

IN MEMORIAM

PETER WALLENBERG

1926-2015



“Peter Wallenberg will be remembered as the most committed Atlas Copco promoter and supporter ever,” said Ronnie Leten, President and CEO for the Atlas Copco Group. “He was a true inspiration for me personally and for countless of former colleagues and friends in the Group.”



Peter Wallenberg was without doubt Sweden's most famous businessman. A former Atlas Copco employee, Chair of the Board, and Honorary Chair, he was also highly influential in many of Sweden's largest multinational corporations and his network spanned industry leaders, presidents, and royalty all over the world. On January 19, 2015, Dr. Peter Wallenberg peacefully passed away in his home.

This slightly reworked interview with Dr. Wallenberg was first published in Management Contact no 5, 2007.
Text: Annika Berglund, Photos: Stewen Quigley.



THERE IS NO OTHER SUCH COMPANY

That Peter Wallenberg was 81 years old when the interview for Management Contact was made was hard to believe given his daily routine. (By the way, he said that he stopped counting his age when he turned 80.) His intelligence, intensity, and keen interest in talking about his years in Atlas Copco and sharing his views of the developments at the time quickly took you into a three-hour journey from the early 50s, when he was first employed, to the challenges of today.

What—if anything—in Atlas Copco has remained unchanged over time?

“The name and the pride. The pride of people who work or have worked for Atlas Copco is outstanding. I have seen so many companies outside Atlas Copco; not one touches Atlas Copco. The loyalty to the company is something quite remarkable.

Each company has a soul, we don't talk about it and we don't write about it, but it is there or it isn't. I have seen plenty of companies where it isn't.

There's camaraderie in Copco. I have run across many people that have left Atlas Copco and they all have one thing to say, they have never experienced quite the same spirit as in Copco.”

Peter began his career in Atlas Copco's service workshop in Nacka, Sweden. The year was 1953 and the turnover for Atlas Copco was around MSEK 100. For a period of time, he went on shift as a mineworker in the Kärgruvan mine. During this time, he learned how to use the so-called Swedish method, where one man alone operated one light rock drilling machine.

“As I was a lawyer, I was not the most knowledgeable. So I bought books and I tried to learn all about these highly technical matters. As I didn’t have any service people, I had to learn how to do the service as well.”



In 1956, the same year Atlas Copco acquired Arpic works (now Airpower), Peter moved to the United States as a sales engineer for compressors. For those who remember these types, his job was to sell models such as AR, CT, CR, and NT. As the only employee in compressors, he carried two business cards, one as manager for the compressor division and a plain one for all other purposes.

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What did Atlas Copco do in the mid-50s in the United States?

“It was all rock drilling equipment, and I was sent out to sell stationary piston compressors. We were of course completely unknown as a manufacturer. As such, those three years were really a very good training.”

During this time the company changed its name from Atlas Diesel to Atlas Copco. Peter explains that it took at least a year and a half for him and other people in the field to remember that they were Atlas Copco and no longer Atlas Diesel. (Let’s hope that brand transitions take less time today.)

Did you manage to sell any compressors?

“Not many, but a few. After a lot of hard work and a lot of disappointments.”

In 1959, he left for Africa, which was a major change for him. He took on the position as Managing Director of the Federation of Rhodesia and Nyasaland (Zambia, Zimbabwe, and Malawi), and later also of the Congo. As this period made such an impact on him, one hour of the interview is filled with anecdotes

from his years there. Here are a few.

What made you decide to go to work in Africa?

“I was given a choice, of one.”

The business in Africa focused on rock drills and drill steels. The competition Atlas Copco faced was fierce with English, South African, and American competitors that had been there forever. The market consisted of hundreds of small miners and Atlas Copco only had about 5% of the market.

“Then we launched a program that I had heard about in the States. We went out and bought the machines that were made by our competitors, and gave them, most of them small miners, a new machine. We also gave them some cash. Most of these small miners had never seen money. To make sure that the competitors’ machines did not return to the market, machines that we brought in were hammered with a sledge hammer into small pieces before they went to the scrap dealer. Otherwise they would have been sold again.”

A period passed with no reaction, but soon Peter’s competitors invited him to a lunch. They explained that they had heard from their salesmen that Atlas Copco’s salesmen were buying up their machines and replacing them with their own. Peter replied that this was all news to him, and if it was true he was going to stop it immediately. He gave his word, so after the lunch he went back to the office and stopped the activity immediately—it was over. At that stage, he had already managed to get 70% of the market and, of course, the profitable and important spare parts sale was Atlas Copco’s.

In 1961, Mario Pellegrino, who was both Atlas Copco’s manager in the Congo and the

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vice consul of Sweden, asked Stockholm to be relieved from his position as manager for the Congolese company. The problem was the war. Peter took over and began to travel up to Katanga in the Congo the day after 35 000 Belgians left the country.

“I got a message from the Swedish foreign office asking me to get in contact with the Swedish representation in the Congo because they hadn’t managed to drive in.”

So he took his car and he went. Unarmed, he drove for many hours on a road that was about three meters wide, with ditches on both sides, before he reached his target. It was a disaster with blood on the streets. Almost everything was looted.

Weren’t you afraid to travel in a war zone?

“I drove to our office, the gates were open. I walked in, looked into the office, and saw Mario, sitting at his desk. He said, ‘Tu n’as pas peur toi?’ (Are you not afraid?)”

Before leaving Ndola for the Congo, Peter had made an agreement with the Atlas Copco people that if he did not return by 9 PM the day after, they were free to do what they wanted. He made it back with very little margin and his colleagues’ faces fell.

“It took some time before they told me that what they had done during the day that I was gone was to build up the truck we had with steel bars, and they had cut out areas to fire guns through them. If I hadn’t returned, they would have gotten into the truck and driven back in to get me out.”

The war went on for about two years, yet Peter continued to spend about one week a month in the Congo. During the journey north and back,

he experienced many inspections and he had a few incidents. But he never, ever, thought of leaving this position.

How was reporting done?

“We had to make monthly reports to headquarters, of course. But Africa is very different. At the end of every month, I had to make a choice; to pay my employees or to pay Stockholm for the machines we had received.” (For the first time, but not the last, you can catch a glimpse of a rebel in Peter, which makes you wish that copies of these reports still were available.)

“It was an unbelievable period of my life. I never told anyone in Stockholm about it because I was afraid that they would haul me out of there very quickly.”

After Africa, Peter moved to Great Britain, a loss-making operation, and was appointed Executive Vice Chairman (because there was already a Chairman).

“My problem was that the managers had all been there for many years. Within a year, I had fired 22 managers, which gave me a poor reputation in Stockholm.”

Tell us about a marketing success that you have had!

As a very customer-centric person, Peter worked on focused and creative sales and marketing activities, one was a commercial about compressed air that ran on television in Scotland*).

“I was so painfully aware that compressed air is

*) The Scottish commercial is now published on Atlas Copco history website.

“Seeing is believing, that’s my motto.”



so totally unromantic in the eyes in the general public. In this film, Atlas Copco was illustrated as a globe and around the globe was the slogan, ‘Puts compressed air to work for the world.’ When I did the commercial, it had the most amazing effect. The number of people that could remember the slogan, a year after, in its entirety, was revealing.”

He still has a very strong opinion that Atlas Copco can do much more in this area and be more visible for example through more commercials.

“Seeing is believing, that’s my motto.”

Looking back, how do you see Atlas Copco’s development?

“It has changed in different ways in different periods. From an economic point of view, it is many times more successful today. But for a long period of years it was a problem company.”

“A big operational change took place when we got rid of the large diesel production after the war and began to focus on the pneumatic field. This was a dramatic change.”

“Arpic, which we had acquired, proved to be a real dog. We bought them as they produced portable compressors, only to find that they made very few compressors. In order to survive, they had got into many international contracts where the compressor was only a minor part. For the rest, they sold loads of other equipment, for example tents.

“It had no service organization and no build-up of a sales organization. Luckily, they could benefit from our organization.”

The background for the ongoing changes that took place in compressors, rock drills, and tools was the common use of air.

How was product development done? What was driving the process?

“It varied. We have not always been very keen in product development, and yet, there are other periods when we have had a very high rate of new products coming to the market. The understanding of what the market wants, or rather what it doesn’t want, has gradually penetrated Atlas Copco. Because, it is an engineering company.”

What do you see as Atlas Copco’s biggest challenges going forward?

“The markets are widening all the time, Russia, India, and so on. With those markets come also competitors that we never knew about before. Many of them are of little consequence to our operations, others perhaps have more of a potential. Together, they are a new element.

“The other thing that I have pondered from time to time is what will happen to these new markets when they also become major manufacturers of our products, or outsiders that ‘borrow’ our name (brand them Atlas Copco), manufacture very cheaply, and go out challenging our market. And what will then happen to our European competitive strength? Can we challenge that? Can we overcome this?”

As a consequence, how much should we put into increasing capacity in Europe? What will happen in that competitive scenery?

There are, of course, no answers.”

Your network includes some well-placed people all over the world. How important is networking? (At the time for the interview Peter Wallenberg had recently hosted a dinner for China’s president Hu Jintao.)

“You should never underestimate the importance of personal contacts for a variety of reasons.

“The best thing you could do if you cannot get the job that you want—is to take any job. If you think you are capable of doing more, you will find new solutions for their work that they have never thought of.”



You will be surprised how valuable it is to know powerful people. At the same time, you should never talk about it.

“If you talk about what you have discussed with, say, the American President, the Chinese President, the President of South Africa, the Prime Minister of the UK, or someone else, that door will be closed forever more. I never even promote the interests of any of our companies and I never ask for favors.

“I have had journalists say to me that I owe it to the public to tell it. I owe it to never tell.

“What you can get out of it is the background thinking. What is happening, what they are worrying about, and where they feel safe. What is important in their decision making? That is vital because we depend more and more on what the major nations are doing for our own businesses.”

A final question related to Atlas Copco, what is the achievement that you are most proud of?

“I am most proud of having had the opportunity to live with one company in a variety of levels; from an ordinary mineworker, from a worker, being a serviceman, and all that, and reaching the top, and there, meeting all the problems that are never even spoken about downstairs.

As a consequence, I knew what questions to ask. That experience has been a tremendous asset to me in my later work. Unbelievable! It took many years, it took 21 years, but it was worth it, every single piece was worth it. And I wish more young people were prepared today to accept that.”

“The best thing you could do if you cannot get the job that you want—is to take any job. If you

think you are capable of doing more, you will find new solutions for their work that they have never thought of. But most of all, you will come to understand what people are talking about.”

When I left Peter Wallenberg’s office after the interview, I remembered a conversation that we had had a few years back. I then asked him if Atlas Copco was his favorite company (cause we want to be sure). The answer came instantly and without any hesitation, “There is no other company.” ■



Marketing and Sales Award

When Dr. Peter Wallenberg stepped down as Chair of the Board, he was honored with a new Atlas Copco Award. There is no wonder it was established to reward marketing and sales.

The Peter Wallenberg Marketing and Sales Award recognizes the most innovative and successfully implemented method in the field of sales and marketing. It and the John Munck award, which rewards the best innovative technical development contribution during the year, are Atlas Copco’s most prestigious awards.

The Award is presented at Atlas Copco’s annual general meeting in Stockholm, Sweden.



Dr Peter Wallenberg, was Honorary Chair of the Board of Atlas Copco AB until he passed away in 2015. This photo is from the 1950's when he was working in the Kärgruvan mine in the rugged Swedish region of Bergslagen.

AN ATLAS COPCO CAREER THAT SPANS 61 YEARS

Dr. Peter Wallenberg, born in 1926, began his career at Atlas Copco in 1953, having just received a Bachelor of Laws degree from Stockholm University, Sweden. He served as Honorary Chair of the Board of Atlas Copco until he died in January 2015.

Besides his Atlas Copco career, Peter Wallenberg has played an important role in the Swedish and

international business communities. He had a number of honorary academic titles and was decorated by many governments, both in Europe and around the world.

When complete, Peter Wallenberg's résumé fills several pages; here we have extracted the Atlas Copco-related career steps. ■

1953	<i>Employed by Atlas Copco AB, Sweden</i>
1956–1959	<i>Sales engineer, Atlas Copco Inc, United States</i>
1959–1960	<i>Managing Director, Atlas Copco's Sales Company in the Federation of Rhodesia and Nyasaland</i>
1960–1962	<i>Managing Director for Atlas Copco in the Federation of Rhodesia and Nyasaland, and the Congo</i>
1962–1967	<i>Vice Chair, Atlas Copco (Great Britain) Ltd and Managing Director, Atlas Copco (Manufacturing) Ltd, England</i>
1968–1970	<i>Managing Director for Atlas Copco MCT AB, Sweden</i>
1970–1974	<i>Deputy Vice President, Atlas Copco AB, Sweden</i>
1974–1996	<i>Chair of the Board of Directors, Atlas Copco AB, Sweden</i>
1996–2015	<i>Honorary Chair, Atlas Copco AB, Sweden</i>