the components and the services that the ASEA/ABB-corporation previously had produced itself with own resources.

The new property-owner, who had bought the previous property of the ABB-corporation, now wanted to gain own profits at the expense of ABB. ABB now had to pay high rents for having activities in the property of the new owner.

The negative results of the purchased unprofitable companies could not any longer be hidden by the fictive positive financial result.

The profitable companies, which had been sold out to good prices to competitors, could no longer generate profit to the ABB-corporation.

The profit came into the hands of the competitors instead, who passed and distanced the ABB-corporation in the race for good profits. The ABB-became a second-class corporation competing with first class corporations.

At Wednesday 2001-11-21 a declaration reached the world. Percy Barnevik takes his responsibility for the negative results and the negative development of the ABB-corporation.

He leaves ABB and resigns as president. He declares he will leave the corporation within a couple of months.

The same night Anders Allander sits in his corner of his comfortable sofa sipping upon a good glass of wine.

He listens to Bob Dylan's fine song "**Times They Are A Changing**". The first part has the text below :

Come gather round people wherever you roam
And admit that the waters around you have grown
And accept it that soon you'll be drenched to the bone

If your time to you is worth saving
Then you'd better start swimming or you'll sink like a stone
For the times, they are a changing.

There is a picture to this song which also is named **Times They Are A Changing.**

The picture shows a person that once was a great and well-considered President of a large company group.

He seemed to show results, but it all was a fraud. He leaves after himself an enterprise in ruins.

The truth now has reached him and he is stuck in a sea of lava burning him into his bones.

He slowly is sinking down into the depth. The sky is dark and full of lightening.

Nature gives its judgment over the man and his deeds.

He already is dead, but still stares with the cold eye of death. His black star is sinking into the depth.



At Wednesday 2002-02-13 another declaration arrives. Percy Barnevik is dismissed and immediately has to leave the corporation.

It has been observed that he, for his own benefit, had received astronomical amounts as severance pay. This is due to high values of the ABB-shared manipulated by creative book-keeping and reporting by Percy Barnevik and his directors.

Due to this he is considered as an unreliable person. He is then further put in question and many more irregularities become visible.

Percy is thrown out in the street, and nobody misses him.

But the damage already is there! Can the ABB-corporation raise again after all its extensive injury?

Most of the damage during the last 20 years means slaughtering of real values that have taken 100 years to build. Will it take another 100 years to build it up again?

The same day as the astronomical severance pay for Percy become visible the personnel in ABB main offices and workshops in Switzerland invest in a coffin that they put on a very visible place.

They make a slot for coins and put a sign on the coffin with the text : **Contribution to the pension funds of Perry Bamseviet!**

At Tuesday 2002-06-25 it is officially declared in newspapers, that Percy Barnevik has been prosecuted by Swiss people for disloyalty which may cause imprisonment for embezzlement and too creative book-keeping.

Some months later – at fall 2002 one of the main owners of ABB Martin Ebner expresses himself about the financial activities of ABB.

”Everybody knows for sure how a criminal financial organization operates. It is just to avoid full visibility.”

He also declares :

”ABB Financial Service is a wrenched nest of speculations, where all is built up in order to create maximum bonus to the president of ABB.”

Perry moves to London laying low. He does not dare to show up in Sweden or in Switzerland after this.

Allan Andersson sits the same night in the corner of his comfortable sofa and enjoys another glass of good wine.

At the same time he listens to Bob Dylan’s fine song **Like A rolling stone.**

He listens to the second verse in the Bob Dylan song **Like a Rolling stone.**

The text according to below :

You’ve gone to the finest schools, all right, Miss Lonely
But you know you only used to get juiced in it
And nobody has ever taught you how to live on the street
And now you find out you’re gonna have to get used to it

You said you’d never compromise
With the mystery tramp, but now you realize
He’s not selling any alibis
As you stare into the vacuum of his eyes
And ask him do you want to make a deal?

How does it feel? How does it feel?
To be on your own, with no direction home
A complete unknown
Like a rolling stone



The picture is called **Vacuum in his eyes** and shows a little black miserable being, who is in the street ignored by everyone. He now tries to buy alibis from the ones he previously looked down upon, and who he has not put any attention upon. He turns to a Mystery Tramp that has black, prickly hair.

But the miserable being does not get any alibi. He is alone in the cold!

He is met by an empty look from the mystery tramp that he tries to bribe.

The mystery tramp has vacuum and stars sky in his eyes and he does not see the miserable being.

The close of books for the ABB-corporation shows short term loans of 10 billion USD in the beginning of the 2000th. This is

to compare with the ASEA-corporation during the 1980th without any main depts. This is the end of an era.

The era of Perry now definitively is ended! **SATAN** approaches from the dark corner where he has been waiting. Perry is then thrown into a cosmic black hole. Perry now begins to burn in Hell.



But Perry is tossing and turning in Hell in order to ease his pain.

He tries to reach the surface once again



Perry raise desperate from his black hole in which he has been thrown. But he does not reach his target. He bounces furious up and down from the abyss wildly roaring.

Perry needs help.

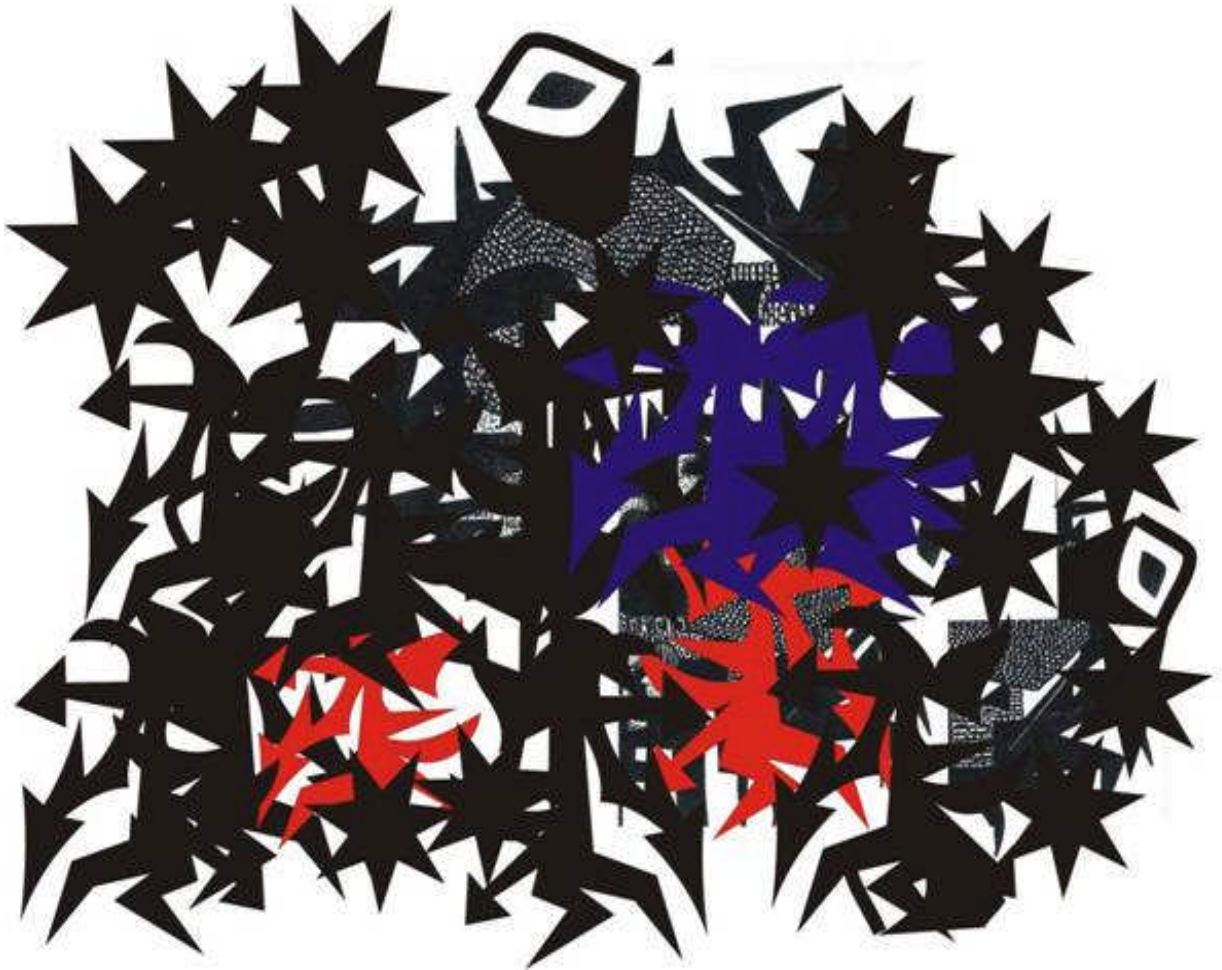
He still has many collaborators remaining on the surface, which he can use to fulfill his wishes. He selects some of the worse intrigue-makers and calls upon them.

He calls upon Tommy Seashark, Freddy Cockroach, Micke Gädda and Hasse Bluffmaker.

They start their mission with joy.

This will be real fun!

Perry is a Galaxy of cosmic black holes deeply in the abyss, and he needs many souls to obstruct the holes, in order to reach the surface again.



Perry immediately selects his first victims. It is a colorful mix of characters.



Perry gathers his forces for revenge.....



It will be war again.....