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Contact

M A N A G E M E N T

No 4

PUBLICATION FOR ERICSSON MANAGERS WORLDWIDE

1990



**Eva helps
hospital in
Rumania
Page 5**



Desert land transforms

The Sultanate of Oman in the Arabian Gulf is undergoing a revolution in the communications area. There, Ericsson has installed one of the world's latest telephone systems. Twenty-six years ago, the country had only 200 trunk lines in its old telephone network.

Center



Power show at the CeBit

This year's highlight among expositions in voice and data communications is the CeBit in Hannover. Ericsson's participation is natural and this year the group flexed its muscles as never before.

Page 4



Queens of diamonds

Female managers are becoming more common. The organization Queen of Diamonds has taken the initiative to improve opportunities for women in careers. Here, older more experienced top male managers share their job experience with a selected team of women.

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GIANT ORDER IN MEXICO • Page 3



Time to look forward

The eighties have not exactly been a bed of roses for Ericsson. During "the difficult years" there were many who doubted our strategy, our business ideas and our strength. But there were also many who had faith in us, who did not give up on us as we battled the difficulties. For this reason it is very satisfying, both for me personally and in my capacity as president, to leave that post in a year when the group is reporting its best earnings result ever and when Ericsson finds itself on the path of continued economic growth. We who work in the group have built a solid base for the company to be even better.

Last year was a truly remarkable year. We achieved very good results over a wide range in the company. Streamlining of operations continues and organization is improving as well. The business areas Network and Construction and Cable have been merged into Cable and Network. In the radio communications field we entered a joint venture with General Electric, which noticeably strengthens our position in that area — not least in the enormous North American market.

These structural improvements are two examples of how Ericsson is now focusing its activities on telecommunications. Here we have broad and profound knowledge to take charge and develop further. The financial health of the company for pursuing these objectives is very good — in 1989 they accounted for more than 75 percent of our total invoicing and for a considerable share of our record profits.

The overriding business affair in 1989 was the breakthrough for AXE in the United States. Ericsson has invested lots of dollars and manhours to achieve this goal: A solid foothold on the North American continent. Now we are there. Ericsson has earned a pretty safe position as supplier to five of the seven regional Bell companies and to MCI. With 25 percent of the market, we are leaders within the system for mobile telephones. Our business switch MD110 has reaped considerable success. We have made a definitive breakthrough in mobile data communications. It all speaks for having won the first round in the U.S. From

here on we can reckon with the U.S. as a profitable market for Ericsson. Looking forward, we can see huge opportunities ahead of us. Some time last year a major milestone in the history of telephony was passed. Some 114 years after Ericsson was established and the telephone was invented, the 500-millionth subscriber was hooked into the global telephone network. In a few short years this number will already have been doubled — that's how fast developments are happening today!

At the same time that the market is growing at a hectic pace, more and more companies in the telephone field are going to drop out. We who are left — Ericsson and some others — will share in a huge and growing market during the nineties.

Particularly interesting for our part is that a very large share of the growth will be in the markets for mobile and personal telephony — where we are strongest.

Developments are moving at a rapid pace toward personal telephones — that is, one can call a person rather than a place. Here we have our best chance in the future — we already command a lot of the technology that can be used for meeting the market demand.

Ericsson has already developed the first system for personal telephony in the office setting — the most interesting market sector. Our new personal phone DCT 900 is connected to a cordless business switch, from where an employee can easily be reached, wherever he or she is in the company. The personal phone is both lighter and cheaper than today's pocket phone. As the technology expands, these phones can be used to cover even greater distances. The real breakthrough for personal phones lies ahead of us!

We in Ericsson are well prepared financially, technologically, organizationally and psychologically when it comes to being able to meet the opportunities that await. The fact is that it is we who are the head of it all. The nineties will be an incredibly exciting decade.

Björn Svedberg



Bo Hedfors, new head of T division within ETX.

'Knowledge - a resource to cherish'

Many think he looks tough and angry. He himself sees humor as one of his most important weapons. Bo Hedfors is the new head of T division within ETX.

From April 1, the new head of T division within Ericsson Telecom is Bo Hedfors. He replaces Kjell Sörme who is taking over the management of EPA, Telecom's subsidiary in Australia.

In T division they work with base technology — construction methods, components, testing techniques and construction accessories. The division also follows and develops general standards for the group," Hedfors notes.

Hedfors has 22 years in Ericsson behind him. He has been active in three business areas. After graduating from the Chalmers Technology Institute in Gothenburg, he began with the installation department in the then LME/X. There he worked in the development of first AKE, then AXE and MD110. For a short time in 1987, he was sector manager for defense operations in Kista — now ERE — but in 1988 he came back to the world of BX as sector manager for system construction.

"In addition, I have had three spells abroad — in Holland, Denmark and the U.S.," he adds.

Huge projects

Hedfors has worked a lot with huge projects. For five years he was at Elmetel working on the development of AXE 10 and he was responsible for the program wares supply and operational input of the world's first AXE station — in Södertälje in 1977.

Meet Bo Hedfors, new head of T division

Over the next five years, Hedfors led the development work on the MD110, EBC's major world product today.

Strong leadership

Right now T division is working with a number of large well-defined projects within AXE, transport networks and operations and support systems (TMOS). At the same time they are working very much with vision and future product development.

For Hedfors, who will lead this work, leadership is the key word. "I am very interested in leadership, to work with people as an important resource, and in group work," he says.

A provision for this year, according to Hedfors, is an investment in powerful division leadership.

Looking at the world

Product development is carried out in project form, and just the word project is Hedfors' key word for our success. Another is competence development.

"In the latter area we must be interested in and aware of future trends so that we can avail of the new thinking," he says.

Apart from being head of 2,500 employees at T-division, Hedfors also oversees the work for standards development in subsidiaries around the world.

"It is extremely important that we cooperate beyond borders, especially since one-third of our BX engineers are outside of Sweden," he says.

With everything that is going on in the division, Hedfors is involved in the development of a new construction system using fiber and new components in modern techniques.

"The first application will be in the DCC project, where we have set up a prototype and, together with West German partners, have achieved a major project.

Hedfors also has a major business role in T division's work.

"One has to have awareness of and involvement in product development," he notes.

Hard humorist

Hedfors is aware that sometimes he is seen as tough and angry.

"Maybe, I appear like that, but it is mostly in the beard," he says.

"Sure, I want to see things function and sure I can get angry. But in difficult situations, I often see humor as a weapon."

"I want to have a pleasant atmosphere of cooperation around me, at work as well as at home.

At home in Segeltorp with his family — his wife Anita, a librarian; a daughter, 16 and a son, 12 — Hedfors tries to find activities in which all can share and enjoy.

"Since I travel a lot in my job, we travel a lot and enjoy things together. There is no tax on memories, as I always say.

"Not yet, in any case," he concludes, with a laugh.

Text and photo: Alf Öst



Ericsson received an order from Mexico worth more than a billion kronor for supply of an AXE and power equipment.

East Europeans do not have to be spies

The article on industry espionage in the previous edition of Contact has, with all justification, rankled feelings among those in the company with roots in East Europe.

Joakim von Braun, who was interviewed, is someone with

definite views on the subject. The article represented his own views on the danger of industrial espionage and is not the official stand on the issue either of Contact or the Ericsson group.

Von Braun's views are somewhat controversial. His

warnings on contacts with colleagues of East European origin should be taken therefore for what they are — one person's views on the risks of being more or less involved unconsciously in industrial espionage.



Digiphon got a successful headstart in connection with the Mexico agreement. It is in itself a marvel of effective product development — from concept to finished product in 14 months.

Success in Mexico

On April 5, news was released on a billion kronor order for AXE and power equipment for Mexico. The order was the first part in a five-year agreement that is worth more than 6 billion. In addition, a major order for Mexico will be ready shortly thereafter — it involves no fewer than 800,000 telephones.

Teleindustria Ericsson, our subsidiary in Mexico, has, in a short time, brought home two large and important orders from the Mexican telecommunications administration, Telefonos de Mexico (Telmex). The two orders reinforce Ericsson's strong position in the country. Our market share in 1989 was some 70 percent.

Recently, a five-year interim accord was signed between Ericsson and Telmex for supply of equipment. The agreement was held up while Telmex made an evaluation of market suppliers with a view to increasing the number. For a long time now, Ericsson's only major competitor was the French Alcatel. Despite these aims, it was Ericsson who got the big order. It is reckoned to be worth more than 6 billion kronor, to which can be added expected add-on orders for power and transmission equipment for some additional billions.

The interim agreement and the expected add-on orders is one part of a considerable investment to expand with Mexican telecommunications. The first stage, according to the five-year accord, includes AXE and power equipment for delivery next year and for a value of close to 1.1 billion kronor.

Strong position

"The five-year agreement is proof of our technical and commercial competitive strength," says Jan Stenberg, president of Ericsson Telecom. "It reinforces our position as the main supplier in Mexico, where Ericsson has been the chief supplier of both public and private telephone

AXE and telephones for billions

equipment for more than 80 years."

Teleindustria Mexico has about 4,600 employees in the country. The company works with construction and manufacture of machines and program ware systems as well as installation of equipment. Part of the production is exported, mainly to other countries in Latin America.

In the wake of the large AXE order, an additional order came a few days later for Ericsson. It was Business Area Business Communications that brought it home. The order involved no fewer than 800,000 telephones, of which the bulk is a brand new type — baptized Digiphon.

The order from Telmex is the largest for the new apparatus. Manufacture will be carried out by one of Ericsson's factories in Mexico.

Jan Löfberg, head of the telephone division within EBC, is naturally happy over the success start:

"I see the Mexico order as proof that the new phone is right both from the point of quality and price. I am convinced that Digiphon can be a good competitor for the bulk of telephone offers from the Far East. It has already aroused a lot of interest in Europe."

CeBIT — where the elite in telecommunications meet

Ericsson was truly well viewed at this year's CeBIT fair in Hannover, one of the world's largest data and communications exhibitions. Our stand in Hall 17 was larger than ever and reflected all of Ericsson's activities.

*Ericsson
viewed better
than ever*

The CeBIT fair takes place every year in 18 different exhibition halls, and it is difficult to imagine the size of the fair if one has never been there. Just think that one of the halls is as large as the entire Älvsjö hall in Stockholm and that every year CeBIT is attended by more than half a million visitors.

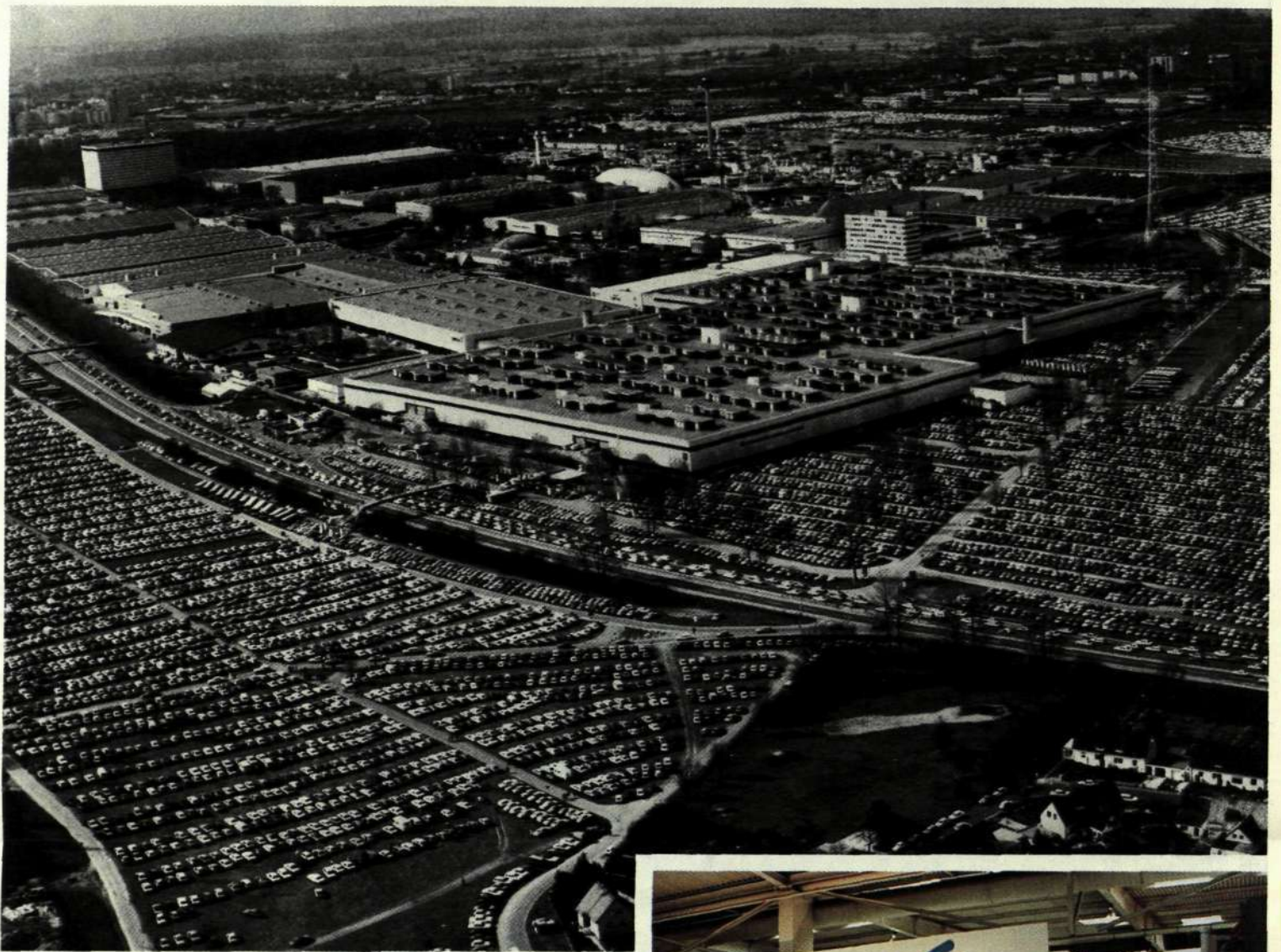
For this reason, a number of companies stand in line to exhibit at CeBIT, and despite the fact that this year the exhibition area was expanded with three additional halls, the organizers were still short of 60,000 square meters of space.

It is extremely important for Ericsson to be present at this exhibition. During the eight days of the fair, just about everybody interested in telecommunications gather in Hannover. Hence, CeBIT is a very effective way for companies to establish contacts. Many customers, prospective customers, decision-makers and consultants are assembled here. Instead of flying halfway around the globe, groups meet at the fair.

Show of strength

Three years ago, CeBIT was an attraction for just Ericsson Information Systems. But since West Germany has become such an important market for Ericsson, all the business areas, except defense systems, were represented this year, showing Ericsson in all its breadth, strength and competence. For the first time at CeBIT an AXE cabinet was shown "live" and, among others, demonstrations were held on intelligent transport networks, Flexnode, TEMOS operations are under way for these products in West Germany, where Ericsson Telecom and Ericsson Radio Systems have recently opened an office in Frankfurt.

For the first time, Ericsson Components participated in the fair. It showed the latest in power supply and cooling for telephone stations. Business Area Cable and Network showed fiber welding and Ericsson Business Communications demonstrated telephones, the MD110 office switch, as well as ERIPAX data network and modem.



The CeBIT fair in Hannover is one of the world's largest data and communications exhibition. Every year more than a half million gather at the 18 different exposition halls.

Our stand, which was in Hall 17, was imposing both in size and display. The area of 1,200 square meters occupied two floors. On the bottom floor was the reception and the area for showing our products. This had been expanded by about 200 square meters so that Ericsson Telecom and Ericsson Radio Systems would have room for their products. Telecom's container with the AXE cabinet and the new cooling system needed a lot of room, as well as the CAD system for computation of the radio base stations that Ericsson Radio Systems demonstrated. In the autumn, the two business areas showed their products only with pictures.

The upper floor of the stand contained space for personnel, a conference room, press room and a bar where customers were invited for refreshments. Space for personnel was larger this year, so those with a little free time were able to have a bite and read a newspaper at ease.

Personnel was divided into two teams, one for the opening days of the fair and the other for the closing days. About 80 persons worked simultaneously in the stand. And the project leader for Ericsson's participation in CeBIT, Gustaf Lagerberg, had only praise for personnel.

Many notable visitors showed

up. The German Communications Minister, Schwartz-Schilling, who was taken on a tour by C.W. Roos, spent 20 minutes at our stand. He looked mainly at the intelligent networks, mobile telephony and Mobitex. The head of purchasing for the Bundespost also spent some time at the stand — learning about AXE services. As usual, Ericsson was also visited by the Swedish diplomatic corps in Bonn and the Swedish Chamber of Commerce in Düsseldorf.

No press conference was held this year, since Ericsson did not present anything new. However, German and international journalists were invited to a gathering on one of the evenings, where Lena Hyllsten, responsible for press relations at Ericsson Telecom, Lars Jonsteg, head of information at Ericsson Radio Systems, and Hans-Peter Ott, press officer at Ericsson Business Communications in Germany, were hosts. Some 50 journalists attended and many meaningful contacts were made during the evening. A very significant service provided by Ericsson for its current and prospective customers was entry to a so-called Customer Business Center at our stand.

Text: Lena Öberg
Photos: City-Press and Pressens Bild



Ericsson's stand in Hall 17 was imposing both in size and display. On the bottom floor, the different products were shown, and the top floor was occupied by personnel, a conference room and a bar where customers could enjoy refreshments.



The West German communications minister, Christian Schwartz-Schilling, in blue, was very interested in Ericsson's mobile telephone products. C.W. Roos, right, was the minister's guide at the stand.



Forward with her goal. After four days of driving through Europe, Eva Wedberg reaches the children's hospital in Bucharest.

Ericsson supports Eva's mercy mission to Rumania

Eva Wedberg works with Ericsson Radio's factory in Gävle. When she took the initiative to take toys and clothing to a children's hospital in Rumania she got full support from her colleagues. The factory management picked up the motoring costs, and personnel responded with the bulk of donations.

"It was a terrifying experience to come to Rumania," recalls Eva, who together with her uncle drove nonstop there and back in a week at the beginning of March.

Eva has never driven a mercy mission transport. But in January when she saw on television how children were suffering in Rumania, she took the initiative for a spontaneous collection for a children's hospital in Bucharest.

The factory manager, Anders Norlin, reacted positively to Eva's gesture. She got backing for a rental vehicle, gas, lodging and pay for the days she was away. Personnel chipped in with clothing, toys and money for buying, among other things, pharmaceuticals.

Eva's trip came to the attention of the local press and the headlines after her return recalled her experiences: "I am shaken," Rumanian children get help from Eva."

Long trip

Donations in Gävle amounted to 4,485 kronor, which Eva used for buying baby food and pharmaceuticals. With this and other gifts in her car, Eva embarked on the long trip south. It was Friday, March 2, and it would take four days of hard driving before she reached Rumania.

The trip through Rumania before she reached Bucharest was

*"As I went
around the
children's ward
in Bucharest
I was so sad
that I burst
into tears."*

an adventure. The roads were bad and it was difficult to find hotel accommodations for the night. The poverty of the country was all around. Gas for the car meant getting coupons which the police had to write out.

Filling up at one station in Diva went really bad: After a few minutes the motor stopped. As it

turned out, the tank was filled up with diesel instead of regular. A military vehicle helped tow it to a soft-drink plant, where the tank was drained before returning to a new gas station where this time there was the right fuel in the pumps.

Well met

Thursday, March 8, the supplies were finally delivered to the hospital. The reception was moving and heartfelt. The car was emptied in 10 minutes and afterwards the Swedes were invited to coffee and tea. Eva was given a white hyacinth as a token of appreciation and also to mark the occasion of International Women's Day on that date.

With the help from interpreters, Eva learned about the hospital from the nursing supervisor. The children there were foundlings who were taken care of by the social system. Some of them lost their parents as the

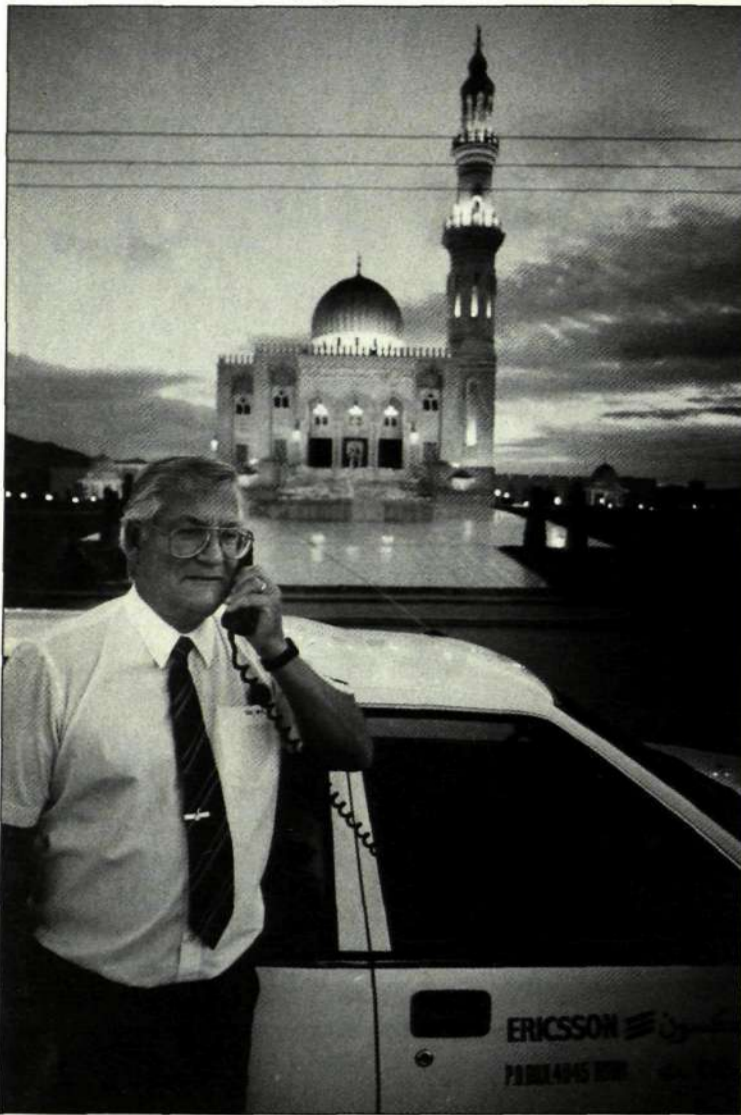
result of various illness. They were up for adoption. All the children sat up in their beds. They appeared somewhat underdeveloped. They are small for their age and some of them were totally apathetic.

"I went around the ward one more time," Eva recalls. "A doctor spoke about the children and I became so sad that I burst into tears. The doctor consoled me and spoke of his own feelings:

"We love children, but I have been weeping for twenty years."

Spent an hour

After an hour's visit at the hospital, Eva's mission was accomplished. The trip back to Sweden took four days. On the way home through Europe Eva met many mercy transports that were on their way to Rumania. Once back home, she also made contacts with many others who were planning to collect donations for the cause.



Rolf Ek is sales manager in Oman.



Facts about Oman

Statehood: Sultanate

Ruler: Sultan Qaboos bin Said

Capital: Muscat

Area: About 300,000 sq. km. (Cf. Sweden 450,000).

Population: About 1.5 million

Language: Arabic (business language, English)

Religion: Islam

Economy: Entirely dominated by oil. Current policy aims at reducing dependency on oil through investments, above all, in agriculture, fishing, tourism, as well as small and medium-sized industries. One-third of the national budget goes for defense.

Foreign policy: Policy of nonalignment. Traditionally close links with Britain. American bases in the country since 1980. Diplomatic relations with the Soviet Union since 1985.

Education: Not compulsory. However, today 80 percent of all children attend school. In 1970, there were three schools; in 1990, there are close to 600. Sultan Qaboos University was inaugurated in 1986 and the first group will graduate in 1991.

Roads and transportation: In 1970, there was only 10 kilometers of asphalt roads; today, there are more than 4,000 kilometers. In addition, there are 16,000 km. of gravel roads. Twenty years ago there were no cars; today, there are about 270,000.

A century's development in a few years

Text: Lena Sallin. Photo: Bela Unger

In the sultanate of Oman, at the eastern tip of the Arabian Gulf, Swedish knowhow accounts for half of the telecommunications market. Ericsson Telecom and Ericsson Network Engineering have jointly installed one of the world's most modern telephone systems in a country that only 20 years ago had just 200 telephone lines.

At present, Ericsson is working on installations for an order worth some 115 MSEK, involving AXE stations, transmission and networks, and as recently as a few weeks ago we received additional orders.

The rapid development of a modern Oman began one summer day in 1970. It was then that Sultan Qaboos bin Said took over the throne in a palace coup against his father, who had previously kept Oman closed to Westerners.

Oil main resource

In a country where education and health care did not exist, where the length of asphalted roads amounted to 10 kilometers and where the only means of transport was by camel, the need for infrastructure — and with that, telecommunications — was immense.

The new sultan chose to invest huge resources, above all with the help of oil petrodollars, which is the nation's main source of revenue. In 20 years, the country has moved from the Middle Ages to the era of computerized technology.

"What we are working on right now is a so-called turnkey project, which is a total project that in-

volves all stages from planning and projecting, supply and installation," says Sune Larsson, who is head of Ericsson Oman (a BN company) since July 1, 1989.

"We have to be ready with this project in November," he adds.

Ericsson has had operations in Oman since the mid-seventies. Then, we headed a huge ARF project, in which, among other things, we constructed towers for radio transmission plants and large coaxial cable systems. We received the largest contract between 1985 and 1988, when we worked on a major project for 26,000 lines of digital AXE, network and transmission for a complete telecommunications system.

We also installed a training station for training local administration personnel.

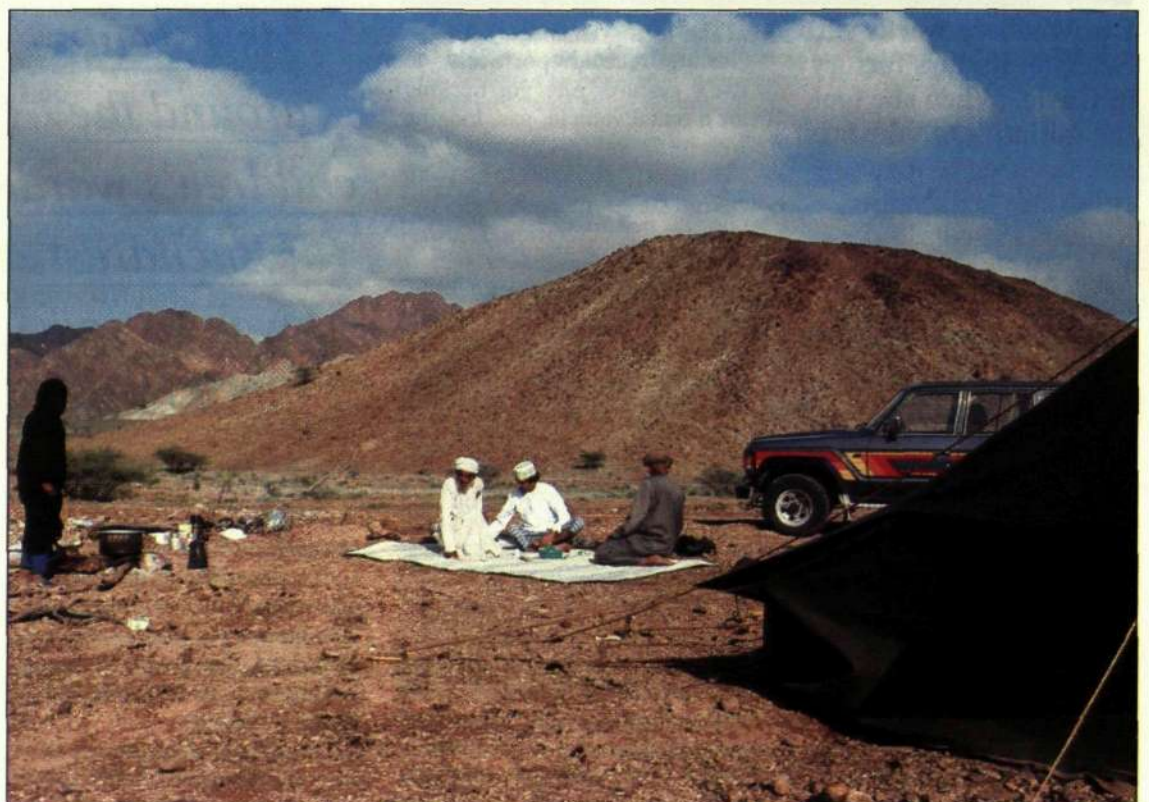
Herewith a few interesting figures concerning this giant project: A specially chartered jumbo jet flew 100 tons of material from Frankfurt to Oman's capital of Muscat. On board were 32 tons of

cable, 78 kilometers long, 16 tons of cable cabinets and distribution computers, 15 tons of cable warning material, 13 tons of cable manhole frames and covers, as well as 24 tons of network material. A total of 1,675 telephone poles were sent by boat from Söderhamn to Muscat. A further 300 tons of material went by boat, including 110 kilometers of cable, 240 tons of network material and digital AXE technology.

The order's total value was around half a billion kronor and was divided with about two-thirds for Ericsson Telecom and one-third for Ericsson Network Engineering. An add-on order was received later, amounting to 32 million.

Ready in 18 months

Six digital AXE stations would be installed in Sur, Ibri, Ibra, Sohar and Nizwa (two stations). In addition, more than 25 RSS





At the moment only 5 % of the population have phones. The waiting lines at telephone booths are often long.

(remote subscriber switches), transmission equipment for radio, PSM cable and network construction are included.

Everything should be ready in 18 months — the time frame was tight, especially since the terrain of the country is mostly desert and mountain, sometimes with extremely difficult situations for transport and network construction.

As for mobile telephony, a network has been projected for 4,500 subscribers that until now had about 2,000 connections.

"It is not so unusual that growth has not been more rapid," says Larsson. "Here, one does not sit in car queues like they do in industrial countries. In Muscat, where most of the business activity takes place, people are close to each other and to their home."

The need to call from a car is not pressing, at least not for the present. One can be at his business partner in a matter of ten minutes maximum.

Sune Larsson, head of Ericsson in Oman, believes in continued steady growth for telecommunications in the country.



Larsson believes in continued steady activities for Ericsson in Oman. Our share in the country's telecommunications is about 50 percent, and Siemens has just about all of the remaining half.

"But telecommunications no longer has the priority it had before," he says.

"The villages where today nothing is being installed are far from Muscat and sometimes there are no transportation networks to them. Since roads, education and health care are being given top priority, it will take some time before there are new installations."

"Until then, we plan to expand where we already are," says Larsson, who thinks the Omanis are good customers and the work ambiance remarkable.

"And the family is happy. That is more than a convincing attestation," he notes.

Move in action

In Al-Wasil, a transmission con-

nection point, installers Javid Akhdar and Muhammed Yusef are working on installation of a new RSS. The transmission equipment in Al-Wasil is being moved from a container to a brand new building, a complicated job that has to be carried out while the station is in operation.

Today, there are 30 subscribers in this area. The new equipment will provide for 226 new subscriptions and in two years it would reach a capacity for 512 lines.

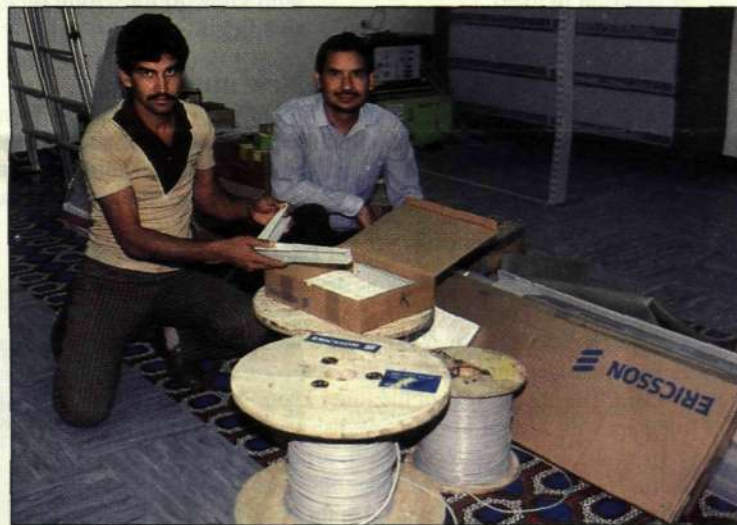
At present, only five percent of Oman's population have a phone.

"An ever increasing number of people are becoming aware of the significance and possibilities of telecommunications. As such, we can foresee that the plants already installed will need to be expanded.

"But to date, we have no plans to go into new sectors in Oman," Larsson concludes.



Installation work with operations in Al-Wasil.



Installers Muhammad Yousef and Javid Akhdar.

In the modern sections of Muscat are located the embassies and large business offices. Ericsson and a half dozen other Swedish companies are represented here.



Gudrun and Karin -

What accounts for the fact that women seldom make it into the ranks of top managers in technology companies? Is it discrimination that females do not get the chance, or is it that women do not see their careers the way men do?

Gudrun Hallbeck, head of Information System Service at Ericsson Telecom, shares her experiences after a year with Ruter Dam (Queen of Diamonds) with one of the 1990's candidates, Karin Nygård-Skalman, at Cable and Network production unit in Hudiksvall. They do not exactly have the same views of female leadership.

"The advantages with Ruter Dam are many, for there are differences in male and female leadership that it is important to focus upon," declares Gudrun Hallbeck, who has a little distance from her year.

There are higher demands on women than on men in the business world. Today, more women than men pursue some form of higher education. But while men can still come up through the ranks in a company, women in leading positions almost always have an academic degree.

"I feel we women are trying to assert ourselves more now," says Gudrun.

"Women very often are not so status-seeking in their jobs. They are not driven by career moves in the same way."

"What drives most women who become top managers, I believe, is the will to control, to take responsibility and produce results themselves, not a power position in itself."

"In that there is a difference between male and female leadership is all the more reason that women should not follow men. We should continue to be women and be good leaders in our own way," says Gudrun.

Background

The Ruter Dam organization aims at promoting development of women managers. Within Ruter Dam, some 30 companies participate each year, each of which chooses a Ruter Dam and a mentor. The mentor, an upper level manager, functions as a discussion partner and helps the Ruter Dam. During the year of the Ruter Dam, she also takes part in seminars with several leading Swedish business leaders. Company visits and other meetings are also arranged.

Gudrun Hallbeck's mentor during 1989 was Christer Nilsson, Linjeflyg. Karin Nygård-Skalman's mentor in 1990 is Hans Cavalli-Björkman, SE-Banken. Besides Karin, Ann Bäckman at Ericsson Telecom's S-division has also been named a Ruter Dam for 1990. Her mentor is Anders Lindström, former head of Bacho and Carnegie.

"We must continue to be women"

One problem is that it is very difficult for capable women to get the attention they deserve.

"It doesn't help just being capable," says Gudrun. Men promote themselves in a totally different way. They seldom say no to advancement, while women are often afraid they will not rise to the challenge.

Many female managers worry that they may not know as much as their fellow workers. To be self-confident does not mean that one knows it all but rather to dare to recognize that there are others in the department who know more within their respective fields.

New angle

During her Ruter Dam year, Gudrun had a chance to see things from a different angle. In meetings with the organization, many in-

teresting aspects about female and male leadership came out.

"It is shown, among other things, that a number of qualities that I saw as individual were also found among others and that they were typically female and not personal."

"It makes one look at problems in a totally different light," says Gudrun. "For this reason it was good that the organization directed its aims at women."

Choose with care

It is absolutely important to have support from the managers," she says. "I was lucky to meet with good managers. A rather common expression among women managers is: 'Choose your boss with care if you want to make a career.'"

"There is some pressure from the organization that companies should do more for Ruter Dam, but unfortunately they can take only one or, exceptionally, two a year in each company. In an entire corporation that amounts to rather few."

Gudrun would like to see Ericsson set up a program internally for women.



Gudrun Hallbeck, head of Information System Service and a former Ruter Dam.

Ericsson Worldwide

Ericsson loads poles for Mauritius

Swedish telephone poles will make their appearance in the near future in the paradise island of Mauritius in the Indian Ocean. Ericsson's large order for a telephone project on the island also means that 15,235 telephone poles were recently sent out from the Uddevalla harbor on the Swedish west coast. It was an Ericsson delivery of a more unusual type. The poles, of impregnated Swedish fir, was bought by Ericsson Network Engineering from the Swedish Televerket. It corresponds to more than half the normal annual needs for Televerket's Swedish line installations. Never before have so many proud Swedish firs left the country in one go.

Each pole was individually selected by



Uddevalla harbor was completely dominated by telephone poles the day when the record cargo was loaded.

William Penton, currently pensioned but still with Ericsson, who together with a representative for the Televerket traveled around to various areas and chose the poles.

Loading in Uddevalla was a performance that resounded through the entire harbor. Everywhere there were freight

cars loaded with telephone poles — 92 in all. The poles were loaded onto a West German ship, which is on its way south right now. The trip, through different ports in Africa, takes about five weeks.

(Ledaren)

High technology agreement

Ericsson and NYNEX have signed a detailed general purchase agreement that sets conditions for any further purchases of Ericsson's advanced technology equipment by NYNEX.

The agreement puts Ericsson in a position to participate as an established vendor in bids for telecommunications equipment.

Ericsson AXE switching equipment is already being used by NYNEX companies. New York Telephone is using an Ericsson AXE switch to provide Interactive Mass Announcement Service (IMAS) and other services and is installing an AXE in a central office in Queens. New England Telephone is presently installing an AXE switch in Watertown, a suburb of Boston.

NYNEX provides information products and services to diverse base of customers nationally and internationally from offices in 13 countries and across the United States. Through New England Telephone, NYNEX delivers quality telecommunications services in the Northeastern United States.

CT3 technology to NovAtel

Ericsson has signed an agreement with NovAtel, one of Canada's largest telecommunications companies, giving NovAtel manufacturing and distribution rights to Ericsson's recently introduced CT3 digital cordless telephone technology.

Queens of Diamonds



"I don't know much about Ruter Dam and I have no ideas what this year will bring," says Karin Nygård-Skalman after the first week of introduction with the organization. I am still a bit doubtful and I do not have any set expectations."

"During the first week of orientation we were asked to write down our goals for the year. I had to think a bit. What I hoped for was to meet other people in similar situations and compare my own qualifications with theirs. As for my mentor, Hans Cavalli-Björkman, director with SE-Banken, it will be interesting to see what he thinks. Yes, quite simply, I am curious and it was because of curiosity that I accepted. And hopefully, this will make me a better manager."

Just the opportunity to participate in a management development program reinforces self-confidence and gives encouragement.

Some different

"But naturally some are different," says Karin. "Come to think of it, I express myself more clearly with men than I do with women. What accounts for that I do not know," she notes, with a laugh.

"I also respect knowledge and I reason through to solutions. It is somewhat typically female to discuss to get an idea across."

Karin does not think that it is so important to make a career; rather, it does matter getting ideas across. I tackle one thing at a time and hang on



Karin Nygård-Skalman, head of Cable and Network production unit in Hudiksvall and a new Ruter Dam.

"I hope to be a better manager"

as long as I think it's fun. But naturally it's easier to win acceptance of ideas when one is a manager."

Karin often goes out to the workshop and talks with the men who work there. There has never been any problems.

"If they object to something I say it is not because I am a woman. To be able to roll up one's sleeves and jump into production has nothing to do with being a man or woman!"

Something that could pose a problem is contact with overseas, where women managers are more rare than in Sweden. But even there, Karin has not noticed anything untoward.

"I have had contact with customers and have participated in fairs. It was a little nervous, but everything went fine," she recalls.

"Two years ago I went to Mexico to meet with a customer together with our subsidiary there. They were going to buy air cable from us," Karin recounts.

"We flew with a small plane out to the site on the Gulf of Mexico. It was unbearably warm and the humidity was about 90 percent."

"To make a good presentation, I had spent weeks on getting overhead material but the subsidiary did not want to lend out the OH projector. They felt they would never get it back."

"I had to draw and explain as best I could for the ten men representing the customer."

"After the presentation, they wanted me, who knows nothing about power lines, to follow them up to where the lines were going to be strung."

"They asked me what I thought was the best method for getting up the air cables. Talk about confidence."

"It is a case of confronting the situation as it comes."

Text: Helena Lidén
Photo: Maria Petersson

Cable and Network nearer to the market

On April 2, 1990, a new organization of the network sector within Cable and Network (BN) will come into being. The new organization means that marketing responsibilities will be divided up among seven companies.

The Ericsson group strategic planning for the nineties, ESP-90 (Ericsson Strategic Planning), aims at achieving a better balance between the business areas' export and home markets. Another important goal is to work closer to customers and the markets. These thoughts are behind the reorganization of Business Area's Cable and Network network sector that is now being carried out.

Regional companies

The new organization means that the network sector is divided internationally into seven different companies:

ENS has marketing responsibilities for the Nordic region. President is Bertil Strid and the head office is in Stockholm.

ENI (Ericsson Siete International S.p.A.) is a marketing company which is owned jointly by ENS, Siete and Setemer. The company operates in Africa and is also responsible for transmission projects in the Middle East that are not tied in to the telecommunications authorities. President is Jan Sjöberg and the head office is in Rome.

ENK (Ericsson Telekomunikasyon A.S.) has Turkey, Irak, Iran and the Turkish-speaking area of the Soviet Union

as its area of operations. President is Johan Bruce and the head office is in Istanbul.

ENO (Ericsson Network Engineering Pte Ltd.) has its head office in Singapore. Its area of operations covers the Far East, India, Pakistan, Sri Lanka and Mauritius. It is headed by Kurt Bernhardtsson.

The company in Britain, ENE (Ericsson Engineering Ltd.), and in Spain, RIE, FOE and ITE (Redinco group) are responsible for their respective markets. The head of the London office is Kaj Nielsen and for RIE in Madrid is Gerhard Skladal.

The newly established network construction company TMN (Telemontaje Ericsson S.A. de C.V.) in Mexico has, in the first place, responsibility for the Mexican market. An eventual expansion into the rest of Latin America is a possibility. President is John E. Westerlund and the head office is in Mexico City.

New staff

For coordinating marketing among the different regions and private companies, a business area staff has been drawn up in Sundbyberg. The staff is responsible also for marketing and penetration of areas outside of those already ascribed to the different companies. That applies to, for example, East Europe, Greece and Portugal, business with Middle East telecommunications administrations as well as new establishment in countries such as Mexico, England and Spain. Head of this staff is Jan Eckerud, while Göran Andersson will be responsible for project financing questions within the staff.

All personnel in ENS have been offered jobs in the new reorganized EMS, in the marketing staff, ENI or within project operations.

Weapons for the nineties: Knowledge and competence

Some time ago, the first knowledge fair was held in Gothenburg. It was hailed as Knowledge and the Future. For four days, they gathered there — experts, information people, personnel officers, managers, educators, and many others to discuss the future from the perspective of knowledge. Parallel with the fair, Ericsson Radar Electronics organized a very well attended seminar series with, among others, the two noted lecturers Edward de Bono and Chris Parker.

Is it really necessary to organize an entire fair on knowledge and competence? Yes, of course, since 126 main exhibitors and 135 collective ones occupied the 2,700 square meters. Some 110 different conferences, apart from ERE's seminar series, attracted about 6,000 participants. In many ways, the visitors in the fair halls for the most part were the very exhibitors. The major successes were the conferences and seminar series.

Ericsson Radar Electronics seminar series were significantly more concrete than several of the others at the fair. It was also directed in part to a different group.

Karin Rappman and Catharina Johansson who organized the series had focused on the role of the manager and on changes in companies and why these were necessary.

Besides Chris Parker and Edward de Bono, there were other

lecturers, among them Bo Ekman, chairman of the board of SIFO and former vice president of Volvo; ERE's vice president Bengt Hallse, together with Lennart Rydén and Anders Berglie from Human Resources Development. Parker, from the management school IMEDE in Lausanne, was a resounding success at the seminars. In a pedagogical and convincing manner, he explained different change mechanisms in organizations and companies and why these were necessary for a company to survive.

With the aid of various technical means, like smoke machines and sound effects, he held participants' fullest attention.

"Change is the best development tool there is if it is used right way, and the worst if it is used badly," Parker emphasized.

Parker feels that changes in values and a shift toward more

Chris Parker: "Change is the best development tool."

global companies make other demands on managers and organizations than previously.

"Old terms like overordered — underordered disappear, career paths must be charted if the entire organization must go more horizontal, since people today want to go to their jobs and influence.

"How can we get managers to make themselves unneeded," Parker wondered.

"Yes, we have to restructure the organization."
But many organizations and companies do not change, although it is necessary.

"Success can breed self-satisfaction," says Parker. "People become fat and happy. When the group remains unchanged over more than two years, creativity sinks and new ideas no longer come easily.

Members of the group begin to take things for granted. They begin to like each other and avoid conflicts."

Parker also believes that an organization always has a downturn after a success. The problem is to see that it does not go too far.

Warnings

A long list of warning signals indicate when it is time for change in the organization.

"The problem is that they are very often small things that it seems so trifling to take them up," he says.

As an example, Parker cited Kodak where, as a measure of where they stood with customer relations, they looked at coffee consumption and how many newspapers were in circulation within the company. Kodak felt there was a direct connection.

A bulging staff can be a sign of downturn in an organization. So too are unwieldy administrative routines where no one dares to decide.

Parker feels dialogue in a company should go "Top down, bottom up," that is both from above and from below. Decisions should be fast and control minimal.

Moreover, it is important to strive for defined goals. With Parker's

phenomenal method of explaining, he made the process appear simple and obvious. But many companies have shown that it is not easy to achieve change.

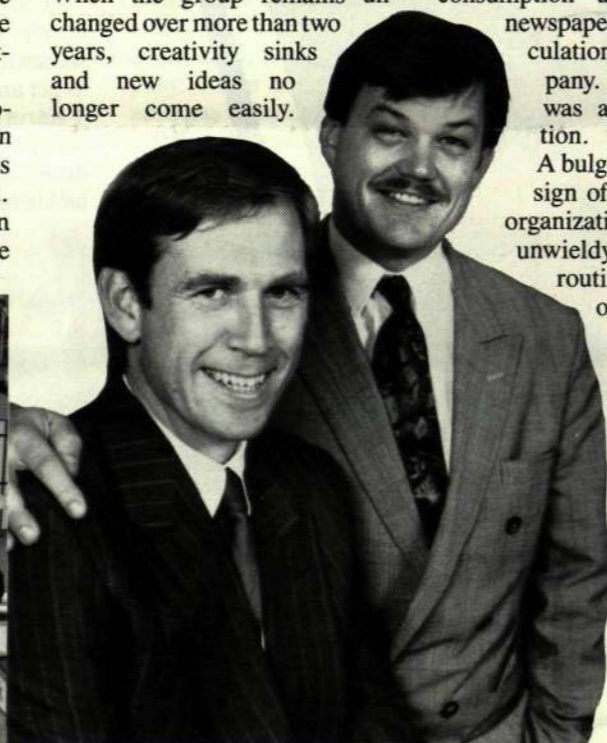
"Unfortunately, many companies think that changes begin as soon as the decision to change is made. They measure the result before everyone could adapt and move on with the next project," he says.

"This is the best argument for information from bottom up in an organization."

Text: Helena Lidén



The number of visitors coming out at the fair was not particularly large. To a great extent, the exhibitors themselves were circulating among the stands.



Anders Berglie, left, and Lennart Rydén from ERE also lectured at the seminars organized by ERE.

Edward de Bono: "Think creative!"

Edward de Bono maintains that creative thinking is a condition for success; that we must go beyond the ordinary thinking patterns and learn to find more unconventional methods of solving problems.

An example of this is one of the many anecdotes he recounted, during the two days he lectured: A man regularly deposited \$1,000 in a bank. Once, when he

arrived as usual to make his deposit, there was not only the bank director but also an agent from the FBI.

They wondered how the man could have such regular income if he had no job. They suspected that he was trafficking in drugs.

Placing a bet

"I gamble," the man explained. "I bet with people."

"But how can that give you such a regular income?" the bank director wondered.

"I only bet on sure things," the man replied.

*...or bank
directors
who are led
by the nose*

The bank director laughed and thought that it was not possible. Who could know what is a "sure" thing.

"I bet you 1,000 dollars," the man said, "that the next time I come here you would have a wooden nose."

Could not lose

Now it's going to be real fun, the bank director thought.

"Of course," he answered. He could not lose on this one. He would win \$1,000 quite simply.

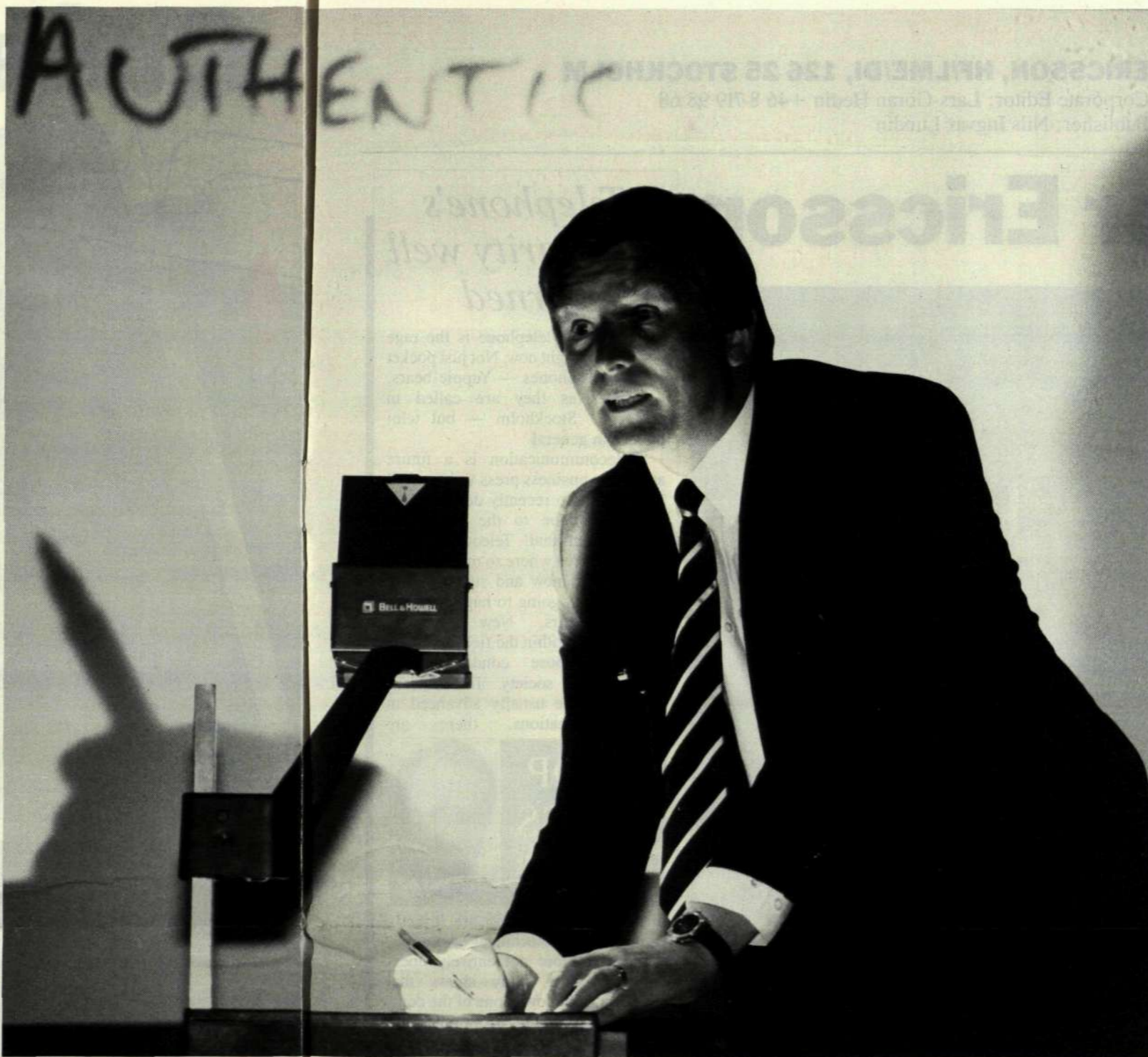
After two weeks, when the man came back, he had a friend with him. The bank director sat back contentedly in his chair and laughed.

"There you see. My nose is not

made of wood, and you have lost \$1,000," he said.

"Well, I am like that. I like to see for myself," the man said, and he approached the director, grabbed his nose and gave it a hard twist. His friend fainted away. The bank director wondered what happened to the man's friend.

"Well, as it happens, I bet him \$2,000 that I could come in here and twist the bank director's nose," he explained.



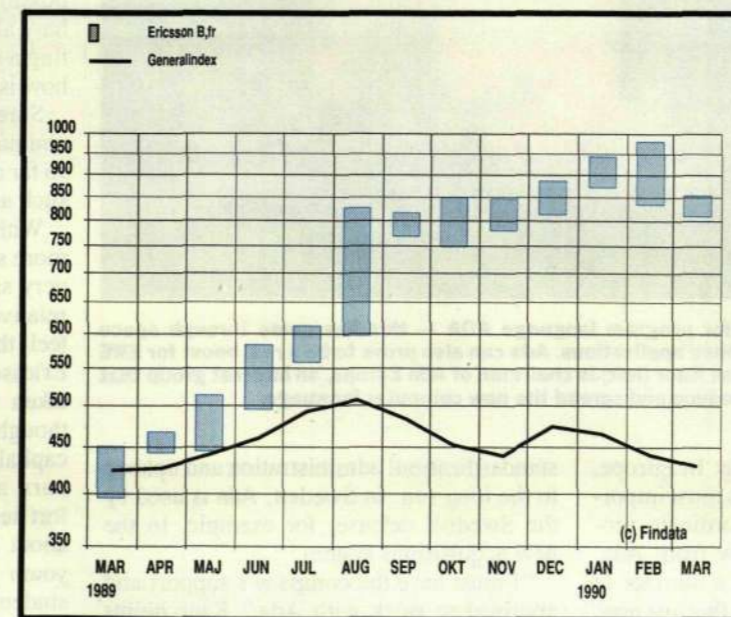
"A good leader should make himself unneeded," was Chris Parker's message.

SHARE TRADING

The market showed an increased interest for Ericsson shares at the beginning of April and prices rose some tens as a result of new major orders. Otherwise, share trading in March was as slow as the bourse in general. The Affärsvärlden's general index fell 5.7 percent in March and Ericsson B shares followed in just about the same pattern. So far this year the B shares had slipped 6 percent at the turn of the month. The downturn did not indicate any long-term loss of faith in Ericsson shares. Most of the analysts who follow the company foresee good profits throughout the year. The most common recommendations are "buy" or "keep." On the other hand, there is a lot of skepticism about the Swedish economy and, along with that, the bourse's future.

Ericsson funds:

During the first quarter, 685 persons registered for saving in the General mutual fund. The total input in the fund rose to 3.1 Mkr., of which transfers from other saving funds amounted to 1.8 Mkr.



ERICSSON'S SHARES

	Mutual Fund		Share Savings Fund	
	Share Price (SEK)	Assets (MSEK)	Share Price (SEK)	Assets (MSEK)
31 Dec. 1988	135	52,2	343	56,0
31 Dec. 1989	304	94,1	825	77,1
28 Feb. 1990	300	90,6	81	71,6
30 March 1990	280	83,6	77	66,6

Collective withdrawals from the Mutual and the Savings fund during the same period was 6.4 Mkr. and 5.6 Mkr respectively.

OUTLOOK

BY MATS HALLVARSSON

Sweden is the world's least expensive telephone country. This conclusion was arrived at by the OECD in the first comparative study of its kind ever made. The OECD compared prices, offers and services in its 25 member countries — and the Swedish Televerket came out the winner.

The OECD, the Organization for Economic Cooperation and Development, is a cooperative organization for the world's Western industrialized countries and as such is a synonym for "the rich and powerful nations" in the world.

Among other things, the organization conducts studies to compare the economies of its member states. This serves as a base for decision-makers and politicians in determining economic reforms. The telecommunications study was the first of its kind and it took 18 months to accomplish. The need was widely felt for a comparison between tele standards, costs, prices and services within telecommunications, a future branch that is becoming ever more significant in the economy of the future.

An important principal conclusion is that there is obviously no positive relation between a huge tele network and effective and cheap service. "The long series law" does not really apply within the tele service sector. It is the small, developed countries that offer the best service for the lowest costs. Holland and the Nordic countries just about tied as the most effective and cheapest countries.

Look at the accompanying table: For business users, tele costs in Sweden are only 60 percent of the OECD average and half or even less if one compares them with the larger countries like France, Italy, Japan and Spain. To a large extent, the same applies to the ordinary "Household calls." Another conclusion is that the world's telecommunications markets are going to do very well because of the present rapidly increasing competition in service sectors.

When it comes to average costs for lease lines (common among large companies), they are twice as high in Switzerland as they are in Sweden. The Netherlands is the cheapest for calls within the

country, closely followed by Sweden. In the Japanese super economy it is more than twice as costly to call.

Countries also use very different pricing methods. Often, a subscriber pays a fee for fixed equipment and then the price of calls. In the Netherlands, the call prices are very cheap, only 29 percent of the OECD average, while in Canada they are 64 percent above the average.

The report also notes that the average cost for a telephone call in the 25 member countries is 38 American cents, that is about 2.30 kronor. This can be compared with the average cost for a mobile phone call of 10.5 kronor. The cheapest mobile calls are in Scandinavia; the most expensive are in Italy.

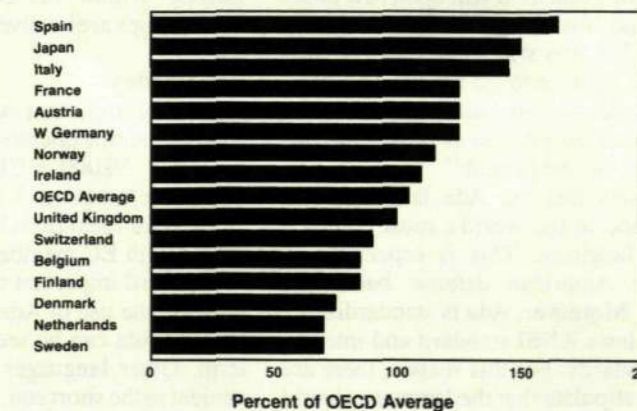
The report also points out that markets will turn around rapidly, thanks to deregulation and increased competition. A proposal from this, which is being hotly debated, is that tele administrations begin to take out prices that really cover the costs of calls.

Until now, it has often been the case that long-distance calls have been "too" expensive and subsidized local calls. But since a few years ago, costs for long-distance calls have decreased and they have increased for local calls. In England, they have come very far in "cost-based pricing." Since 1980, prices for long-distance calls have fallen by 60 percent, while local calls have been 40 percent more expensive.

The OECD is now recommending its member states to oversee the organization of its tele administrations. This aims at breaking up the monopolies, increasing competition and getting fewer units that are essentially regional or oriented toward particular service markets.

(Matts Hallvarsson is a freelance contributor.)

Telecoms Costs Compared Business Service Charges



ERICSSON

A PR boost for Ericsson

Just over a year ago, the new Ada-Europe organization was founded. Ada-Europe is an interesting group whose goal is to introduce the program language Ada and facilitate its spread.

Thomas Kaer of ERE in Mölnådal was chosen as chairman and president, an event that means good PR for ERE.

ERE man chairman of European data group

Ada is a new program language for large computers, which are believed to be a significant part of the future. Toomas Kaer has been involved with Ada since 1982. He has been on the board of the Swedish Ada group and has been a representative in the work of ISO standardization of program language.

"I have had many contacts this year," says Kaer. "I have been involved in many issues. As such, this puts me in good stead as chairman. Moreover, I have solid support from my company. Within the framework of our data products development program (DPF), I have the means to work with this. It is indeed good PR for ERE that we are involved with Ada.

"The contacts that I established through Ada Europe are of immense value in my job when marketing the D80A, successor to the JAS computer and the world's only Ada computer for in-flight applications.

ERE far ahead

"We have had good response for the D80A. It has been selected as a candidate for the EFA radar. Right now, the computers are in use at the Houston Space Center.

In May we will get an assessment of what they think of it. According to people at NASA, we are three years ahead of all the others. I am quite sure that the evaluation will open new doors for us and that we will be doing big business. But it is still some time off. It is frustrating to have to go around and wait. The opportunities are all around but the decision-making process is long. One just has to wait and be patient."

Kaer feels that the Ada language will become one of the world's most common program language. This is especially so since the American defense backs the language. Moreover, Ada is standardized.

Ada follows ANSI standard and international standards. For this reason, there are rules that stipulate that the language should be reviewed within ten years. Review, which is handled in the United States, is



The huge boost for program language ADA — this has come through space research and defense applications. Ada can also prove to be a real boost for ERE in Mölnådal. Toomas Kaer (left) is chairman of Ada Europe, an interest group that is working to introduce and spread the new computer language.



already under way. In Europe, it is one of Kaer's most important tasks to coordinate proposals for review from Ada

Europe. Within Ada Europe, a number of work groups are involved with this just now.

EC money

Another important task for Kaer is to get sponsors for the operations. The EC has just promised 50,000 ECUs (about 350,000 SEK), but just as much again is needed. The EC pays for operations that are directly connected with EC member states.

The third important task is, of course, to increase the use of Ada. The major advantages of Ada can be seen if one plans long term. Other languages may be more convenient in the short run, but the system must be kept for a very long time. That sends up costs. Ada, on the other hand, includes

standardization, administration and upkeep in the long run. In Sweden, Ada is used by the Swedish defense, for example, in the new acquisitions system.

"I must have the company's support and approval to work with Ada," Kaer points out. "I think the job is very interesting, but it also demands a lot from me. As it is now, I do most of the Ada work at home on evenings and weekends.

"On the other hand, the potential on the marketing side when it comes to the D80A is enormous. The response I get in the world out there is indescribable. If anything of this project is adapted, it will change a lot here at ERE. But that is mainly thanks to Ada activities that I made these contacts."

Kaer hopes to avoid finding himself in a position of choice: Ada or ERE.

**Text Maud Umaerus
Photos: Pressens Bild**

Telephone's popularity well earned

The telephone is the rage right now. Not just pocket phones — Yuppie bears, as they are called in Stockholm — but telephones in general.

"Telecommunication is a future area," the business press writes. And Swedish radio recently dedicated an entire forenoon to the telephone. Think about that! Telecommunications is an area where so much is happening right now and surely where even more is going to happen in the coming years. New technical possibilities within the field fascinate and presuppose conditions for transforming society. In Sweden, where we are usually advanced in telecommunications, there are

**STOP
PRESS
BY LARS
GÖRAN HEDIN**



masses of people who are directly caught up in the technical revolution.

It is therefore not entirely unexpected that a study shows that Ericsson right now is one of the companies where young economists and technicians would prefer to work. Economists have surely listened to stock market analysts' positive outlook on the company's future possibilities. Technicians naturally have always had a keen interest in getting a job where technological know-how is at its highest.

Surely, there is no other Swedish company of Ericsson's caliber that is so far ahead in the field of technology such as is ours?

With this background, it is even more surprising that according to the very same study it was revealed that relatively many technicians do not feel that they know enough about Ericsson. This revelation should be taken in all seriousness! With thoughts of how much the human capital is worth in an activity like ours, as far as I can see, a rallying effort has to be made to spread the word about Ericsson among the country's youth in general and technology students in particular!

I think there is an unusually good reason to expand upon for those who wish to improve a youngster's knowledge about the company — that among most people there is a positive attitude toward the telephone, in which Ericsson has certainly played a part. Think of your own self — what has the telephone meant to your life? For many, at some point it may have been a guardian angel in an emergency situation. For others, it was through the phone that a life-changing message was relayed.