Rebuilding trust
Svanberg explains how he guided BP to recovery — HOW TO LEAD, PAGE 20

City cyclist
Why I cross the line riding on London's roads — PILITA CLARK, PAGE 12

Trade wars
How US holds Trump card in tariff battle — WOLFGANG MUNCHAU, PAGE 9

Competition fears over UK grocery tie-up
Britain's competition watchdog is expected to investigate merger plans by J Sainsbury and Asda that would see the UK supermarket rivals Jingdong retail leader Tesco with more than 31 per cent of the grocery market.
Details of the £10bn tie-up between one of Britain's oldest food retailers and the Walmart-owned grocer are set to be unveiled today. Lawyers, politicians and suppliers lined up to call on the Competition and Markets Authority to launch a probe into the all-share deal that would see the US-Walmart become the merged group's biggest shareholder.

Super market
Sainsbury's and Asda combined 31.4% (Sainsbury's 15.8%) (Asda 15.6%)
Tesco 27.6%
How to lead

Rebuilding trust in BP

Carl-Henric Svanberg

How the oil company chairman guided the group to recovery after the Deepwater Horizon disaster. By Andrew Ward

Carl-Henric Svanberg's long-term prospects as BP chairman did not look promising in June 2009, when he emerged from an emergency meeting at the White House about the sinking Deepwater Horizon oil spill in the Gulf of Mexico. Scared by a scrum of reporters outside the West Wing, Dr Svanberg tried to express empathy with shrimpers and fishermen facing ruin from the black tide washing ashore from Florida to Texas. Instead, an unintentionally condescending declaration that BP cared "about the small people" only deepened perceptions of an out-of-touch British company struggling to cope with the worst oil disaster in history.

"I was supposed to take a couple of questions but ended up taking six and it was the last one which got me," Mr Svanberg, 65, recalled, still bristling eight years later about the perils of going off-script in a second language.

BP's initial handling of Deepwater Horizon was a case study in how not to manage a corporate crisis. As Mr Svanberg prepares to step down as chairman later this year, he will be replaced by Helge Lund, a fellow Swede. Mr Svanberg's survival, and the company's recovery, have become a source of lessons on resilience and redemption in the business world.

"We have been able to bring back BP to the size and strength it was before the accident," he says. It has been a tumultuous process that involved the sale of more than $60bn of assets to cover disaster liabilities, followed by a rebuilding process that has only recently begun to restore a sense of normality to the company.

"The small people" headlines, Mr Svanberg's meeting with Barack Obama was a turning point, "We sat in the Oval Office and I said to him: 'Our boat is keeling over right now. We're not taking on water but we're not far away. If you and the administration can be supportive going forward, that would help us do the right thing.'" Mr Obama, who had until then used BP as a political punching bag, responded with a statement that it was in America's interest for the company to remain "strong and viable" so it could complete the clean-up and pay compensation. Investors and creditors took this as a

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Carl-Henric Svanberg: "We have been able to bring back BP to the size and strength it was before the accident." (Photograph: Hassla Memo)

price and credit rating plunged. Despite the "small people" headlines, Mr Svanberg had met Barack Obama was a turning point. "Our boat is keeling over right now. We're not taking on water but we're not far away. If you and the administration can be supportive going forward, that would help us do the right thing," Mr Obama, who had until then used BP as a political punching bag, responded with a statement that it was in America's interest for the company to remain "strong and viable" so it could complete the clean-up and pay compensation. Investors and creditors took this as a

local businesses to file claims for lost profits. BP's bill for compensation, penalties and clean-up has topped $60bn and is still rising as the last civil claims go through the system. "Would the Americans (Ericsson, the Swedish telecoms equipment manufacturer) have got cheaper? Probably," says Mr Svanberg, speaking in BP's headquar ters overlooking St James's Square in London. "There are things there, that knowing what we know now, we could have done differently? Probably. But you do the best you can at the time."

"Ratting with US lawyers and politicians was not the job Mr Svanberg enjoyed when he joined BP in 2009 from Ericsson, the Swedish telecoms equipment manufacturer. His main attribute appeared to be experience in India and China, from where the strongest growth in energy demand was coming. His Scandinavian roots were another attraction when the Nordic model of responsible capitalism was the height of fashion after the global financial crisis. Yet Mr Svanberg's brand of leadership was hardly soft. He made his name as chief executive of Aaxa AB by buying and integrating dozens of small family businesses, many of them badly run, into the world's largest lock manufacturer."

of jobs. How was such a brutal restructuring possible in a country with a strong consensus culture and labour representation on company boards? He says it is easier to enlist union support for tough measures when they are part of the decision-making process rather than outsiders engaged in adversarial negotiations.

Mr Svanberg, who also chairs Volvo Cars, the Swedish truckmaker, was born in Porvoo, a village in the Arctic Circle. He moved house 10 times before he was 10 as his accountant father was transferred between hydroelectric projects by the state utility he worked for. He had to adapt to new schools and communities, an experience that prepared him for his peripatetic business career.

"I still have a little bit of that months touch," he says. "I know one can and start asking things. Get a little thrill." A keen sailor with a year-round tan, Mr Svanberg says he thrives on the teamwork of business in the same way he enjoys skippering a boat. He prefers a "creative" rather than "order." "I have to say to someone, 'I hear what you say, but if I'm deciding this is what we're going to do, that feels like a poor way of going forward.'"

After the Deepwater Horizon disaster, he called every BP board member every day for 100 days to keep them informed and solicit views. From this process came the decision to root out "Tony Hayward, the chief executive who caused offence by telling reporters he wanted his "life back" from the demands of dis aster response, even as families grieved for the 11 men who were killed in the rig explosion. He was replaced by Bob Dudley, the American who leads BP today. Did Mr Hayward accept the need for change? "I think he intellectually understood it," says Mr Svanberg. "I think emotionally he didn't."

There have been other moments of tension, such as a shareholder rebellion in 2016 over the 20 per cent pay rise for Mr Dudley despite BP suffering its worst annual loss. "We could have read that situation better," admits Mr Svanberg. Yet, for all the turbulence, the sailor will leave BP with his reputation.